PROJECT DOCUMENT
KENYA

Project Title: Development Effectiveness Cooperation and Economic Recovery (DECER) Support Programme in Kenya

Project Number: 00126428

Implementing Partner: National Treasury and Planning

Start Date: 1st October 2021 **End Date:** 30th June 2023 **PAC Meeting date:** 4th March 2021

Brief Description
The primary purpose of this programme is to strengthen capacities of key institutions of Government and stakeholders in the implementation of the Global Partnership for Effective Development Cooperation (GPEDC) principles and commitments for improved sourcing and management of both domestic and external resources towards the 2030 Agenda for sustainable development. The programme will strengthen capacities in the areas of alignment of development cooperation to national priorities; harmonization and standardization of procedures for the reduction of transaction costs; increasing access to alternative development finances; managing for development results; promoting South-South and Triangular Cooperation; building formal national platforms for Non State Actors to better work with Government in implementation, monitoring and reporting on the SDGs; support the various national and sub-national dialogue meetings; and support to strategic engagement in the High Level Political Forum (HLPF) and GPEDC discourse. This programme is intricately linked to the Kenya Vision 2030, which is implemented through the national medium term and county integrated development plans, and the national 2020-2022 COVID-19 Economic Recovery Strategy - with the broader Kenya aspiration of **improved prosperity by maintaining a sustained economic growth of 10 per cent per year**. It is aligned to the UNDP result area on inclusive growth and structural transformation, under the 2018-2022 Country Programme Document (CPD) and UN Development Assistance Framework (UNDAF) Sustainable Economic Growth Pillar, specifically, Outcome #3.1: **By 2022, productivity in services sectors, agriculture, manufacturing, extractives, “blue” economy and their value chains increased.** Premised on the realisation that Kenya is currently a lower middle-income country, there is clear possibility in reduction of official development assistance flows as the country graduates to upper middle-income status. Hence development financing requires a mechanism on government cost-sharing financing model that offers agility and skills in transparent and accountable expenditure including engagement of the private sector and other key stakeholders**.** Being a pilot country committed to the Integrated National Financing Framework (INFF) under the leadership of National Treasury and Planning, the programme will: Leverage and build upon the initial steps in undertaking a Development Finance Assessment and past engagement to mainstreaming of the Sustainable Development Goals (SDGs) in the Third Medium Term Plan (MTP III) and County Integrated Development Plans (CIDPs); Support to the Voluntary National Review and Voluntary Local Reviews; Technical advisory services to the Directorate of Public Private Partnership; Support towards realization of the Climate Finance Policy 2018; and the Green Fiscal Incentives Strategy 2020. Guided by the development effectiveness principles, the project will focus on four key areas of support including: i) Enhanced institutional capacities of National Treasury and Planning for implementation of development effectiveness principles in line with Public Financial Management requirements of coordination, alignment and reporting; ii) Risk-informed planning, financing, reporting and coordination mechanisms for sustainable development and recovery with the SDGs as the compass; iii) Strengthen national data systems to increase the SDGs indicators in tracking and reporting progress in addition to leveraging the data revolution for improved evidence-based climate smart and gender sensitive planning, policy making and M&E systems; iv) Promoting knowledge sharing and south south and triangular cooperation (SSTrC) in monitoring and reporting on development priorities and the SDGs.

Contributing Outcome (UNDAF/CPD): UNDAF/CPD Outcome 3: By 2022, productivity in services sectors, agriculture, manufacturing, extractives, “blue” economy and their value chains increased **Indicative Output(s) with gender marker[2]:** i. Enhanced institutional capacities of National Treasury and Planning for implementation of development effectiveness principles (GEN1) ii. Risk-informed planning, financing, reporting and coordination mechanisms for sustainable development and recovery (GEN2) iii. Strengthen national data systems to increase SDGs indicators in tracking and reporting and leveraging the data revolution for improved evidence-based climate smart and gender-sensitive planning, policy making and M&E systems (GEN2) iv.Promoting knowledge sharing and south south and triangular	**Total resources required: (in USD)**		**USD 4,551,720.00**
	Total resources allocated: 9In USD)		
		UNDP TRAC:	600,000.00
		Other UNDP/UN:	60,000.00
		Donor:	
		Government-Counterpart 10%:	455, 172.00
		Government Strategic Intervention	2,000,000
		In-Kind:	
	Unfunded:		USD 1,436,548.00

Government	UNDP
Name: Hon. (Amb.) Ukur K. Yatani, EGH Cabinet Secretary The National Treasury and Planning Signature:	Name: Mr. Walid Badawi Resident Representative UNDP Kenya Signature:
Date:	Date: 04-Oct-2021

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Government	UNDP
Name: Hon. (Amb.) Ukur K. Yatani, EGH Cabinet Secretary The National Treasury and Planning	Name: Mr. Walid Badawi Resident Representative UNDP Kenya
Signature:	Signature:
Date: 26/10/2021	Date: 04-Oct-2021

I. DEVELOPMENT CHALLENGE

Kenya has made a commitment to implement the Sustainable Development Goals (SDGs) and has the largest economy in the region with economic growth that has been steady in the past decade, attracting numerous foreign investors and resulting in a growing and vibrant middle class. It has integrated the SDGs indicators into national and subnational planning, including the third five-year national Medium-Term Plan (MTP III) and the County Integrated Development Plans (CIDPs) for 2018-2022, and has institutionalized roles and responsibilities for the implementation of these SDG-aligned development plans. In addition, it has prepared and presented two Voluntary National Reviews (VNRs) to the United Nations High-level Political Forum (HLPF) on Sustainable Development in 2017 and 2020 respectively, reporting on progress made in the creation of an enabling environment for the SDGs implementation, and progress on all the 17 Goals, as well as identifying challenges and sharing the best practices in the country with the international community. Kenya also has a robust rubric of policies, regulations, and structures for mainstreaming climate change considerations in the development planning, budgeting, and finance at the national and county levels.

However, financing the implementation of policies and programmes to achieve the SDGs has been challenging in Kenya. The key challenge is lack of an integrated approach to financing the SDGs, given the huge public finance gap for SDGs achievement in the Decade of Action. This has resulted in insufficient synergies and trade-offs between SDG-oriented policy areas (e.g., industrialization, environment, employment), impacting adversely on a holistic and integrated approach in mobilizing collective resources including through private finance, public/private partnerships and civil society engagement towards the SDGs. Mobilizing public and private financial resources required to achieve the SDGs faces significant challenges, ranging from designing and implementing financing policies, through managing complex financing instruments, to effective coordination of diverse stakeholders – including the critical role of civil society organizations to work towards the common goal. Challenges in public finance still exist, despite significant strides in strengthening public financial management systems, including through tax reforms. The high public debt level of 65.6 percent of GDP in December 2020 means a significant share of revenue is and will be spent on debt service payments. Meanwhile, private sector is yet to fully exploit SDG-oriented investment opportunities due to a combination of factors, including a rigid business environment, lack of coherent investment policies, and lack of institutional back-up and coordination, among others. However, increasing climate finance flows, supported through public/private innovative finance schemes, such as the ambitious World Bank funded Financing Locally-Led Climate Action programme, and the expected proceeds from the acclaimed Green Bonds floated by the Government at the London Stock Exchange in 2020 offers a ray of hope. With Kenya's submission of an ambitious Nationally Determined Contributions (NDC) Update to the United Nations Framework Convention on Climate Change (UNFCCC) that requires around USD 62 Billion to meet the 32 percent emission reduction and climate adaptation target, more efforts on streamlining finance flows are critical to unlock sustainable development.

Kenya's economy has been hurt by the COVID–19 pandemic. Kenya's Gross Domestic Product (GDP) grew by 0.6 percent in 2020 and is expected to rebound to above 6 percent in 2021[1]. The economy has been exposed through the dampening effects on domestic activity of the containment measures and behavioural responses severely affecting incomes and jobs, and through trade and travel disruption (affecting key foreign currency earners such as tourism and cut flowers). The second quarter 2020 report released by the Kenya National Bureau of Statistics (KNBS), also reaffirmed the negative impact of the pandemic and growth contracted to negative 5.7 percent. Economic performance in the third quarter of 2020 remained depressed but relatively

[1] https://www.treasury.go.ke/wp-content/uploads/2021/03/2021-Budget-Policy-Statement.pdf

better compared to the second quarter of 2020. Real GDP is estimated to have contracted by 1.1 per cent in the quarter compared to a growth of 5.8 per cent in the corresponding quarter of 2019.[2] The economy was significantly affected by the pandemic in the second quarter of 2020 which was manifested by the collapse in tourism, services, transport, communications, public administration, financial services, real estate, the closure of schools and pressure on household income stemming from job losses and wage cuts.

The socio-economic consequences of the pandemic are likely to have a far greater impact on the long-term health, well-being and poverty levels of the population than the predicted fatalities caused directly by the disease. With the COVID-19 pandemic inflicting a heavy damage on otherwise healthy firms through four channels: falling demand and revenues, reduced input supply, tightening of credit conditions, and increased uncertainty and with the damage aggravated by a large informal sector, high poverty rate and unemployed youth population; the World Bank (2021) estimates the growth to rebound to 6.9 percent in 2021

The pandemic has exacerbated food insecurity and increased poverty by 4 percent (or an additional 2 million poor according to the World Bank latest Kenya Economic Update) through serious impacts on livelihoods, by sharp decreases in incomes and employment. World Bank data shows that in 2019, Kenya had a labour-force participation rate of 75 percent, this rate fell to 56.8 percent in April 2020. According to the KNBS survey, the percentage of the population in active employment, whether informal or formal, has fallen to 65.3 percent of men and 48.8 percent of women.

Public debt surged to 65.8 percent[3] of GDP in 2020 from 61 percent in 2019, driven mainly by public investment in infrastructure and widening budget deficit due to non-performing domestic revenues and the COVID–19 crisis. Addressing the emerging fiscal and debt vulnerability risks would require growth friendly reforms, soliciting external financial assistance, concessional credit, and debt refinancing and restructuring. The growth–friendly reforms could entail revenue-related steps to improve tax compliance, widening the tax net by reviewing the list of tax-exempt and zero-rated items, reviewing financing or partnership agreements that provide for tax exemptions, formalizing the informal sector, ensuring that public expenditures reach their intended targets, and deepening the domestic financial market to support private and public sector credit growth.

Furthermore, achieving the SDGs in times of COVID-19 and with the deeply uncertain but frequently cyclical climate change challenges will require, now more than ever, scaling up *effective* co-operation and partnerships across public, private, national and international stakeholders. The COVID-19 crisis is impacting economic systems and financing for development, including some of the effectiveness challenges noted in the Global Partnership's 2019 Progress Report on Making Development Co-operation More Effective. These effectiveness challenges pertain to, for example, development partners' declining alignment to partner country priorities and country-owned results frameworks; a deteriorating enabling environment for civil society organisations; the changing role of private sector actors in development; and mixed progress in making development co-operation more transparent. Mutual accountability mechanisms, while they remain strong in some countries, have not adequately adapted to reflect the whole-of-society efforts needed to deliver the SDGs.

How can these challenges be concretely addressed? The programme will seek to spark policy review, and behavioural change towards better partnerships for development, drawing upon the evidence and data from the Global Partnership's monitoring of effective development co-operation and the four effectiveness principles – country ownership, inclusive partnerships, focus on results,

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[2] file:///C:/Users/user/Downloads/QGDP-2020Q3-04-01-2020.pdf

[3] https://www.treasury.go.ke/wp-content/uploads/2021/07/April-2021-Monthly-Bulletin.pdf

and transparency and mutual accountability. It will strengthen policy integration, policy coherence for sustainable development and help government and its partners leverage the full potential of development co-operation and partnerships to build back better and beyond, towards meeting the 2030 Agenda for Sustainable Development.

The Government of Kenya (GoK) has been deeply committed to the development effectiveness agendas, including the Paris and Accra Agenda and most recently the Global Partnership for Effective Development Cooperation (GPEDC) and its principles. The Government is trying to establish measures to ensure a higher absorption percentage of Official Development Assistance (ODA) from an average of 62 percent during the Financial Years 2014/2015 to 2016/2017 to over 95 percent for the realization of its development results. It aims to reach this through a more vigorous implementation of Development Effectiveness and Partnership Principles. Under the leadership of the National Treasury and in collaboration with development partners, there are several on-going initiatives and programmes under the auspices of the Public Finance Management Reforms (PFMR) including the development of a PFMR strategy. Additionally, a Public Finance Management (PFM) Development Partners Group is currently co-chaired by the National Treasury and UNICEF supported by the United Kingdom - Foreign Commonwealth and Development Office (FCDO).

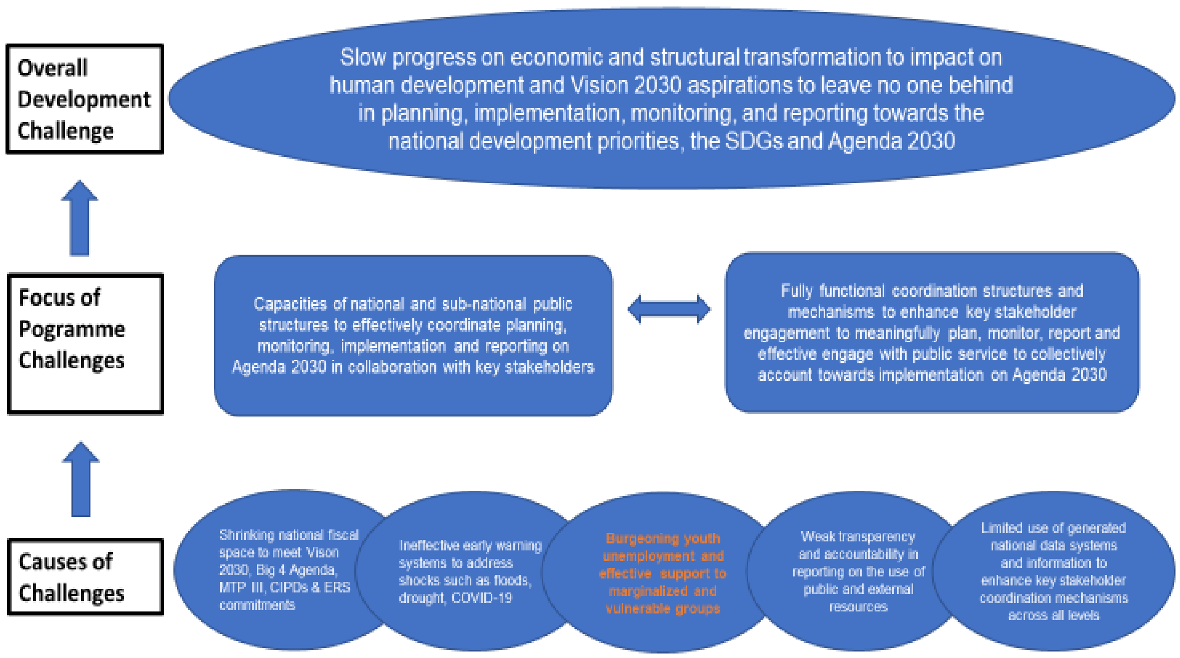
Kenya is a signatory to the GPEDC and is committed to implementing the commitments made in the high-level meetings of the GPEDC. The four shared Effective Development Cooperation (EDC) Principles are: *Ownership of development priorities by the Government of Kenya*; *Focus on results; Transparency and Accountability to each other and Inclusive Development Partnerships*. Kenya has been a champion of effective development co-operation principles and signed up to the Paris Declaration on Aid Effectiveness (2005), Accra Agenda for Action (2008), Busan Partnership for Effective Development Co-operation (2011), Mexico Communique 2014 and the Nairobi Outcome Document (2016). In 2015, Kenya was approached and accepted to host the Second-High Level Meeting (HLM2) of the GPEDC from 28th November to 1st December 2016 at the Kenyatta International Convention Centre (KICC), Nairobi.

Key achievements of the DEG include: i) Dialogue between the Government and Development Partners (DPs): The dialogue between the Government and DPs has gained substantial momentum through participation in various coordination groups. Constant dialogue has been sustained and discussions have the objective of ensuring that the EDC principles and commitments are realized. ii) Alignment: 97 percent of DPs support is aligned to the Kenya Vision 2030 and the Government Medium Terms Plans. DPs Country Assistance Strategies are also aligned to the GoK's planning cycle. iii) Harmonization: There is improved harmonization of most programmes especially the UN System through the UNDAF under the Delivering as One and the EU through the EU joint programming and more programme-based approaches. iv) Focus on Results: Most DPs support is focused on realizing the results as outlined in the Kenya Vision 2030 and the Medium-Term Plans.

Despite the progress that Kenya has made in line with the EDC principles, **challenges** still remain including: low absorptive capacity of ODA by Government Ministries, Departments and Agencies; division of labour and clear processes for engagement; lack of harmonization of the Government sector working groups; strong and inclusive development partnerships; low mutual trust, weak accountability and transparency systems; lack of commitment in the use of country systems by development partners especially in procurement and budgeting; and weak capacity in timely collection and use of government statistical data.

While the Government has made significant strides in strengthening public financial systems, including through tax reforms, the current state of public finance is still a challenge. A high debt level means a significant share of revenue is spent on debt service payments. Additionally, the private sector is yet to fully exploit opportunities from investments relating to the SDGs due to a combination of factors including the lack of coherent investment policies, insufficient institutional processes to effectively engage resulting in coordination issues. The lack of an integrated approach to financing the SDGs has been a key challenge, including the missed opportunity of trade-offs between SDGs oriented policies – industrialization, environment, employment - which impact on mobilizing private finance towards the SDGs to manage the complex financing instruments to design, implement policies, and ensure effective coordination of a diverse group of stakeholders to work towards a common goal.

Figure 2: Programme Development Challenge



The **programme seeks to address** strengthening the capacities at the national and sub-national levels and across all key stakeholders - to plan, monitor, evaluate and report on the implementation and financing of the national, regional and global development agendas by building upon past experiences, lessons learnt, and responding to the existing national and global context. By regional and global development agendas, reference is made to the Africa Agenda 2063, East Africa Development Vision 2050, and the 2030 Agenda for Sustainable Development, respectively. Aligning to these development agenda means strengthening support to the institutions and key stakeholders that will enhance their implementation, coordination and monitoring to work towards the national Economic Recovery Strategy 2020-2022, the County COVID-19 Socio-economic Re-engineering and Recovery Strategy, and critical efforts to ensure that the SDGs remain the compass on the road to recovery to build forward better.

The Development Effectiveness Group (DEG)[4] committed to support the Government of Kenya realise its development potential through effective development cooperation. Through the Development Effectiveness Strategy (2018-22), the DEG, stated, *"we will respect ownership, focus on results in priority areas of development for the Government, work in an inclusive partnership –*

[4] The DEG is a technical group at the level of Heads/Deputy of Agencies and senior technical officers from both Development Partners Agencies and Government ministries. It is Co-Chaired by both GoK and a DP Co-Chair.

ensuring that all relevant stakeholders, especially Civil Society Organizations (CSOs) and the private sector are on board - and increase accountability".

The Programme will also seek to strengthen systems for delivering external assistance by strengthening capacities for public debt management and the public Debt Management Office by ensuring that Kenya's debt remains sustainable and is sourced at low cost with prudent risk.

II. STRATEGY

Kenya has made a commitment to implement the SDGs. It has integrated SDG targets into national and subnational development plans and processes and has institutionalized roles and responsibilities for their implementation. However, financing implementation and coordination of these policies and programmes has been a challenge in Kenya. Informed by the GOK's commitment to effective development effectiveness, and the Kenya Vision 2030 priority of improved prosperity by maintaining a sustained economic growth of 10 percent per year, this programme aims to support the GOK to realise its growth potentials through effective development cooperation.

UNDP has the National Treasury and Planning as its main interlocutor on the ground in Kenya, as is the case in the countries UNDP serves across the globe as the leading UN development agency supporting the end to injustice, poverty and climate change. In line with our integrator role, UNDP working in collaboration with partners across the UN system and beyond, supports countries to deliver on the SDGs through our six signature solutions – poverty; governance; environment; resilience; gender, and energy - through a multidimensional approach that considers the indivisibility and interlinkages of the SDGs.

SDG Integration Workstreams

Through this technical leadership and programmatic role, UNDP supports four inter-related workstreams that bring the collective intelligence, thought leadership and engagement of the UN system to support national development priorities. These workstreams form an integral part in responding to the development challenge the DECER programme is aiming to address under the leadership of the National Treasury and Planning with implementation of the Integrated National Financing Framework as the backbone to bring coherence and consolidation towards the attainment of the SDGs through a whole of government and society approach.

- ***Integrated policy and programming*** – working through a global network of policy and programming experts, including UNDP's Global Policy Network - the programme will benefit from sharing of good practices, the development and use of tools that can be applied specifically within the lower MICs context and regional dynamics

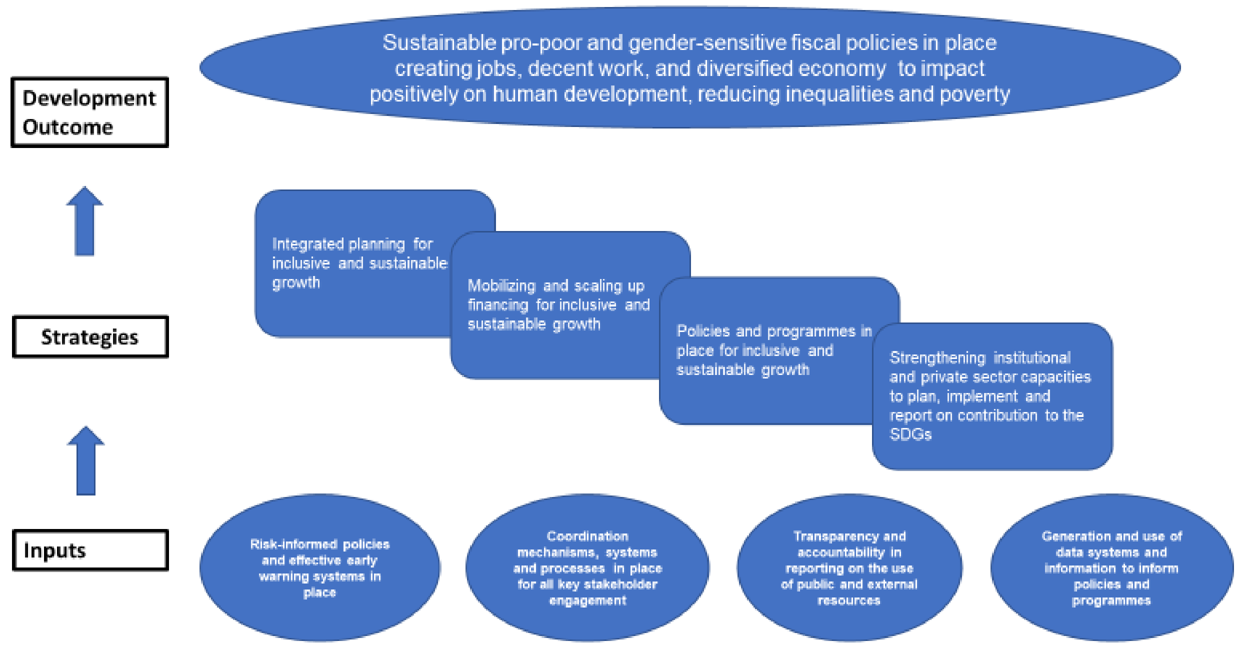
- ***Financing*** – through innovative ways to expand and redirect public and private contributions towards sustainable development, and support businesses and investors to align investments to the SDGs – the programme will benefit from on-going work as a INFF pilot country, collaboration and engagement with the National Treasury and Planning on creating an enabling environment for PPP; as well as UN supported programmes on engagement with private sector including the UNDP SDG Impact and the UNCTAD 11th Development Tranche

- ***Data and analytics*** – the programme will leverage data and analytics to drive evidence-based policy making and systemic SDG investments. Working in close collaboration with the State Department of Planning and under the leadership of the KNBS, the programme will support and enhance respective structures and consultations with key partners on strengthening of the national statistical system

- ***Innovation and learning*** – the programme will leverage the UNDP/UN system engagement to deliver transformation chance at scale and deal with the pace of uncertainty. The global pandemic has enhanced the use of innovation and technology to support business continuity and local solutions to getting back on track with the SDGs as our compass. The programme will leverage these new approaches and methodologies through experimentation, sense-making, collective intelligence and solutions mapping being implemented through the SDG Accelerator Lab.

The programme's **theory of change**, states as follows: **If** the institutional capacities of the National Treasury and Planning and other key stakeholders are strengthened to implement, monitor, evaluate and report on the national, regional, and global development strategies, based on data and evidence; and **if** implementation of development effectiveness principles is improved in line with Public Financial Management requirements of prudent and responsible, financial management, clear fiscal reporting by improving coordination, alignment and reporting; **then** this will result in better integration and alignment of national and sub-national budgets and plans with the development strategies and increase resources being mobilised for the achievement of development results.

Figure 2: Theory of Change



The following strategies are proposed to support project implementation.

a) Integrated planning for inclusive and sustainable growth

Kenya's graduation to low middle-income status presents opportunities to explore financing for development through government cost-sharing. Working with the national and county revenue collection and allocation authorities, UNDP aims to leverage its scope, geographical footprint and technical advisory capacity for transparent and accountable expenditure to secure co-financing through closer collaboration with the National and County Treasuries, in line with the provisions of the PFM Act 2012 and the attendant regulations on development financing.

b) Partnership for Development Cooperation:

In partnership with the Development Partners Group (DPG), the project will work closely with the Development Effectiveness Secretariat (DES), KNBS on macroeconomic and poverty analysis for inclusive growth policy formulation and implementation for structural transformation, and support monitoring of the SDGs “big data” gaps and poverty reduction interventions. These activities will be guided by the importance for evidenced based interventions on development financing.

c) Debate series on implementation of MTP III, MTP IV development and more in-depth roundtable meetings on the 9th Kenya National Human Development Report and selective deep dives

The development dialogue debates are meant to have diverse groups of people to share information and advance knowledge. The debates will draw together an array of stakeholders interested in a broad area of public policy for a long-term, evidence-based dialogue. Participants will include experts from specific practice communities, leaders from government, academia, public interest groups, among others. The debates are intended to illuminate issues through discussion and debate across sectors and institutions rather than to make specific, actionable recommendations to directly drive policy. Bringing together these individuals and institutions can be a powerful force in creating the shared knowledge, trust, and understanding necessary to foster progress in the most difficult areas of development policy.

d) Harmonised Approach to Cash Transfer (HACT)

UNDP’s Country Programme Document (CPD) is envisaged to a large part be nationally executed, and only in exceptional circumstances, national execution is being replaced by direct execution for part or all the programme to enable response to shocks, emergencies, force majeure or in agreement with key stakeholders. The implementation of HACT is to support a closer alignment of development aid with national priorities and to strengthen national capacities for management and accountability. Country systems will also be applied in line with the Public Finance Management Act 2012. Both GoK and UNDP systems will be applied on requesting for, disbursing and reporting on funds in a coordinated manner to ensure transparency and accountability in the application of the resources. UNDP will work closely with the National Treasury and Planning to support the use of GoK Financial Systems and HACT in a coordinated fashion with all other United Nations agencies to manage any financial risks. A special deposit and project accounts will be opened by the National Treasury through the Central Bank of Kenya for any cash advances.

e) Innovative Finance Schemes for Sustainable Development

Through this programme, UNDP will support and strengthen partnerships with government, private sector (investors and businesses), philanthropy, communities, CSOs and academia to amplify and accelerate the momentum for unlocking the hidden potential in innovative financing instruments. It is envisaged that Kenya will leverage the private sector capital through innovative financing schemes, such as the use of blended finance, impact investment, philanthropy, results-based payments, economic incentives, access to the carbon markets, green and blue bonds, crowd-funding and such other evolving avenues that can sustainably avail more predictable financing for implementation of the SDGs at the national and county levels. Strategic discussions on implementing Payment for Ecosystem Services (PES), Polluter-Pays, valuation of ecosystem services and the proper use of environmental accounting systems, to reflect the real cost of Kenya’s natural resources, will unlock new financing streams that can sustainably meet the growing budgetary deficits.

f) Strengthened use and technical support to SDGs working group structures

Through this programme, UNDP will support and strengthen engagement with existing GoK structures by directly supporting the SDG Inter-Agency Working Group and the Parliamentary Caucus on SDGs and Business including working with County Assemblies.

As part of its integrator role within the UN system, UNDP will work closely with the UN SDG Technical Working Group that brings the collective engagement of UN agencies, funds and programmes in critical risk informed planning, implementation and reporting on the SDGs.

III. Results and Partnerships

The **DECER** support programme in Kenya will contribute to the **UNDAF/CPD outcome** on economic transformation for greater pro-poor inclusiveness, competitiveness and increased opportunities for decent and productive employment which states that: ***By 2022, productivity in services sectors, agriculture, manufacturing, extractives, "blue" economy and their value chains increased***. The outcome is fully aligned to the Vision 2030, the MTP III and the CIDPs. Within the broader development assistance, the programme will contribute to SDG 17, with the objective to strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

The GOK and UNDP recognizes the centrality effective development cooperation plays in ensuring the realization of the SDGs. As such, the programme will support Kenya to realise the following targets under SDG17:

Target	Indicators
Finance 17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.1 Total government revenue as a proportion of GDP, by source 17.1.2 Proportion of domestic budget funded by domestic taxes
17.3. Mobilize additional financial resources for developing countries from multiple sources	17.3.1 Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget 17.3.2 Volume of remittances (in United States dollars) as a proportion of total GDP
Capacity-building 17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation	17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries
Multi-stakeholder partnerships 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	17.16.1 Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals
17.17 Encourage and promote effective public, public - private and civil society partnerships, building on the experience and resourcing strategies of partnerships	17.17.1 Amount of United States dollars committed to public-private and civil society partnerships
Data, monitoring and accountability 17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.	17.18.1 Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the Fundamental Principles of Official Statistics 17.18.2 Number of countries that have national statistical legislation that complies with the Fundamental Principles of Official Statistics

Additionally, the programme will monitor progress and the impacts on the following SDGs indicators on financing for development:

Goal 1: End poverty in all its forms everywhere.

- 1.a.2: Proportion of total government spending on essential services (education, health and social protection).
- 1.b.1: Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups.

Goal 5: Achieve gender equality and empower all women and girls.

- 5.c.1: Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- 8.b.1 Total government spending in social protection and employment programmes as a proportion of the national budgets and GDP.

Goal 13: Take urgent action to combat climate change and its impacts by mobilizing resources to address Kenya's sustainable development needs and help mitigate growing climate-related disasters at national and county levels.

- 13.2 Integrate climate measures into national policies, strategies and planning
- 13.a.1 Mobilized amounts of United States dollars per year starting in 2020 accountable towards the $ 100 billion commitment

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

- 16.6.1: Primary government expenditure as a proportion of original approved budget, by sector (or by budget codes or similar).

The DECER programme will specifically work to realise the following outputs and activities. The activities have been drawn from the Effective Development Co-operation Strategic Plan, Kenya (2018-2022). The DECER programme therefore provides an implementation framework for the Strategic Plan and UNDP contribution the UNDAF 2018-2022.

1. **Enhanced institutional capacities of National Treasury and Planning for implementation of development effectiveness principles**

Activities:

1.1 Hold regular technical and policy level meetings for review and follow up on the implementation of effective development co-operation principles and commitments.

1.2 Coordinate and maintain a harmonized and rationalized timetable for all development partners' joint missions.

1.3 Operationalize and strengthen inclusive joint sector working groups between Government, development partners and non-state actors.

1.4 Support the transformation of the Public Debt Management Office (PDMO) to a modern PDMO to enable effective resource mobilization

1.5 Capacity building of the PDMO Officers to better source, mobilize and manage both domestic and external resources

1.6 Support the full operations of the Investor Relations Unit in PDMO to effectively engage with all investors
1.7 Sensitization of county governments and other stakeholders, including the UN system and DPs on PFM requirements and regulations
1.8 Promote broader engagement of the UN System on use of country systems
1.9 Capacity build Parliamentary Caucus on SDGs and Business to better source and mobilize resources for SDGs implementation
1.10 Support the participation in the Monitoring Round of the GPEDC

2. Risk-informed planning, financing, reporting and coordination mechanisms for sustainable development and recovery (GEN2)

Activities:

2.1 Establishment of INFF Oversight Committee
2.2 Development finance assessment undertaken, and report produced
2.3 Publication and launch of SDG Investor Maps
2.4 Consultations and engagement with private sector on SDGs sustainability reporting and standards and their support to SDGs
2.5 Implement the operational guidelines for development partners' engagement at the counties.
2.6 Champion the use of GoK's country systems in climate resilient and gender sensitive budgeting, procurement, reporting, accounting, auditing and monitoring of government programmes and projects.
2.7 Undertake the second Climate Public Budget Expenditure Review and strengthen the use of the budget codes at national and county levels
2.8 Support the Inter Agency Technical Working Committee to play its coordination roles effectively
2.9 Consultation with MDAs to enhance policy coherence during planning, Implementation and reporting
2.10 Capacity building of officers both at National and County Governments to develop strategies relating the SDGs in line with their mandates
2.11 Develop tools to integrate the Agenda 2030 and AU Agenda 2063
2.12 Build capacity of the counties on Local Voluntary Reporting
2.13 Enhance collaboration with Parliamentary Caucus on SDGs and Business to strengthen engagement of parliament and County Assemblies since they are critical in the SDGs process. (The target are chairpersons of finance and planning committees in parliament and county assemblies).

3 Enhanced national data systems for reporting and use including leveraging the data revolution for improved evidence-based planning, policy making and M&E systems (GEN2)

Activities:

3.1 Capacity building support and engagement of KNBS to lead on MPI
3.2 Strengthen the capacities of existing projects' monitoring and evaluation systems to ensure timely availability of information and transparency in implementation of programmes/projects.
3.3 Support reduction in SDGs data gaps by supporting analysis of additional indicators to augment the reporting capability in National Voluntary Reports on SDGs.
3.4 Enhance capacity building through appropriate financial and technical support to improve the national statistical capacity and County Voluntary Reporting.

3.5 Hold forums for data users and producers to address the issues of existing data gaps to increase significantly the availability of high-quality, timely and reliable and disaggregated data

3.6 Strengthen Government partnership with the research community including public and private universities to develop a research agenda that will help in accelerating the achievement of the SDGs in the decade of action

3.7 Support development of a system to track and make public allocations for gender equality and women's empowerment.

3.8 Support the review of the MTP III to inform the development of Fourth Medium Term Plan and the resultant dialogue forums

3.9 Support the development of the Fourth Medium Term Plan, publishing and launch of the finalized Fourth MTP

3.10 Technical support to the review and evaluation of the coordination mechanisms in place for tracking GoK development programmes

4 Promoting knowledge sharing and south south and triangular cooperation (SSTrC) towards the SDGs (GEN2)

Activities:

4.1 Develop networks for knowledge exchange, peer learning and coordination for MICs through south-south and triangular cooperation and engagement through an interactive knowledge platform

4.2 Development of concept notes, background papers and completion of the 9th National Human Development Report

4.3 Support multi stakeholder forums in sharing experiences, knowledge, expertise, technology and financial resources, to support the acceleration of the Sustainable Development Goals

4.4 Support to sub-national dialogues on SDGs including youth and communities as part of a whole of society approach

4.5 Support identification, documentation, publication and sharing of SDGs good practices

4.6 Support involvement of the media in SDGs implementation to enhance awareness on SDGs

4.7 Facilitate development of SDGs good practices dashboards for the 47 counties to strengthen ownership of SDGs by the counties and improve their reporting capabilities including preparation of Voluntary Local Reviews (VLRs)

The DECER programme will require financial resources and technical assistance to be fully implemented. As per the PFM guidelines, it is expected that the Government of Kenya will provide counterpart funding through a Government Cost Sharing modality and in-kind contributions for the implementation of the programme, while UNDP/UN and development partners, will augment the Government's contribution through cost sharing agreements. To enable the effective implementation of the programme, it is proposed that the project hosts one Technical Advisor to support the Development Effectiveness Secretariat (DES) and guide development partners in aligning their programmatic support to the PFM Act (2012). The technical advisor will work under the guidance of the DES and coordinate implementation of activities with Project Implementation Units in Government Line Ministries. Additionally, for project implementation and coordination support, it is proposed that one National UNV will be deployed to the UN Agencies Division in the Resource Mobilization Department (RMD) to support the UNDAF National Secretariat in the government and help oversee UNDAF implementation.

Partnerships

The DECER programme, will rely on partnerships already established within the Effective Development Cooperation Coordination Structure as follows:

a. Development Partnership Forum (DPF):

The DPF is a High-Level Forum to discuss both economic and political issues of mutual concern both to GoK and her DPs. The DPF is chaired by the Deputy President and assisted by the Cabinet Secretary, the National Treasury from the Government side and Co-chaired by the Chair, Development Partners Group (DPG). The dialogue is between Cabinet Secretaries and Ambassadors/High Commissioners/Country Directors of various Development Partner agencies. The DPF is supposed to be held twice a year. Discussions during the last DPF held in November 2018 was aligned to the Big 4 Agenda.

b. Government Coordination Group (GCG)

The GCG provides a High-Level Forum for government to discuss economic development and humanitarian issues with a focus on Harmonization, Alignment and Coordination (HAC) across ministries, and to increase the effectiveness and efficiency of external assistance to Kenya by exchanging information and experiences on key issues. It also ensures that clear messages of guidance are communicated to DPs in a coordinated manner and aligned with shared objectives. It is chaired by Principal Secretary, National Treasury and assisted by Principal Secretary, Planning. The meetings are held on a quarterly basis or as need be. The last time the GoK held a GCG is in March 2015 and DECER will ensure this is revived for effective oversight in implementation of programmes.

c. Development Partners Group (DPG)

The DPG is a High-level meeting for Ambassadors, High Commissioners and Country Directors of various DPs Agencies operating in Kenya. The DPG meets on a monthly basis. The DPG discusses issues of both economic and political concern for the Development Partners and channels any issues for discussion to the Development Effectiveness Group (DEG) or DPF for further discussion and policy direction.

d. Development Effectiveness Group (DEG)

The DEG is a technical group at the level of Heads/Deputy of Agencies and senior technical officers from both Development Partners Agencies and Government ministries. It is Co-Chaired by both GoK and a DP Co-chair. The Director Resource Mobilization Department has been the permanent Co-chair from Government. It meets monthly at the National Treasury building. Other stakeholders are CSOs, Private Sector, Parliament and Foundations.

e. Development Effectiveness Secretariat (DES)

The Secretariat is mandated to support the GoK and DPs equally in meeting Paris, Accra and Busan commitments. DES coordinates the activities of all the aforementioned groups and helps support it in achieving the DEG work plan.

f. Joint Coordination Working Groups (JCWGs)

A set of Joint CWGs has been agreed on that will be used for multi-stakeholder engagement on identifying sector priorities, budgeting and monitoring implementation of programmes/projects and will be co-chaired by both GoK and DPs. On the minimum, joint meetings between DPs and Government should be held once a quarter to address challenges and improve implementation of programmes. County Government representatives will also be included in the JCWGs.

The programme will through National Treasury and Planning ensure collaboration and engagement with the private sector and non-traditional donors with the aim of a whole of society approach for effective and coherent implementation of the SDGs.

Risks and Assumptions

Kenya being a Lower Middle-Income Country stands the risk of reduced receipt of ODA. As such, coordination around ODA may not garner the specific attention from Organization for Economic Cooperation and Development (OECD) countries, as the country increasingly uses other mechanisms to support its development objectives. Corruption remains a big problem in Kenya and use of country systems is unlikely to get the support required from development partners. The devolved system of governance poses another potential risk given the teething problems of implementing the County Allocation of Revenue Act (CARA), the low level of understanding on CARA and lack of official regulatory framework to provide grant support to Counties. A detailed **risk matrix** and commensurate mitigation measures is provided as Annex 1 to this project document.

Stakeholder Engagement

The direct target group for the DECER programme is the GoK, represented by the National Treasury and Planning. Other Government Ministries, Departments and Agencies at National and County Level receiving development support, private sector, and CSOs will also be targeted. Development Partners, supporting the GOK, directly or through Non-State Actors (NSAs) will also be targeted through this programme. The SDGs Inter-Agency Technical Committee will be the institutional framework to coordinate SDGs stakeholders.

South-South and Triangular Cooperation (SSC/TrC)

Within the framework of SDG17, on partnership for sustainable development, GoK will benchmark and learn from other countries through GPEDC. Such cooperation will be based on learning from good practices on implementation of development effective principles including the use of country systems.

The programme will use various methods for SSC/TrC including webinars, study tours, and possible secondments. The programme will focus on gaining lessons learnt from other countries that have transitioned to middle income countries, countries that have a well-established INFF, as well as those that have managed a mixed portfolio of less ODA and more ODA

Knowledge

The project will support the finalization and publication of the Public Debt Management Operations Manual. Other knowledge products to be produced include the Popular Version of the County Allocation of Revenue Act, with simplified fact sheets on what you need to know when providing development support to a County Government. The DECER will support sensitization forums for the key policies, laws and regulations related to the PFM Act (2012), specifically on development resources management, review of guidelines for the management of the Inter-Governmental Fiscal Transfers and publication of the Debt Policy and borrowing framework.

Sustainability and Scaling Up

This programme will be managed by the National Treasury and Planning, the Development Effectiveness Secretariat, and technical advisory support from UNDP/UN through the strategic results area (SRA) and working groups under the approved GoK/UNDAF 2018-2022 workplans. The project will model the use of country systems and government cost sharing, to illustrate how development financing should be done. The programme is designed to strengthen and enhance national systems and structures to ensure long term sustainability. To this effect, capacity building and training of a core cohort within the national and county systems will form an integral part of the programme.

IV. Project Management

Cost Efficiency and Effectiveness

The DECER programme will ensure cost efficiency and effectiveness by leveraging the gains and collective efforts made from past UNDP collaboration with National Treasury and Planning in the areas of development effectiveness; public financial management, planning and reporting; developing information management systems; and capacity development initiatives to various departments within National Treasury and Planning. This past collaboration and partnership included mainstreaming of the SDGs in national planning; development of guidelines for County Integrated Development Plans (CIDPs) and capacity building for implementation; support to the formulation of National Human Development Reports; the development and production of the KNBS Socio-Economic Atlas of Kenya; and technical advisory services and financial support in the formulation of national development strategies and plans including the Vision 2030, the MTP II and III, and the 2017 National Voluntary Reports (2017 and 2020 respectively); and the National Economic Recovery Strategy 2020-2022 including leveraging existing UNDP and UN Agency programmes of support.

Under the current United Nations Development Assistance Framework (UNDAF) 2018-2022, UNDP and the UN Funds and Programmes in Kenya have undertaken various engagements and support to the National Treasury and Planning through several programmes and projects, as well as ad-hoc requests in-line with emerging priorities. The DECER programme provides an opportunity to consolidate these gains in an integrated programme of support and partnership under the direct leadership and strategic guidance of both the Principal Secretaries of National Treasury and National Planning respectively and in-line with the UN Reforms and commitment to Deliver as One to support national development, peace and humanitarian efforts to work towards the SDGs.

The DECER programme will build upon and leverage, amongst others, the following UN Funds and Agency system interventions, partnerships and programmes within our current UNDAF 2018-2022:

- UN Joint Programme on Devolution – UNDP, UNICEF and UNWOMEN programme of support in 14 counties – strengthening planning and budgeting at the county level, M&E systems to better target services to those in need and the most vulnerable and also included support to the Council of Governors in the development of the County Re-engineering and Recovery Strategy
- UNDP COVID-19 Emergency Response Programme – emergency response programme and partnership including technical and financial support in the development of the national Economic Recovery Strategy 2020-2022
- UNDP SDG Impact – provides tools for investors to direct capital to the achievement of the SDGs including management, intelligence and facilitation. Kenya was one of the pilot countries in Africa and will be able to draw upon experiences from South Africa, Nigeria and beyond.

- UNCTAD/UNEP/UNDP – Enabling Policy Frameworks for Enterprise Sustainability and SDG Reporting in Africa and Latin America: intervention to strengthen the capacities of Governments (Guatemala, Columbia, South Africa and Kenya) to measure and monitor private sector contribution towards implementation of the 2030 Agenda
- SDG Partnership Platform – platform that has supported the convening, connecting and catalyzing partnerships for the SDGs including promoting investments and financing from the private sector, blended financiers and philanthropy sectors
- UN Coordination structures – the programme will benefit from established UN coordination structures and relevant working groups including the UN Country Team, the three Strategic Results Areas under the UNDAF, the UN Programme Management Team, as well as the UN SDGs Working Group, the UN Data Group, the UN Monitoring and Evaluation Group, and the Inter-Agency technical team on the COVID response and recovery, among others

UNDP will support National Treasury and Planning as and when requested to ensure value for money on this project, by use of Long Service Agreement (LSA) in procurement, use of country systems as applicable including joint monitoring. This programme will support Sector Working Groups to learn from each other, avoid duplication of efforts and reduce transaction costs through better coordination and alignment.

Project Management

The DECER programme has broad coverage across line Ministries with the National Treasury and Planning taking the lead in coordinating and providing strategic direction in the roll out of the Integrated National Financing Framework and engagement with key stakeholders.

The governance and management arrangements are further articulated in section VIII of this project document, with implementing partners clearly outlined in Annex 4.

V. RESULTS FRAMEWORK[5]

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: UNDP Outcome #3: By 2022, productivity in services sectors, agriculture, manufacturing, extractives, "blue" economy and their value chains increased.

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:

Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)
Baseline: 84.7% (national Government); 79.9% (county government) (2016/17)
Target: 80% (national Government); 85% (county government) (2021-2022)

Share of manufacturing sector to GDP
Baseline: 9.2% (2016)
Target: 20% (2023)

Share of agro-processing to exports
Baseline: 16% (2016)
Target: 50% (2023)

Applicable Output(s) from the UNDP Strategic Plan: 1.1.1. Capacities developed across whole of government to integrate the 2030 Agenda, Paris Agreement, in development plans and budgets and to analyse progress towards SDGs using innovative and data driven solutions.

Project Title and Atlas Project Number: Development Effectiveness Cooperation and Economic Recovery Support Programme in Kenya – 00126428

EXPECTED OUTPUTS	OUTPUT INDICATORS[6]	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year …	FINAL	

[5] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[6] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

Output 1 Enhanced institutional capacities of National Treasury and Planning for implementation of development effectiveness principles	*1.1* Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget	*Gok*	*TBC*	*2020*	*TBC*	*TBC*					*Budget Policy Statement*
	1.2 Proportion of domestic budget funded by domestic taxes	*GoK*	*TBC*	*2020*	*TBC*	*TBC*					*Budget Policy Statement*
	1.3 Tracking climate finance flows	*GoK*	*TBC*	*2020*	*TBC*	*TBC*					*Budget Policy Statement*
Output 2 Risk-informed planning, financing, reporting and coordination mechanisms for sustainable development and recovery	*2.1 Number* of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals	*GoK*	0	*2020*	*10*	*22*				*32*	*County Budgets*
	2.2. Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups.	*GoK*	*TBC*	*2020*	*TBC*	*TBC*					*Budget Policy Statement*
	2.3 Climate Public Expenditure and Budget Review, including non-state actors	*GoK*	*TBC*	*2020*	*TBC*	*TBC*					*Budget Policy Statement*
Output 3 Strengthen national data systems to increase SDGs indicators in tracking and reporting and leveraging the data	***3.1*** Number of counties with improved M&E capacities	*GoK*	*14*	*2020*	*16*	*17*				*47*	*County Budgets* *Perception Survey*

revolution for improved evidence-based climate smart and gender-sensitive planning, policy making and M&E systems	***3.2*** Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	*GoK*	*TBC*	*2020*	*TBC*	*TBC*				*47*	*County Budgets*
Output 4 Promoting knowledge sharing and south south and triangular cooperation (SSC) towards the SDGs	***4.1*** Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the Fundamental Principles of Official Statistics	*GoK*	*TBC*	*2020*	*TBC*	*TBC*				*47*	*Voluntary National Reviews* - *Voluntary Local Reviews for the County level*

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost USD (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	National Treasury and Planning; UNDP, DEG	5,000
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with both GoK and UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	National Treasury and Planning; UNDP, DEG	-
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	National Treasury and Planning; UNDP, DEG	5,000
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	National Treasury and Planning, UNDP	4,000

Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	National Treasury and Planning; UNDP, DEG	-
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		National Treasury and Planning, UNDP	3,000
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	National Treasury and Planning, UNDP, DEG	1,000

Evaluation Plan[7]

Evaluation Title	Partners (if joint)	Related Strategic	UNDAF/CPD Outcome	Planned Completion	Key Evaluation Stakeholders	Cost and Source of Funding

[7] Optional, if needed

		Plan Output		**Date**		
End Term Evaluation	National Treasury and Planning, UNDP, DEG			June 2023	MDAs, DPs, CSOs	35,000

VII. MULTI-YEAR WORK PLAN [8][9]

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET (In USD)		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount
Output 1: Enhanced institutional capacities of National Treasury and Planning for implementation of development effectiveness principles *Gender marker:***2**	1.1. Develop networks for knowledge exchange, peer learning and coordination among south-south and triangular cooperation including National Treasury and Planning participation in the Monitoring Round of the GPEDC	20 000	30 000			State Department for Planning/The National Treasury	UNDP	Equipment	50,000
	1.2 Hold regular technical and policy level meetings for review and follow up on the implementation of effective development co-operation principles and commitments.	10,000	10,000			The National Treasury	The National Treasury		20,000
	1.3 Coordinate and maintain a harmonized and rationalized timetable for all development partners' joint missions	5.000	5,000			The National Treasury	UNDP		10.000
	1.4 Operationalize and strengthen inclusive joint sector working groups between Government, development partners and non-state actors	15,000	15,000			The National Treasury	UNDP		30,000

[8] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[9] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	1.5 Support the transformation of the Public Debt Management Office (PDMO) to a modern PDMO to enable effective resource mobilization including capacity building and operational support	60,000	80,000			The National Treasury	UNDP	Technical services	140,000
	1.6 Sensitization of county governments and other stakeholders including the UN system and DPs on PFM requirements and regulations for improved reporting and transparency	15,000	15,000			The National Treasury	UN	Telecommunications	30,000
	1.7 Promote broader engagement of the public in the budgeting processes through media and advocacy campaigns	25,000	25,000			The National Treasury	UNDP	Telecommunications	50,000
	MONITORING					State Department for Planning			4,000
	Sub-Total for Output 1								**334 000.00**
Output 2: Risk-informed planning, financing, reporting and coordination mechanisms for sustainable development and recovery *Gender marker:2*	2.1 Establishment of INFF Oversight Committee	5,000	5,000			The National Treasury/UNDP	UNDP		10,000
	2.2 Development Finance Assessment undertaken to inform the INNF roadmap.	150,000				The National Treasury/UNDP	UNDP/UNRCO/DPs	Technical Services	150,000
	2.3 Entrenchment of the INFF Road Map and systems	200,000	200,000						400,000
	2.4 Publication, launch and dissemination of 2020 SDG Investor Map – training of trainers to feed into development of future mapping	35,000	35,000			The State Department of Planning/UNDP	UNDP	Publication	70,000
	2.5 Consultations and engagement with private sector on SDG reporting and standards	10,000	10,000			State Department for Planning/UNCTAD/UNDP	UNCTAD/UNDP	Communications	20,000
	2.6 Implement the operational guidelines for development partners' engagement with counties.	10,000	10,000			The National Treasury	UNDP	Communications	20,000

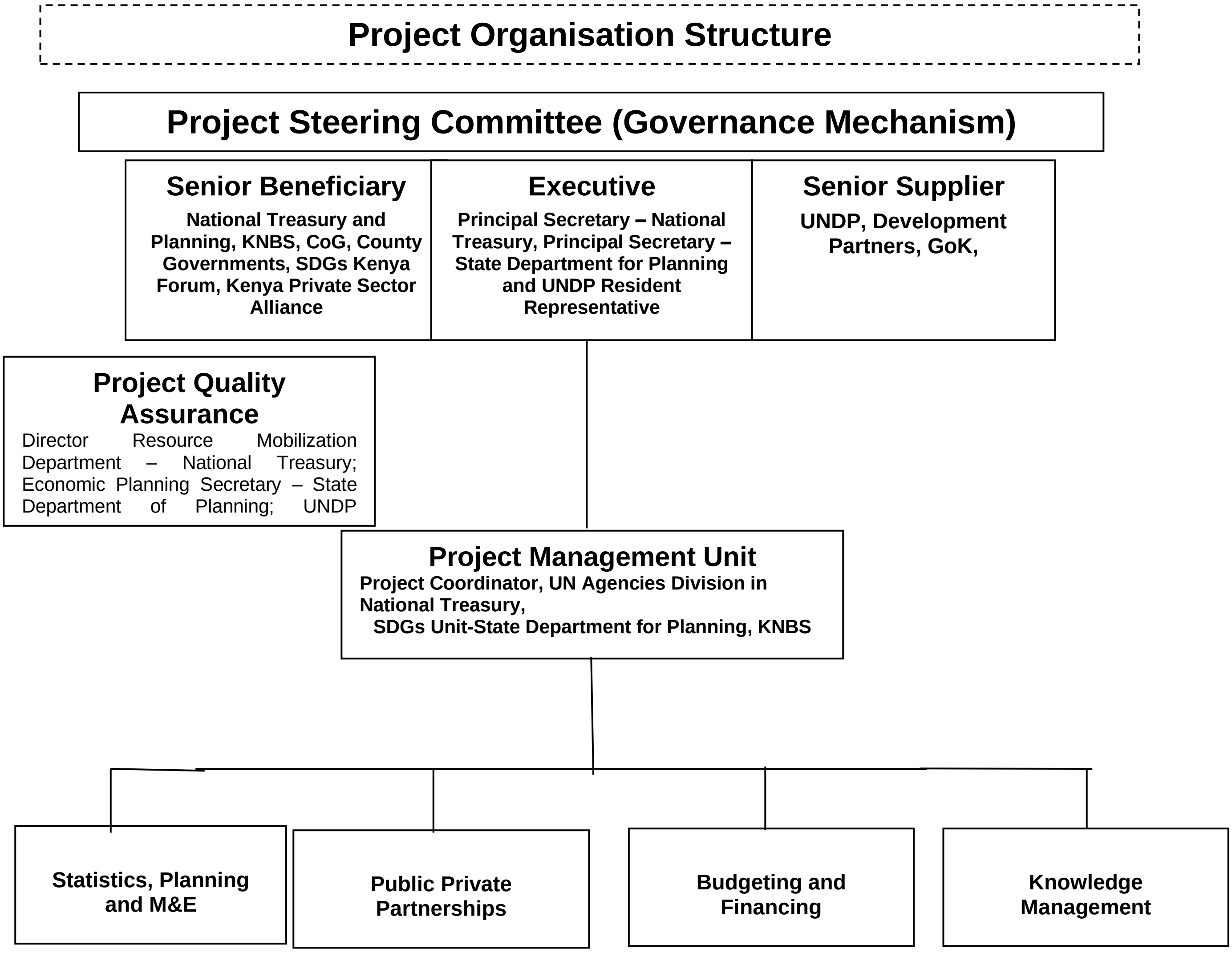
	2.7 Champion the use of GoK's country systems in the budgeting, procurement, reporting through training of county official	50,000	50,000			The National Treasury	UNRCO/The National Treasury		100,000
	2.8 Support the Preparation of the regulations for the PPP Act	10,000	10,000			The National Treasury	The National Treasury	Technical Services	20,000
	2.9 Develop an integrated SDG costing and financing strategy which promotes innovative financing solutions	100, 000	100,000			The State Department for	UNDP	Technical Services Consultancies Forums	200,000
	2.10 Undertake 2nd Climate Public Expenditure and Budget Review	100,000				The National Treasury	UNEP/UNDP		100,000
	MONITORING								10,000
	Sub-Total for Output 2								**1,100,000.00**
Output 3: Strengthen national data systems to increase SDGs indicators in tracking and reporting and leveraging the data revolution for improved evidence-based climate smart and gender-sensitive planning, policy making and M&E systems *Gender marker:2*	3.1 Strengthen the capacities of Project Monitoring and Evaluation systems	25,000	25,000			KNBS/State Department for Planning (MED)	UNDP	Communications	50,000
	3.2 Support reduction in data gaps supporting analysis and production of new SDGs indicators - statistical capacity building to improve the national statistical capacity and reporting capabilities	1,000,000	1,000,000			KNBS/State Department for Planning	The National Treasury	Forums Analysis	2,000,000
	3.3 Provide support and capacity building for MPI	50,000	50,000			KNBS	UNDP	Technical Services	100,000
	3.4 Support Review and Evaluation of the MTP III	30,000							30,000
	3.5 Support development of MTP IV	30,000	120,000			State Department for Planning/National Treasury/UNDP	UNDP	Technical Services	150,000
	3.6 Technical support to the review and evaluation of coordination mechanism for tracking GoK development programmes	50,000							50,000
	MONITORING								100,000
	Sub-Total for Output 3								**2,480,000.00**

Output 4: Promoting knowledge sharing and south south cooperation (SSC) towards the SDGs *Gender marker:2*	4.1 Strengthen networks and knowledge exchange, peer learning on MICs and coordination among South – South and Triangular Cooperation	15,000	15,000			State Department for Planning	UNDP	Communications	30,000
	4.2 Consultations, analytical & policy papers, including development and production of 9th NHDR Report for Kenya	75,000	25,000			State Department for Planning/UNDP/KNBS	UNDP		100,000
	4.3 Support the Multistakeholder engagement and the Interagency SDGs Committee – including launch of "Kenya SDGs Dialogue Series" – for a whole of society approach	25,000	25,000			UNDP/State Department for Planning	UNDP	Communications	50,000
	4.4 Support background papers, and analytical reports for the fourth MTP		25,000			State Department for Planning	UNDP	Technical Services	25,000
	4.5 Support Localization of SDGs Institutions at the County Levels and Preparation of Voluntary Local Reports (VLRs)	25,000	75,000			State Department for Planning/UNDP	UNDP	Technical Services Communications	100,000
	MONITORING					State Department for Planning	State Department for Planning		5,000
	Sub-Total for Output 4								**310,000.00**
Review/Evaluation *(as relevant)*	EVALUATION					UNDP/ The National Treasury and Planning			35,000
Total									**4,259, 000.00**
General Management Support									292,720.00
TOTAL									**4,551,720.00**

VIII. Governance and Management Arrangements

The DECER programme will be implemented under a tripartite arrangement with The National Treasury, State Department for and Planning and technical and operational support from UNDP.

The programme will be overseen by a Project Steering Committee (PSC) comprising of National Treasury and Planning, UNDP, Development Partners, the Kenya National Bureau of Statistics, the SDGs Kenya Forum and two selected Private Sector Associations. The PSC will provide the overall strategic direction and oversight of the programme, including approval of the workplans and progress reports.



IX. Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Kenya and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by National Treasury and Planning ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. Risk Management

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
   (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities) and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

   i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
   ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
   iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
   iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
   v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

   c) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm)

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

    Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

Annex 1: Risk Analysis.

Project Title: Development Effectiveness Cooperation and Economic Recovery (DECER) Support Programme in Kenya	**Award ID:** 00126428	**Date:** November 2020

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Shrinking national fiscal space to meet Vison 2030, Big 4 Agenda, MTP III, CIPDs & ERS commitments	November 2020	Financial	P = 4 I= 4	▪ Establish an integrated national financial framework for the SDGs ▪ Supporting capacity development in participating public sector institutions				
2	Low absorptive capacity of resources at national and county level with weak institutional capacity to execute projects	June 2018	Operational	P = 4 I= 3	▪ Strengthening and invest in national and key stakeholder capacities ▪ Strengthen M&E systems				
3	Reduction in ODA and donor resources as a low middle-income country	July 2014	Financial	P = 4 I= 3	▪ Strengthen systems for own resource revenue and diversification of sources of funding ▪ Enhance engagement with private sector partnerships				
4	Ineffective monitoring systems for transparency and accountability, and value for money	February 2019	Operational	P = 4 I= 3	▪ Strengthened systems for transparency and accountability ▪ Regular review of the context and scenarios planning				

5	Weak capacity and timely collection and use of statistical data to inform policy and planning	February 2017	Political	P = 3 I= 2	▪ Strengthening national capacities, use and trust in national data systems				

Annex 2: Project Steering Committee Terms of Reference

The Project Steering Committee (PSC) will serve as the project's high-level oversight and decision-making body. The PSC will be co-chaired by the Principal Secretary – National Treasury; Principal Secretary – Planning and UNDP Resident Representative in Kenya.

The role of the PSC is to oversee the strategic priorities and progress of the project, ensure the coordination and monitoring of programme activities and priorities, provide a forum for high-level decision-making, and the oversight and dialogue on contextual issues impacting on project activities.

Specific Mandate

The PSC will:

- Provide high-level decision-making and strategic oversight to the programme.
- Provide high-level quality assurance review for project results.
- Approve plans and reports submitted by UNDP that have been previously reviewed by the Project Technical Committee.
- Review and make decisions on the quarterly and annual narrative and financial reports of the programme
- Monitor progress and provide guidance on long term sustainability of the project's achievements.
- Provide high level coordination of support to project implementation between the beneficiaries, Government MDAs and Development Partners, ensuring accountability and value for money.
- Review and approve any major revisions to the programme based on consideration of the recommendations from the Programme Technical Committee
- Monitor strategic risks and implement risk mitigation measures, if required, and as recommended by the Programme Technical Committee.

Decision making

The decisions within PSC will be taken by consensus; however, in the absence of a consensus, efforts will be made to have the matter resolved by the PSC Co-chairs. This notwithstanding, any resolution must have support of the National Treasury and Planning and UNDP in order to foster compliance with national laws and UNDP's regulations, rules, policies and procedures and its obligations, including donor cost-sharing agreements.

PSC Membership

The standing membership of the PSC will include the following:

- Principal Secretary – National Treasury (Co-chair)
- Principal Secretary – State Department for Planning (Co-Chair)
- Resident Representative of UNDP (Co-chair)
- Heads of Mission from Development Partners forming part of the INFF – Co-chairs of the Development Partners Group and European Union (financier of INFF), and expansion as deemed fit by the PSC members
- Director General – Kenya National Bureau of Statistics
- Representative from the National Treasury
- Representative from State Department for Planning
- Representative from UNDP
- Representative of the UN Resident Coordinator's Office

- Representative from the Council of Governors
- Representative of the Kenya Private Sector Alliance (KEPSA)
- Representative of the SDGs Kenya Forum

The PSC may include other representatives based on a consensus decision among the membership and as required by the agenda.

Quorum
A quorum will be formed by a two-thirds of the PSC members present including two of the three co-chairs.

Frequency of meetings
The PSC will meet twice in a calendar year and more frequently as the Committee sees fit.

Agenda and Minutes of the PSC Meetings
The National Treasury and Planning will designate the Department that will be responsible for drafting of the agenda and minutes of the PSC meetings with the support of the UNDP. Documents for PSC meetings will be made available to the members at least five (5) working days prior to a scheduled meeting.

The minutes of PSC meetings will be produced and circulated through the National Treasury and Planning. The National Treasury and Planning will within 48 hours produce a brief on the decisions and actions required from the recommendations agreed by the PSC meeting for circulation to the members and circulate the draft minutes of each meeting within fourteen (14) days after each PSC for member review and clearance.

A calendar of PSC meetings will be developed and disseminated for agreement by the members.

Annex 3: Integrated National Financing Framework (INFF) Oversight Committee Terms of Reference

BACKGROUND

Kenya has made a commitment to implement the Sustainable Development Goals (SDGs). It has integrated SDGs with baseline indicators into national and subnational planning, including the third five-year national Medium-Term Plan (MTP III) and the County Integrated Development Plans (CIDPs) for 2018-2022, and has institutionalized roles and responsibilities for the implementation of these SDG-aligned development plans. In addition, it has prepared and presented two Voluntary National Reviews (VNRs) to the United Nations High-level Political Forum on Sustainable Development (HLPF) in 2017 and 2020, reporting progress made in the creation of an enabling environment for the SDGs implementation, and progress on all the 17 Goals since 2017, as well as identifying challenges and sharing the best practices in the country with the international community.

However, financing the implementation of policies and programmes to achieve the SDGs has been challenging in Kenya. The key challenge is lack of an integrated approach to financing the SDGs, given the huge public finance gap for SDGs achievement in the Decade of Action. This has resulted in insufficient synergies and trade-offs between SDG-oriented policy areas (e.g., industrialization, environment, employment), impacting adversely on mobilizing private finance towards the SDGs.
Mobilizing public and private financial resources required to achieve the SDGs faces significant challenges, ranging from designing and implementing financing policies, through managing complex financing instruments, to effective coordination of diverse stakeholders for a common goal. Challenges in public finance still exist, despite significant strides in strengthening public financial management systems, including through tax reforms. The high public debt level of 58% of GDP in 2019 means a significant share of revenue is and will be spent on debt service payments. Meanwhile, private sector is yet to fully exploit SDG-oriented investment opportunities due to a combination of factors, including rigid business environment, lack of coherent investment policies, and lack of institutional back-up and coordination, among others.

The ongoing COVID-19 pandemic has been compounding various aspects of socio-economic development in Kenya, causing serious consequences on the economy, education, health, unemployment, gender inequality, tourism, agriculture, manufacturing and trade among others. The government has adopted several containment measures, including social distancing and heightened restrictions in most non-essential social spaces to gatherings, encouragement of teleworking where possible, establishment of isolation facilities, and limitations on public transportation passenger capacity. These containment measures have also had a significant impact on the economy. Kenya's GDP growth is projected to decline to -0.3% in 2020 from 5.4% in 2019, according to the IMF.

The government has taken various fiscal measures to mitigate the pandemic impact, e.g., reallocation of an earmarked Ksh40 billion budget (0.4% of GDP) in health sector, social protection and funds for expediting payments of arrears to businesses; reallocation of a Ksh56.6 million (0.5% of GDP) economic stimulus package that includes a new youth employment scheme, provision of credit guarantees, fast-tracking payment of VAT refunds and other government obligations, increased funding for cash transfers, and several other initiatives; and a package of tax relief measures for affected businesses and persons. These relief measures have been compressing the already limited fiscal space, diverting financing resources from development projects towards tackling COVID-19.

Given the context above, it is crucial for Kenya to establish an Integrated National Financing Framework (INFF) with holistic, foresighted and risk-informed planning and financing strategies for its sustainable recovery and development priorities at both national and subnational levels. As part of the joint efforts of the UN Country Team in Kenya to support the country in putting in place such an INFF, a Development Finance Assessment (DFA) will be conducted as a solid assessment of the financing landscape and relevant policy and institutional landscape at national and subnational levels. The DFA goal will be to provide solutions to and recommendations on strengthening the financing system in Kenya to not only use existing financial resources more effectively and efficiently but also mobilize additional financing for achieving the SDGs.

This TOR outlines the purpose and role of the oversight committee with a particular focus on the process of designing and operationalising the integrated national financing framework. It will be revisited and updated as necessary once the INFF is operational.

ROLE OF THE INFF OVERSIGHT COMMITTEE

The oversight committee is the body charged with leading the integrated national financing framework (INFF). They will guide the process of designing and operationalising the INFF and use it on an ongoing basis to manage and coordinate policies across public and private finance.

The oversight committee will guide a series of assessment and diagnostic exercises that compile and generate evidence on financing needs, trends, risks and binding constraints. They will use this to inform the design of a financing strategy for mobilising resources for and promoting alignment with national sustainable development priorities, deepens the integration of public and private financing policies with national sustainable development objectives, and builds coherency across financing policy areas. They will determine any necessary institutional adaptations, for example to monitoring and review frameworks, structures for internal government coordination or collaboration and dialogue with external actors. The oversight committee will use these structures to deliver the financing strategy once the INFF is operationalised, working closely with responsible policymakers across government as well as representatives of the private sector and other non-state actors.

The oversight team fulfils a critical function, guiding the development and eventual implementation of an Integrated National Financing Framework. The oversight team will be responsible for leading, guiding and shaping the Roadmap for developing an INFF and implementing it. Collaboratively the team will determine the scope and focus of the four building blocks to an INFF – focused on (i) analysis and diagnosis; (ii) developing a financing strategy; (iii) monitoring and review; and (iv) governance and coordination. The oversight team will play a leading role in facilitating and guiding the process and in developing, championing and taking forward the implementation of actions contained in the Roadmap.

To fulfil these functions the oversight committee will:

- Guide and oversee a series of activities during the process of operationalising the INFF, through the initial scoping and inception phase to the set-up and operationalisation of the INFF building blocks.
- Convene actors from across government, the private sector and other actors.
- Champion the added value of the INFF.
- Work with policymakers to design, commit to and implement the reforms needed to operationalise the INFF.
- Work with development partners to access technical support for the INFF process.
- Build capacity within national ministries to carry out the functions of the INFF once operational.

INSTITUTIONAL SETTING

The INFF Oversight Committee will be housed within the National Treasury and Planning

MEMBERSHIP

The Oversight Committee core membership will be comprised of the following:

- *The National Treasury and Planning, (PS, National Treasury, the Chair of the oversight team, Alternate Chair, DG, Public Debt Management Office (PDMO),*
- *State Department for Planning.*

- *Ministry of Industrialization and Enterprise Development*
- *Kenya Revenue Authority*
- *Central Bank of Kenya*
- *UN Resident Coordinator*
- *UNDP Resident Representative*
- *UNICEF Representative*
- *UNWomen Country Representative*
- *EU Delegation*
- *United Kingdom - Foreign Commonwealth and Development Office (FCDO)*
- *Capital Markets Authority*
- *Public Private Partnership Unit*

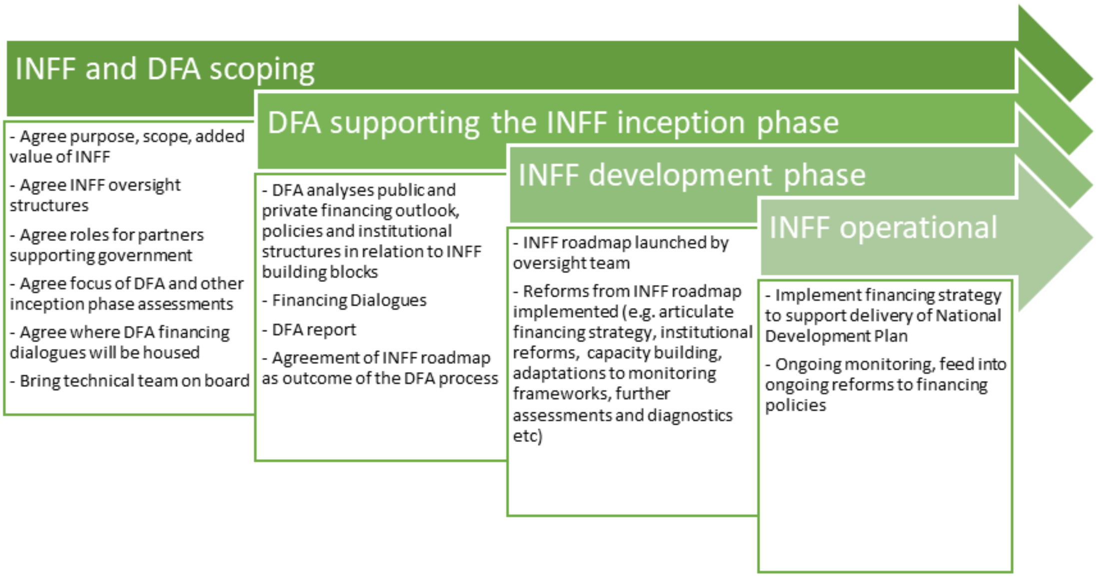
Other representatives include:
- State Department of Gender Affairs, Relevant line ministries and agencies
- Leadership of key public entities
- Council of Governors
- Parliamentarians
- *Private sector representatives: e.g., Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufacturers (KAM), Nairobi Securities Exchange, Kenya National Chamber of Commerce and Industry*
- *SDGs Kenya Forum, The Institute of Economic Affairs (IEA), The Institute of Social Accountability (TISA), the International Budget Partnership, etc*

Specific responsibilities

The specific responsibilities of the oversight committee include the following:
- Determine the scope and specific objectives of the Roadmap for developing an INFF, including linkages with wider planned or ongoing reforms.
- Oversee and feed into the development of a stakeholder map and engagement strategy.
- Provide access to policy documents and data and convene and facilitate outreach to a broad constituency of stakeholders.
- Oversee the work of the technical support to provide quality assurance and ensure that it stays within the agreed parameters, with the support of UNDP/UNCT and EU Delegation
- Provide oversight and feedback on the DFA and development of an INFF Roadmap.
- Facilitate discussions at the consultation and validation workshops and launch of the INFF Roadmap, with the support of UNDP/UNCT and EU Delegation
- Champion the INFF Roadmap among government actors and wider stakeholders
- Implement and oversee the implementation of the INFF Roadmap

PROCESS

The process of operationalising an INFF has four sequential phases, summarised as follows:



Expected Outcomes

The role of the Oversight Team is to lead the process of designing and operationalising the INFF. The expected outcomes within this process include:

INFF inception phase activities

- Completion of assessments and diagnostics during the INFF inception phase:
  - *Activities to be undertaken during the inception phase can be listed here, for example:*
  - *Completion of a DFA lead by UNDP. The DFA will play a central role in the inception phase, bringing together analysis from across the financing landscape in relation to the INFF building blocks and facilitating the development of the INFF Roadmap*

- Agreement on an INFF Roadmap that will specify the steps to be taken to fully operationalise the INFF

INFF development phase activities

- Articulation of a financing strategy that will sit at the heart of the INFF and bring together policies designed to mobilise public and private financing for national sustainable development.
- Adaptation of monitoring frameworks to effectively track public and private financing for sustainable development priorities.
- Development of capacity to effectively deliver the financing strategy.
- Adaptation of governance and coordination structures
- Launch of financing strategy as the initialisation of INFF operations.

INFF operations

- Delivery of the financing strategy for more effective mobilisation of financial resources and sustainable development impact in line with national development priorities

Note that this section of the TOR may be revisited and updated once the INFF Roadmap has been agreed at the end of the INFF inception phase.

Annex 4: List of Implementing Agencies/Partners

1. The State Department for Planning – SDGs Coordination Department
2. The State Department for Planning – KNBS
3. The State Department for Planning – Macro Planning Department
4. The State Department for Planning – M& E Directorate
5. Council of Governors
6. Parliamentary Caucus on SDGs and Business