

SUMMARY

Annual Action Programme (AAP) 2016 in favour of Kenya to be financed from the 11th European Development Fund (A envelope)

1. Identification

EDF allocation	11th EDF National Indicative Programme (NIP) for Kenya – A envelope
Total cost	EUR 134 000 000 of EU contribution
Basic act	ACP-EU Partnership Agreement

2. Country background

This AAP 2016 covers 4 components: Ending Drought Emergencies: Climate Proofed Infrastructure for improved water supply and sanitation in Arid and Semi-arid Lands areas; Contribution to the African Investment Facility to support the Climate Proofed Rural Roads in Arid and Semi-Arid Lands Kenya; AgriFI – Kenya – Support to productive, adapted and market integrated smallholder agriculture in Kenya and PLEAD: Programme for Legal Empowerment and Aid Deliver in Kenya.

In 2008 Kenya adopted a long term development plan (Vision 2030) implemented through a series of 5 year Medium Term Plans with the current Medium Term Plan 2 running through 2013 to 2017. As a means of reinforcing this plan and taking into account that Kenya is now classified as a lower middle income country and among the fastest growing economies in East Africa, the programmes below were developed to support Kenya's commitment to ending drought emergencies in the Arid and Semi-Arid Lands and prioritising major infrastructure projects which promote the integration of the Arid and Semi-Arid Lands with rest of Kenya, while at the same time increasing the role of the private sector in agricultural development.

The AAP 2016 will also support the reform of the 2010 constitution, especially the transition to a new constitutional order, namely the devolution of governance to the 47 counties. In addition, the justice sector which has historically been under-funded will receive additional resources with key actors such as legal aid, probation, and prisons.

3. Summary of the Action Programme

The **Ending Drought Emergency Programme (EDE): Climate Proofed Infrastructure for improved water supply and sanitation in Arid and Semi-arid lands (ASAL) areas** is aligned with Kenya's own Ending Drought Emergency strategy and its Common Programme Framework adopted in 2015. The Ending Drought Emergency is the Government's commitment to end the worst of the suffering caused by drought by 2022. The Ending Drought Emergency Common Programme Framework was developed jointly between the Government and its development partners and focuses on the 23 most drought-prone counties in Kenya. Its implementation will be led by the relevant parts of the national and county governments, working in ways that strengthen synergy between sectors and agencies and deepen accountability to drought-affected communities. A donor mapping exercise revealed a bias towards investments in livelihoods and risk reduction, specifically towards support to soft costs, such as small scale community projects and capacity building. The need to address the infrastructure deficit was ignored, with little investments for capital costs.

The proposed programme will support Climate-proofed Infrastructure component of the Ending Drought Emergency strategy by allocating EUR 18 million to a new Arid and Semi-Arid Lands programme that will be established by the Water Services Trust Fund to implement medium sized water and sanitation projects in selected counties. The Water Services Trust Fund Programme will have the following characteristics: Outreach Programme that supports ASAL counties in planning and designing infrastructure projects; Support to projects that are based on climate-proofed technology; cooperation with Partner Funds from the counties; ability to fund medium sized projects; the programme to perform "willingness-to-partner assessment, which includes preparedness to co-fund and ability to safeguard Operations and Maintenance; The ability to leverage funding.

The proposed programme will also promote the establishment of Public Private Community Partnerships to increase the role of the private sector in the construction and management of water supply services. The role of the private sector has been neglected by both Government and Donors. The action will contribute to the implementation of the National Climate Change Response Strategy and target activities at community level including adaptation and mitigation measures to enhance resilience towards climate change effects.

Also contributing to Kenya's Ending Drought Emergency strategy is the **Programme Contribution to the African Investment Facility to support Climate Proofed Rural Roads in Arid and Semi-Arid Lands**. Detailed analysis of the type of support provided by donor programmes has shown the gaps that exist in capital investment. The programme is a contribution to the African Investment Facility to co-finance sustainable rural roads projects and improve connectivity and efficiency of the transport network in the Arid and Semi-Arid Land. It will support the Kenya Roads programme in expanding its activities to the Arid and Semi-Arid Lands and it envisages a partnership with EU Member States development agencies. This should result in a situation where the deficit of climate proofed productive rural roads and

their lack of maintenance are progressively addressed in a coordinated and comprehensive manner at national, county and community levels.

Kenya- (AgriFI) Support to the productive, adapted and market integrated smallholder agriculture in Kenya builds on the ongoing 10th EDF Kenya Rural Development Programme and the Standards and Market Access Programme supporting smallholder productivity and resilience, agriculture research and services, food quality and safety. These 10th EDF programmes have shown that limited access to finance, training and market integration are the main obstacles for smallholder farmers to move out of subsistence farming. The primary target of this programme are the smallholder farmers, pastoralists and their organisations who are occasional market players with the potential to become full players in specific value chains. The agri-business actors are the strategic partners enabling smallholders' integration into commercial farming within their specific value chain.

Financing of the value chain actors will be provided on the basis of approved business plans, whereby the EDF grant support will target provision of services and capacity building to enable smallholders' investment in farming. The EDF grant will also reduce financial risks by way of interest subsidies or collateralisation through a blending facility with European Investment Bank. Another blending facility will be provided for the dairy value chain, targeting dairy cooperatives to support investments to improve quantity, quality and traceability of milk delivery from smallholders. The purpose of the EU blending facilities is to help finance projects with high development impact that would not have been undertaken without the support from these facilities. The support to the value chain actors will be complemented by 1) support to research on adapted value chain agro-practices solutions and 2) support to develop and disseminate value chain based extension curricula modules, integrating also the compliance to Sanitary and Phyto-sanitary regulations. The programme builds also on the Joint Programming Dialogue with EU Member States and will specifically leverage existing German Development Cooperation, Agence France de Développement, Slovak Aid, Netherlands, Danish, and Swedish Bilateral Aid support to the smallholder sector as well as lines of credit to Small and Medium Enterprise promotion provided by the European Investment Bank and by the EU Member States Finance Institutions.

The **Programme for Legal Aid and Empowerment in Kenya (PLEAD)** supports the implementation of the principle of equality of all before the law. It targets the counties with the 5 largest urban centres and 7 of the most marginalised counties in North-Eastern Kenya, where the principle of equality of all is particularly challenged due to social inequalities and/or absolute poverty. The proposal seeks to reinforce the ability of the justice sector to address and redress economic and political grievances, thereby strengthening the legitimacy of the rule of law in Kenya. It seeks also to address the linkage between the marginalisation of the communities concerned and their exposure to criminal activities, including radicalisation, which sustains a vicious circle where exclusion and instability become mutually reinforcing. PLEAD reaches out to both the national and county levels and embraces a broad definition of the justice system, covering the informal as well as the formal systems of justice delivery and tackling different stages of the formal system from investigation to sentencing.

The envisaged outcomes of PLEAD project include:

- Access to legal aid is enhanced, especially for the poor and vulnerable, which includes support to the Department of Justice to ensure adoption and implementation of the new legal and regulatory framework on legal aid. Furthermore it includes support to Amkeni Wakenya, the UNDP led facility supporting local Civil Society Organisations and which has among its objectives to ensure that the civil society contributes to the delivery of legal aid services under the supervision of the Department of Justice;
- Court administration and case management are strengthened nationally and in 12 focal counties. This outcome focuses on the Judiciary and includes technical assistance, trainings, equipment and infrastructure to build the capacity of the Magistrates' Courts (courts of primary jurisdictions) and their supervisory authorities to deliver justice in a manner that is expeditious and compliant with the Bill of Rights enshrined in the Constitution of the Republic of Kenya;
- Quality and efficiency have increased in the criminal justice system. This outcome aims to increase the ability of the judicial system to handle and determine criminal cases in a manner, again, which is expeditious and compliant with the aforementioned Bill of Rights. Technical assistance, trainings and equipment will be provided to different actors of the judicial chain including the Office of the Director of Public Prosecutions, the Kenya Probation and Aftercare Service, and the Witness Protection Agency. Given the congestion of prisons in Kenya and the conditions of detention prevailing in these institutions, alternatives to imprisonment will be promoted.
- Coherence, cooperation, and collaboration within the justice sector have improved, owing primarily to capacity-building of the National Council on the Administration of Justice to play its legislated role. This outcome responds to the premise that support to the justice system can only be effective if it integrates the impact of the support provided to all actors of the underlying chain, and not only on the direct beneficiaries. This outcome also ensures that project implementation in the 12 targeted counties, informs the policy process at national level for the purpose of increased ownership and sustainability.

4. Communication and visibility

Visibility activities are planned to be implemented centrally from the last 10th EDF global commitments and from the 11th EDF funds that will be earmarked in the three projects foreseen in AAP 2016 Kenya. Visibility actions supported may cover all EU cooperation activities in Kenya in order to increase coherence in the EU's communication strategy. Care will be taken that substantial visibility will be given to the programme as described in this Action Fiche. Standards for visibility will be derived from the "EU visibility guidelines for external actions" published by the European Commission.

5. Cost and financing

Programme for Legal Empowerment and Aid Delivery in Kenya (PLEAD)	EUR 34 000 000
Kenya – (AgriFI): Support to productive, adapted and market integrated smallholder agriculture, including a contribution to the Africa Investment Facility	EUR 50 000 000
Contribution to the African Investment Facility to support the Climate Proofed Rural Roads in ASAL-Kenya	EUR 30 000 000
Ending Drought Emergencies: Climate Proofed Infrastructure for improved water supply and sanitation in Arid and Semi-arid Lands areas	EUR 20 000 000
Total EU contribution to the measure	EUR 134 000 000

The Committee is invited to give its opinion on the attached Annual Action Programme 2016 in favour of Kenya.



ANNEX 1

of the Commission Decision on the Annual Action Programme 2016 in favour of the Republic of Kenya to be financed from the 11th European Development Fund

Action Document for the Programme for Legal Empowerment and Aid Delivery in Kenya (PLEAD)

1. Title/basic act/ CRIS number	Programme for Legal Empowerment and Aid Delivery in Kenya (PLEAD) (CRIS number: KE/FED/037-676) financed under the 11 th European Development Fund (EDF)	
2. Zone benefiting from the action/location	Kenya The action shall be carried out at the following locations: Wajir, Mandera, Lamu, Tana River, Garissa, Marsabit, Isiolo, Kisumu, Nairobi, Mombasa, Uasin Gishu, Nakuru	
3. Programming document	National Indicative Programme (NIP) of the 11 th European Development Fund for the Republic of Kenya	
4. Sector of concentration/ thematic area	Accountability of Public Institutions	DEV. Aid: YES ¹
5. Amounts concerned	Total estimated cost: EUR 34 150 000 Total amount of EDF contribution EUR 34 000 000 This action is co-financed in joint co-financing by: - United Nations Office on Drugs and Crime (UNODC) for an amount of EUR 150 000	
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management - procurement of services Indirect management with the United Nations Office on Drugs and Crime (UNODC) Indirect management with the United Nations Development Programme (UNDP)	

¹ Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	Indirect management with the Department of Justice of the Republic of Kenya			
7 a) DAC code(s)	15130 – legal and judicial development – 100%			
b) Main Delivery Channel	Public sector institutions: 10000			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10 SDGs	<p>Main SDG Goal: 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</p> <p>Secondary SDG Goal: Goal 5. Achieve gender equality and empower all women and girls</p>			

SUMMARY

The Programme for Legal Aid and Empowerment in Kenya (PLEAD) targets the counties with the 5 largest urban centres of the country and 7 counties of the most marginalised area of Kenya (North-Eastern Kenya) to enforce the equality of all before the law where it is particularly challenged, due to social inequalities (in the urban centres) or absolute poverty (in the North-Eastern county). The support planned in this proposal seeks to reinforce the ability of the justice sector to address and redress economic and political grievances in these areas, thus strengthening the legitimacy of the rule of law and the Kenyan State. It seeks also to address the linkage between the marginalisation of the communities concerned and their exposure to criminal activities, including radicalisation, which sustains a vicious circle where exclusion and instability become mutually reinforcing. PLEAD reaches out to both the national and county levels and embraces a broad definition of the justice system, covering the informal as well as formal character of justice delivery in Kenya and tackling different stages

of the latter from investigation to sentencing. In so doing, it recognises that the justice system in Kenya is chain-linked and only as strong as its weakest link.

The project has four interlinked and mutually supportive results to achieve its objectives:

- Outcome 1 – Access to legal aid and assistance is enhanced, especially for the poor and vulnerable, which includes support to the Department of Justice to ensure implementation of the new legal and regulatory framework on legal aid, and support to Amkeni Wakenya, UNDP's led facility supporting local Civil Society Organisations (CSOs) and which has, among its objectives to, ensure that the local civil society continues to contribute to the delivery of legal aid services under the new framework and under the supervision of the Department of Justice.
- Outcome 2 – Court administration and case management are strengthened nationally and in 12 focal counties. This outcome focuses on the Judiciary and includes technical assistance, training, equipment and infrastructure to build the capacity of the courts of primary jurisdictions (Magistrates' Courts) and their supervisory authorities to deliver justice in a manner that is expeditious and compliant with the Bill of Rights enshrined in the Constitution of the Republic of Kenya.
- Outcome 3 – Quality and efficiency are increased in the criminal justice system. This outcome aims to increase the ability of the judicial system to handle and determine criminal cases in a manner, again, which is expeditious and compliant with the Bill of Rights. Against this backdrop, technical assistance, training and equipment will be provided to different actors of the judicial chain, including the Office of the Director of Public Prosecutions, the Kenya Probation and Aftercare Service, and the Witness Protection Agency. Given the congestion of prisons in Kenya and the conditions of detention prevailing in these institutions, alternatives to imprisonment will be promoted in this outcome as well.
- Outcome 4 – Coherence, cooperation and collaboration within the justice sector are improved by capacity-building of the National Council on the Administration of Justice. This outcome responds to the basic premise of the programme, where the effectiveness of the justice system can only be improved if it integrates the functioning of all actors of the underlying chain. This outcome also ensures that project implementation in the 12 focal counties, informs the policy process at national level for the purpose of increased ownership and sustainability.

PLEAD also includes both long- and short-term technical assistance and ensures flexibility through both a short-term expert facility and a one-year inception phase.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Kenya is a lower-middle income country and among the fastest-growing economies in East Africa with an expected growth rate of 5.4% for 2015 and which the World Bank predicts will rise to more than 6% in 2016². Despite economic progress, poverty and inequality levels remain relatively high, particularly in rural areas (75% of the population). The 2010 Constitution, includes a wide-ranging Bill of Rights, and guarantees the independence of the

² Kenya Economic Update, World Bank, October 2015

Judiciary³. The transition to a new constitutional order includes devolution to 47 counties which were established after the 2013 elections.

Kenya has faced high levels of insecurity for many years as a result of competition for land, ethnic conflicts, armed civilians operating as bandits or criminal groups (including across borders) and a history of marginalisation of the country's periphery. It shares borders with five countries, two of which are experiencing serious conflicts (Somalia to the east and South-Sudan to the north-west). Economic inequality is most prevalent and visible in the large urban centres (i.e. Nairobi, Mombasa, Nakuru, Kisumu and Eldoret) while the North-East counties have generally been excluded from the national development process. Against this backdrop, both cities and North-Eastern counties are increasingly becoming transit points for irregular migration routes and breeding grounds for radicalised youth.

Historically under-resourced for decades, the justice sector has, following the reforms of the 2010 Constitution, seen a redirection of public resources to the Judiciary and prosecution services. Other key actors in the justice chain, such as legal aid, probation and prisons have continued to receive modest allocations and allocations to the Judiciary have become politically contentious in a context of growing accusations of "judicial activism".

1.1.1 Public Policy Assessment and EU Policy Framework

The justice sector is located under the political pillar of Vision 2030, the long-term development blueprint of Kenya. Based on Vision 2030, the second Medium Term Plan (MTP 2) 2013- 2017 has identified reforms in the justice sector as flagship programmes for the implementation of Vision 2030. In particular, six flagship programmes are set under the political pillar on Governance and Rule of Law (6.2): 1) implementation of the constitution and legal reform; 2) leadership, ethics and integrity; 3) national cohesion and integration; 4) legal aid and awareness; 5) strengthening the criminal justice system; and 6) implementation of the Judiciary Transformation Framework i.e. the sector strategy of the Judiciary (JTF). The PLEAD project intends to address the above 1), 4), 5) and 6) and also takes forward various recommendations in the Governance, Justice and Law and Order Sector report for the Medium Term Expenditure Framework Period 2013/14-2014/2015 (October 2012), namely: adequate allocation of resources (through the collection of data across the justice system to inform policy makers and planners); modernised registries to ease case retrieval; public access to legal aid services and enhanced access to justice in the counties; and strengthened linkages among criminal justice agencies (at both national and local levels).

The National Indicative Programme (NIP) of the 11th EDF in Kenya includes an 'accountability of public institutions' sector totalling EUR 60 million. The actions planned in this sector (under which the current project falls) are aligned to MTP 2 and Vision 2030. The PLEAD project is in line with EU Guidelines for Support to Justice and the Rule of Law (2013) and intends to achieve a balance between various components to increase coherence and cooperation in the justice chain, to address critical steps in case management, and to focus on service delivery.

1.1.2 Stakeholder analysis

The **National Council on the Administration of Justice (NCAJ)** is created by the Judicial

³, Africa Briefing No 102, International Crisis Group, September 2014

Service Act (1 of 2011) as the highest level policymaking and oversight co-ordinating mechanism to oversee the development of policies and strategies within the justice sector and to coordinate the work of the sector. It is chaired by the Chief Justice made up of heads of all justice institutions, Principle Secretaries of related ministries, representatives of CSOs involved in human rights and legal aid, and a representative of the private sector. The Chief Registrar serves as Secretary to the NCAJ and is assisted by a Secretariat. The NCAJ also facilitates the establishment of **Court User Committees** at county level. Court User Committees bring together all justice agencies and stakeholders (including legal aid CSOs local chiefs) under the chair of a judicial officer to find local solutions to problems related to the delivery of justice. The NCAJ links directly with and receives reports from Court User Committees, enabling policy and decision makers to receive real-time data and feedback from delivery units and end users. At the same time, Court User Committees can be used by central institutions to direct the operation of justice services in each locality.

The **Judiciary**'s independence is entrenched in the Constitution and it has undergone major reforms under the Judiciary Transformation Framework (JTF) 2012-16 including, in particular, the stronger focus of courts on service delivery, the establishment of mechanisms for reporting on cases of court maladministration, or the vetting of magistrates and judges. Although those facing capital crimes in the High Court are provided with *pro bono* lawyers, the only formal legal aid in Kenya currently is provided by the **National Legal Aid Programme (NALEAP)** under the **Department of Justice (DoJ)**. The National Legal Aid Programme was established in five 'pilot counties' with the initial support of the 10th EDF Bridging the Divide through Accountable Governance (BDAG) project. A new Legal Aid Bill, passed in March 2016, gives effect to the right to a fair hearing as in Article 50 of the Constitution, which includes the right to legal aid at state expense (Article 50 (2) (h)). The Bill foresees the establishment of a semi-autonomous **Legal Aid Service (LAS)** under the Department of Justice but with its own Legal Aid Fund. This Service will recruit its own staff and enter into 'co-operation agreements' with other service providers such as CSOs, paralegals and law students.

The **Office of the Director of Public Prosecutions (ODPP)**, established as an independent service under the 2010 Constitution, is responsible for all prosecutions in Kenya and is on a recruitment drive to an establishment of 900+ State counsels in the 47 counties. The 650 Probation Officers and 300 Volunteer Probation Officers falling under the **Kenya Probation and Aftercare Service (KPAS)** maintain a presence at each court in Kenya where they prepare pre-sentence social enquiry reports on offenders for magistrates and also support bail hearings and supervise non-custodial sanctions and resettlement of ex-offenders as well as promotion of crime prevention and victim support schemes.

CSOs in Kenya provide legal aid, advice, assistance and public education under different arrangements operating through local networks in each of the 47 counties, although their coverage is patchwork and tends to be skewed towards urban centres. Many make use of paralegals that gain recognition under the new Legal Aid Bill and, once accredited and working under the guidance of an Advocate, will be able to provide services to the LAS as recognised legal aid providers. Until the Legal Aid Bill is fully operational (and whilst the LAS is being rolled out), CSOs will continue to provide crucial legal aid and assistance in both civil and criminal matters (to both victims and accused).

The **Kenya Witness Protection Agency (KWPA)** was established under the Witness Protection Act⁴ of 2008 to provide the framework and procedures for special State protection for witnesses in possession of important information facing potential risk or intimidation due to their co-operation with prosecution and other law enforcement agencies. Although it is still in the process of building its capacity and institutions, the KWPA is potentially also a key institution in the fight against transnational crimes including terrorism.

Amkeni Wakenya is a UNDP led facility (basket fund) set up in 2008 to promote democratic governance in Kenya. Amkeni Wakenya primarily works through Civil Society Organisations (CSOs) and supports and strengthens the role of citizens in the deepening of democracy, human rights, access to justice and governance reforms in Kenya.

1.1.3 Priority areas for support/problem analysis

Kenya rates well when it comes to the rule of law on major indices⁵ and has made significant gains after a long period of colonial rule and dictatorship. But impunity and corruption still rank as major concerns in opinion polls on the perception of public institutions in Kenya. High levels of economic and social inequality have contributed to the radicalisation of youths in major urban areas and the North East, which is already affecting stability in these areas as well as across the entire country. The justice system is a critical part of coping with and reducing insecurity, but its ability to do so is dented by the following problems:

- Although the NCAJ meets regularly and has increased cooperation and coordination within the justice sector which has the potential to increase the entire sector's responsiveness, the secretariat envisaged in its strategic plan has yet to be fully established and, since 2011, consists only of the Secretary (Chief Registrar) and one additional staff member seconded by the Judiciary.
- Courts face heavy backlogs and struggle with court management and administration, while many of the remote counties (including those in the North East) are significantly under-resourced. High Courts are in the process of being established in each of the 47 counties, but there are inadequate numbers of Magistrates Courts and judicial officers to service the same entities. Case backlogs are high, mainly due to poor case management and court administration and exacerbated by run-down or non-existent registries and exhibit rooms, with the result that case files and evidence is lost. This backdrop, in conjunction with the results of stakeholder consultations during identification and formulation, explains the inclusion of physical support for container-based Magistrates Courts, court registries and exhibit rooms.
- Although the right to legal aid is included in the Constitution, legal aid at state expense is only available in murder and treason cases in the High Court, through the National Legal Aid Programme or CSOs providing legal aid, alternative dispute resolution mechanisms, and other forms of assistance. Now the legal aid Bill has been passed, the LAS is expected to begin to address this. It will be rolled out progressively and will require significant support to train new staff and legal aid providers, equip offices, put regulations, procedures and systems in place, and to establish the Legal Aid Fund to pay accredited legal aid providers.

⁴ Cap 79 Laws of Kenya

⁵ Kenya ranked 16th in the rule of law category on the 2014 Mo Ibrahim Index of Governance with a score of 55.4.

- Until recently, police officials were responsible for all prosecutions in Kenya, which led to low success rates, increased levels of insecurity, and limited access to justice for victims. Although the system has improved since the establishment of the Office of the Director of Public Prosecutions (ODPP), specialised training is still required to ensure increased success rates during criminal trials.
- Prisons are overcrowded despite numerous efforts to address the problem, largely because of limited use of bail and a reliance on custodial sentences – all of which is compounded by an under-resourced KPAS that is required to play a role in both assisting courts to determine bail and in monitoring the implementation of any alternatives to imprisonment.
- Finally, witness protection is a relatively new field in Kenya and the Witness Protection Agency of Kenya (WPAK) has been attempting to build its capacity and learn from the experiences of similar agencies in the region, but requires assistance to develop a management framework and organisational policies in line with international standards that will empower it to offer protection to those with critical evidence in terror-related and transnational crimes.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Security	H	The risks of insecurity are great, given the choice of focal counties. However, failing to address the rule of law and access to justice in these areas would further increase insecurity in Kenya and contribute to a breakdown in the rule of law. The new Trust Fund for the Sahel, lake Chad and the Horn of Africa, has been specifically established to address security and will mitigate this risk. In addition, EU support to fight against terrorism with the Strengthening Resilience to Violence Extremism in the Horn of Africa and Countering the Financing of Terrorism in the Horn of Africa as well as support by other Development Partners aimed at improving security should help to further mitigate the risk.
Amendments to the Public Benefits Organisations (PBO) Act result in a cap on external funding for CSOs and tightened conditions for registration of CSOs.	H	This creates a risk not only for support to CSOs under the project, but also for broad EU support to the Governance, Justice, Law, Order and Security (GJLOS) sector in Kenya. But while the Act was passed in 2013, it has yet to be implemented. Given the ongoing controversy surrounding the Act, the government established a task force at the end of 2014 to solicit views from the public, review relevant legislation, to advise Cabinet on the implementation of the Act and to provide recommendations on how to proceed. Although the task force has submitted its report, as of September 2015, no further action had been taken to date.
Susceptibility to corruption/corrupting practices	M	Maximising transparency: i) by the collection and publication of data; ii) through the oversight at local level provided by the Court User Committees iii) through efficiency measures that remove the barriers that give rise to corrupt practice and ; iv) a robust information strategy inviting citizen input. Another mitigating measure will be regular coordination with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), regarding their specific project on fight against corruption along the justice chain.
Assumptions		
The underlying assumption is that threats to national stability and security can be addressed through a more effective and coordinated justice sector.		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

‘The actors and structures of the criminal justice system are mutually dependent - the failure of one actor or structure is bound to precipitate that of other structures and processes’⁶. Criminal justice and civil justice are often intertwined, with many crimes giving rise to both criminal and civil remedies, and with the option of settling minor offences through traditional civil remedies such as Alternative Dispute Resolution (ADR) mechanisms or compensation. As a result, programmes aimed at improving access to justice and compliance with the rule of law work best when focusing on the most important stakeholders as well as on improving coordination and cooperation within the sector.

The major lessons learned during the EU programme on access to justice – Bridging the Divides through Accountable Governance (BDAG) – can be summarised as: 1) training legal aid seekers on self-representation is a cost effective and sustainable way of legal aid delivery; 2) the use of ADR mechanisms provides sustainable alternatives to enhance access to justice; 3) diverting juveniles in conflict with the law from the criminal justice system is critical in reducing recidivism and in reducing case backlog in the courts; and 4) the demand side of legal aid far exceeds the capacity of the available pro bono lawyers.

The main lesson learned by other Development Partners working in the sector is that all key stakeholders players suffer from limited human resources and capacity to effectively and efficiently offer services, in a context of increased expectations created by the constitutional dispensation on the Bill of Rights and on the independence of the Judiciary. Amongst other things, the role of the National Council on the Administration of Justice (NCAJ) is hampered by the lack of contributions from other justice actors than the Judiciary to setting up, equipping and staffing the Secretariat. When it comes to the Judiciary, this capacity issue extends to its ability to effectively undertake the process of procurement. On the issue of the capacity of court registries, it was noted that even where standard systems have been introduced, such as through manuals, the staff do not have the sufficient know-how and necessary equipment (such as filing cabinets, folders and others tools) to implement them. Absorption capacity amongst civil society organisations (CSOs) is limited (as established by UNDP during implementation of the first phase of its Amkeni programme and during a survey conducted as part of the formulation). Previous attempts to fund CSOs through DoJ/ National Legal Aid Programme under the Kenyan National Integrated Civic Education Programme had limited success as the procedures used were not suitable to pay the service providers.

3.2 Complementarity, synergy and donor coordination

The major Development Partners' projects and programmes in the Access to Justice/Rule of Law Sectors include the following: the **World Bank**'s Judicial Performance Improvement Project (JPIP) (2013-18) provides support to the Judiciary for 1) the construction of 10 High

⁶ UNODC Handbook on Improving Access to Legal Aid in Africa, 2011

Courts and 10 Magistrates Courts⁷, 2) the refurbishment of 15 Magistrates Courts, 3) the supply of 20 'demountable' courts', 4) Information and Communication Technology (ICT) support to the courts and 5) judicial training for Judges and Magistrates through the Judicial Training Institute (JTI). The JPIP has recently been refocused on frontline service providers (magistrates and registry staff), on increasing the speed of case resolution through High Court (such as annexed mediation in family and commercial cases and active case management in criminal cases), on renovating 10 additional registries and on developing training programmes and training of registry staff across the country. The **UNDP's** Judiciary Transformation Support Project (JTSP) (2013-16) is essentially a basket fund to support access to justice and strengthen capacities within the Judiciary. Although it has the potential to overlap with PLEAD, JTSP comes to an end in 2016 and has only managed to raise USD 3.5 million of its budget of USD 20 million (provided by UNDP and Netherlands). The Swedish International Development Agency (**Sida**) and the Danish International Development Agency (**Danida**) also provide technical assistance to the Judiciary for the implementation of the Judiciary Transformation Framework (JTF) through the International Development Law Organisation (IDLO) which will be complemented by PLEAD. **GIZ's** Promotion of Good Governance to Strengthen Integrity and Accountability in Kenya programme (2014-16) supports the Judiciary for the drafting of regulations to operationalise the Judiciary Fund, the development of manuals for High Court Registries, the development of a computerised case management system for prosecution, reform of court registries and filing systems. GIZ has also supported induction courses for prosecutors piloted in the provincial units, while Sida and GIZ have also helped the National Council on the Administration of Justice (NCAJ) to develop a new organogram and sentencing and bail policies. GIZ, UNDP and World Bank will provide training to registry clerks and staff at High Court level, while UNODC currently engages with the National Police Service through the Kenya Police Reform Programme. GIZ is now supporting the justice chain through a specific project on fight against corruption.

Donors engaged in the sector meet every 3 months in a sector co-ordination committee. In 2015, the Judiciary established a Joint Steering Committee on Judiciary Transformation (JSCJT) including decision makers of the Judiciary and representatives of the lead donors of the sector to meet and share information. On the donor side, the EU and the International Development Law Organisation (IDLO) replaced in late 2015 GIZ and the UK Department for International Development (DFID) as co-chairs for sector dialogue.

3.3 Cross-cutting issues

Women and girls are more likely to be victims of crime than perpetrators and are often in need of psycho-social counselling and support. The programme will address this by ensuring that both CSOs and the National Legal Aid Programme (or the Legal Aid Service, if and when the National Legal Aid Programme has been transformed into the Legal Aid Programme) provide legal aid and assistance to women and girls. The National Legal Aid Programme already works with various CSOs that provide victim support, especially to women and girls, and trains a variety of role players, including traditional and community leaders, to provide alternative dispute resolution (ADR) in addition to providing legal services. This approach will be strengthened under the new legislation, which allows for ADR in both civil and criminal matters to be provided by a range of legal aid providers, including CSOs and traditional and community leaders. A public education campaign on the new Legal

⁷ Against a need of 200 Magistrate Courts as assessed by the Judiciary in the Judiciary Transformation Framework

Aid Bill and human rights is included that will also include a focus on women and children, and legal aid will generally be provided to the poor and women by both LAS Advocates and those in private practice. The baseline study envisaged in the inception phase will also disaggregate data according to gender.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG target(s) 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, but also promotes progress towards Goal 5. Achieve gender equality and empower all women and girls This does not imply a commitment by the country benefiting from this programme.

The general objective is to enhance the rule of law as an effective means to address insecurity, conflicts and socio-economic grievances in Kenya.

The specific objective is to develop an integrated approach at central and local level aimed at equality of all before the law, through improved access to and the expeditious delivery of justice, particularly in high-risk counties.

Outcome 1 – Access to legal aid is enhanced, especially for the poor and vulnerable

Outcome 2 – Court administration and case management are strengthened

Outcome 3 – Quality and efficiency have increased in the criminal justice system

Outcome 4 – Cooperation and coherence within the justice sector have improved

4.2 Main activities

Outcome 1 – Enhanced access to legal aid, especially for the poor and vulnerable

The **main activities** to achieve this outcome are:

- Support the Department of Justice (DoJ) to implement the Legal Aid Bill
- A contribution to the UNDP-led Amkeni Wakenya basket fund to provide legal aid in focal counties. The contribution aims at reinforcing CSOs providing legal aid services, enhancing of community awareness of legal aid schemes, and strengthening community-based alternative dispute resolution (ADR), informal justice systems (IJS) and community paralegal mechanisms.

Outcome 2 – Court administration and case management strengthened

The **main activities** to achieve this outcome are:

- Provision of container-based Magistrates Courts⁸, registries and exhibit rooms for the Judiciary (including furniture and equipment) in focal counties.

⁸ The EU Delegation consulted the Chief Registrar of the Judiciary during formulation on the option of container-based courts. It was agreed that this configuration offered the most cost-effective solution for new and sustainable courts in remote areas of Kenya. These courts will be resident courts in the areas they cover and will not change location the way mobile courts do. It turned out during different meetings with the Judiciary that this institution was unconvinced by the merits of mobile courts in the long term. Security in North-Eastern Kenya

- Support to the Judiciary to develop and to provide training to registry clerks and relevant support personnel at Magistrates Court level in focal counties.
- Technical assistance to the Judiciary for the drafting of guidelines, policy notes and regulations for improved court administration and case/file management.

Outcome 3 – Increased quality and efficiency in the criminal justice system

The **main activities** to achieve this outcome are:

- Capacity building and organisational development for the Office of the Director of Public Prosecution (ODPP).
- Support to the Kenya Witness Protection Agency (KWPA) to develop a management framework and organisational policies in line with international standards.
- Support to the Kenya Probation and Aftercare Service (KPAS), including building capacity to manage and supervise those on bail and implement non-custodial sentences.

Outcome 4 – Improved coherence and cooperation within the justice sector

The **main activities** to achieve this outcome are:

- Support to the National Commission on the Administration of Justice (NCAJ) to develop and implement key policy and legislation to enhance the quality and efficiency of the criminal justice system in line with the Constitution.
- Support to NCAJ as the coordinating body for the Justice Sector. This includes support to monitor the implementation of policies such as those related to alternative dispute resolution mechanisms, bail/bond, and sentencing and to provide material and technical support to strengthen the NCAJ Secretariat.
- Support to NCAJ to develop and conduct a national public education and awareness campaign on the rights of citizens within the judicial system.

4.3 Intervention logic

The PLEAD approach is process-driven, evidence-based and multi-pronged: providing strategic inputs at national and county levels to enable a) the system to function more efficiently and fairly and thus provide effective legal redress for economic and political marginalisation which remains one of the root causes of instability in Kenya; b) people to access justice services appropriate to their needs to enforce their rights to a fair and just system; and c) the rule of law to prevail, particularly in high security risk counties. The project is based on increasing the capacity of the justice system to respond to and mitigate threats, but recognises that the justice system is a linked-up system, where weak links in one part of the justice chain lead to problems in other parts.

To address problems created by increasing levels of migration and increased security threats and to create ‘centres of excellence’ to encourage government and other development partners to support the justice chain in a similar fashion in other high risk areas and across the country, the project focuses on 12 ‘focal’ counties. Those counties at greatest security risk are prioritised to avoid a breakdown in the rule of law while the project generally seeks to ensure that all key role players in each county are supported as far as possible. The focal counties

will be the same as "bricks and mortar" courts, given that the Judiciary and the Ministry of Interior will affect the usual number of officers as for all Magistrate Courts outside Nairobi.

include the five counties in which the Department will roll out the Legal Aid Service as per their current implementation plan – these five counties include the 5 largest urban centres of Kenya and were already supported by the National Legal Aid Programme (NALEAP) of the Department of Justice (Kisumu, Nairobi, Mombasa, Uasin Gishu, Nakuru) under the 10th EDF Bridging the Divides through Accountable Governance (BDAG) Programme. Additionally, 7 counties of North Eastern Kenya that are most vulnerable to security threats and already benefiting from EU actions on countering violent extremism (CVE) also feature in the geographical focus of the PLEAD programme.

PLEAD focal counties	
(North-Eastern) counties where all stakeholders , except the National Legal Aid Programme are present	(Urban) counties where all stakeholders are present, including the National Legal Aid Programme
Wajir, Mandera, Lamu, Tana River, Marsabit, Isiolo, Garissa	Kisumu, Nairobi, Mombasa, Uasin Gishu, Nakuru

Sustainability of this process of service delivery at local level also requires involvement and supervision of the central institutions, as well as policy making informed by the results of these activities at local level. For this reason, the project will also provide capacity building and policy making support to central institutions in Nairobi, including the Department of Justice (Outcome 1), the Judiciary and the National Council on the Administration of Justice (Outcome 2 and 4), and the Office of the Director of Public Prosecution, the Kenya Witness Protection Agency and the Kenya Probation and Aftercare Service (Outcome 3). This support will also facilitate the replication process in the rest of Kenya beyond the duration of this project, assuming that service delivery in the focal counties improves markedly as a result of PLEAD.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement. This Financing Agreement will cover the programme estimates with the Department of Justice under Outcome 1.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation of the budget support component

N/A

5.4 Implementation modalities for an action under project modality

5.4.1 Procurement (direct management)

Subject in generic terms	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical Assistance to Outcome 1 of the project (1 long-term Technical Assistants + short-term technical assistance facility)	Services	1	First quarter of 2017

5.4.2 Indirect management with the Republic of Kenya

A part of this action with the objective of supporting state provided legal aid (all activities under Outcome 1 save for the contribution to the Amkeni Wakenya fund) may be implemented in indirect management with the Republic of Kenya (Department of Justice) in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of the Regulation (EU) 2015/323 according to the following modalities:

The Republic of Kenya will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the Republic of Kenya for direct labour and contracts below EUR 300 000 for procurement and up to EUR 100 000 for grants.

The financial contribution covers, for an amount of EUR 400 000 the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the Republic of Kenya shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the Republic of Kenya.

5.4.3 Indirect management with an international organisation (UNDP)

A part of this action may be implemented in indirect management with the United Nations Development Programme (UNDP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323.

This implementation entails support to the already existing UNDP led Amkeni Wakenya basket fund. This facility provides grants to Civil Society Organisations (CSOs) to support and strengthen the role of citizens in the deepening of democracy, human rights, access to justice and governance reforms in Kenya

This implementation is justified because:

- The Amkeni Wakenya programme includes a component on access to justice in its new Programme Document. The priorities of the basket fund for the period 2014-2018, in particular the output on "enhanced access to justice for the marginalised and vulnerable communities using innovative CSO approaches", are consistent with those of the PLEAD programme,
- As a well known funding mechanism in the civil society in Kenya, Amkeni Wakenya increases accountability towards the general public and visibility of the EU.
- Using the existing structure of the Amkenia Wakenya basket fund will prevent creating another parallel grant management scheme.
- The experience of Amkeni Wakenya in outreach to the local civil society, especially in remote parts of Kenya, constitutes a comparative advantage.
- Amkeni Wakenya received EU funding in the past through the BDAG programme under the 10th EDF. Its performance in capacity building of the local civil society for the implementation of governance reforms enshrined in the Constitution was positively evaluated.
- The new decentralised approach of Amkeni Wakenya, with local offices in at least 5 of the focal counties of PLEAD, fits with the geographical focus of PLEAD.

The entrusted entity would carry out the following budget-implementation tasks :under Outcome 1, proceed with selection and contracting of CSOs to operate in the 12 focal counties of the PLEAD programme and offer legal aid services to indigent Kenyans

5.4.4 Indirect management with an international organisation (UNODC)

A part of this action may be implemented in indirect management with the United Nations Office on Drugs and Crime (UNODC) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 2015/323.

This implementation entails the strengthening of court administration and case management (outcome 2), support to quality and efficiency in the criminal justice system (outcome 3) and improved coherence and cooperation within the justice sector (outcome 4).

This implementation is justified because:

- UNODC has the necessary expertise to support the highly specialised nature of support activities

- UNODC Regional Office for Eastern Africa (ROEA) previous experience, analytical and programmatic work in the Kenyan justice sector creates a comparative advantage.
- Implementation through UNDOC will create benefit from synergies with the ongoing Kenyan Police Reform Project under the UNODC Regional Office for Eastern Africa Criminal Justice Pillar

The entrusted entity would carry out the following budget-implementation tasks:

- Providing technical assistance to the Office of the Director of Public Prosecution (ODPP), the Kenya Probation and Aftercare Service (KPAS), the Kenya Witness Protection Agency (KWPA) and the Judiciary (including the National Council on the Administration of Justice – NCAJ).
- Determining the Judiciary’s needs and priorities for infrastructure in focal counties, and concluding works and supply contracts for acquiring, installing and equipping all courts, registries and exhibit rooms required within the available budget⁹.

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 EDF applicable in accordance with Article 17 of Regulation (EU) 2015/323. The Commission’s authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

⁹ A total of EUR 5.5 million (16% of the overall amount of the project) should go to physical support implemented through the contracts mentioned above.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in Euro
Outcome 1 (Enhanced access to legal aid, especially for the poor and vulnerable) composed of	13 800 000	N.A.
5.4.1 – Technical assistance to the Department of Justice (direct management)	2 450 000	N.A.
5.4.2. – Support to state-provided legal aid (indirect management with the Republic of Kenya i.e. Department of Justice)	2 600 000	N.A.
5.4.3 – Support to CSOs for the delivery of legal aid in the 12 focal counties (indirect management with an international organisation i.e. UNDP)	8 750 000	N.A.
Outcome 2 (Court administration and case management strengthened) composed of	8 460 000	N.A.
5.4.4. – Support to the Judiciary (including the NCAJ), ODPP, KPAS and KWPA (indirect management with an international organisation i.e. UNODC) ¹⁰	8 460 000	N.A.
Outcome 3 (Increased quality and efficiency in the criminal justice system) composed of	8 170 000	N.A.
5.4.4. – Support to the Judiciary (including the NCAJ), ODPP, KPAS and KWPA (indirect management with an international organisation i.e. UNODC) ¹¹	8 170 000	N.A.
Outcome 4 (Improved coherence and cooperation within the justice sector) composed of	1 370 000	150 000
5.4.4. – Support to the Judiciary (including the NCAJ), ODPP, KPAS and KWPA (indirect management with an international organisation i.e. UNODC) ¹²	1 370 000	150 000
5.9 – Evaluation, 5.9 - Audit	600 000	N.A.
5.11 – Communication and visibility	200 000	N.A.
Contingencies	1 400 000	N.A.
Total	34 000 000	150 000

¹⁰ One delegation agreement for outcome 2, 3 and 4 together

¹¹ One delegation agreement for outcome 2, 3 and 4 together

¹² One delegation agreement for outcome 2, 3 and 4 together

5.7 Organisational set-up and responsibilities

Project Steering Committee (PSC)

A Project Steering Committee (PSC) shall be established to oversee and validate the overall direction of the project. Chaired jointly by high-level representatives of the Department of Justice and the Judiciary, the PSC shall comprise all the beneficiary institutions of the project, i.e. the Office of the Director of Public Prosecution, the Kenya Probation and Aftercare Service, the Kenya Witness Protection Agency, the National Council on the Administration of Justice, UNDP, UNODC and 2 representatives of the CSO grantees. The EUD will attend as observer.

The PSC shall monitor the overall implementation of the project, review project progress, co-ordinate the different outcomes areas and provide such guidance as is necessary to ensure the achievement of the project objective and its component parts. The PSC shall approve the project inception report by the project's permanent technical assistant, as well as annual work plans, and monitor the progress of the project. Monitoring will result mainly from the data sourced from the Court User Committees of the focal counties and compiled by the NCAJ Secretariat with support from the project.

Meetings of the PSC shall take place at least once a year. These meetings shall be prepared in advance with clear agendas for discussion and documentation in support.

Technical Assistance

One (1) permanent technical assistant (TA) shall be recruited through an international open tender process and shall be in place for the duration of the Justice Sector Project. This technical assistant will assist in the implementation of outcome 1 of the project, offering, in particular, support to the Department of Justice and liaising with UNDP to monitor the roll-out of legal aid services in the 12 focal counties of the project. This expert will also help prepare the agenda of the steering committee meetings. Finally, the TA will ensure linkages between component 1 and the rest of the project, regarding in particular the impact of legal aid on caseload in the 12 focal counties of the project, and the lessons learnt from legal aid by CSOs for policy making by NCAJ on alternative dispute resolution mechanisms. The TA contract will also include a short-term TA facility for framework contracts to be launched for the beneficiary institutions on a needs basis. The first of these contracts will focus on the baseline survey of the project, whereas the mid-term and the final reviews will be financed by a separate contract funded under the "evaluation and audit" budget line of the project in order to avoid conflicts of interest.

5.8 Performance monitoring and reporting

As agreed at a previous validation meeting with all stakeholders of the justice chain and the National Council on the Administration of Justice (NCAJ), the Court Users' Committees in the 12 focal counties of the project will carry out a monitoring function during the life-time of the PLEAD project and review at least at annual intervals progress before each meeting of the Project Steering Committee. NCAJ will carry out periodic spot-checks of Court User Committees as well as provide directives/guidelines to these.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports and a final report on the implementation of the components of the action they are in charge of. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, in particular to take stock of the progress made against the findings of the initial baseline survey.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the feedback loop between implementation in the 12 focal counties and national policy making, and the impact of the holistic approach taken towards the justice chain in this project.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, 2 contract for evaluation services shall be concluded under a framework contract in the 2nd semester of 2018 (mid-term evaluation) and 2021 (final evaluation).

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, two contracts for audit services shall be concluded under a framework contract in mid-2018 and mid-2020.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

In addition to visibility activities planned to be implemented by the implementing entities mentioned under chapter 5.4 above, the Communication and Visibility budget of EUR 200 000 will be used to pool funds from other initiatives from the Annual Action Programme 2016 for Kenya. Visibility actions may cover all EU cooperation activities in Kenya in order to increase coherence in the EU's communication strategy. Care will be taken that substantial visibility will be given to the programme as described in this Action Fiche. Standards for visibility will be derived from the "EU visibility guidelines for external actions" published by the European Commission. It is foreseen that one service contract (pooled with resources from other Commitments) will be concluded with the procedure to be launched in the first trimester of 2017.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Indicators will be disaggregated by sex whenever relevant.

	Results Chain	Indicators	Baselines (incl. reference year)	Targets By end of Programme	Sources and means of verification	Assumptions
Overall objective: Impact	Access to and the expeditious delivery of justice, through an integrated approach at central and local level, is improved, particularly in high-risk counties	World Bank World Governance Indicators (WGI) (2015): <ul style="list-style-type: none"> OO I1B1: Rule of law OO I2B1: Political stability and absence of violence / terrorism Ibrahim Index of African Governance (IIAG) (2015): <ul style="list-style-type: none"> OO I1B2: Rule of law OO I2B2: Safety and security OO I2B3: National security 	World Bank World Governance Indicators (WGI) 2015 ¹³ : <ul style="list-style-type: none"> OO I1B1: 'Rule of law' score OO I2B1: 'Political stability and absence of violence / terrorism' score Ibrahim Index of African Governance (IIAG) (2015) ¹⁴ : <ul style="list-style-type: none"> OO I1B2: 'Rule of law' score OO I2B2: 'Safety and security' score OO I2B3: 'National security' score 	WGI: <ul style="list-style-type: none"> OO I1T1: to be defined once baseline is known OO I2T1: to be defined once baseline is known IIAG: <ul style="list-style-type: none"> OO I1T2: to be defined once baseline is known OO I2T2: to be defined once baseline is known OO I2T3: to be defined once baseline is known 	<ul style="list-style-type: none"> OO I1-2 S: World Bank World Governance Indicators OO I1-2 S: Mo Ibrahim Index on accountability 	It is assumed that a more efficient and effective justice system will be able to combat extremism, the effects of migration and insecurity, but that government will continue with other efforts in this regard.
Specific objectives: Outcomes	<p>Outcome 1 – Access to legal aid and assistance is enhanced, especially for the poor and vulnerable</p> <p>Outcome 2 - Court administration and case management are strengthened</p> <p>Outcome 3 - Quality and efficiency have increased</p>	<p>Outcome 1</p> <ul style="list-style-type: none"> SO1 I1: No of people accessing state legal aid in focal counties (sex disaggregated) ‘**’ EU RF L2 I4 SO1 I2: No of people accessing services of CSOs in focal counties (sex disaggr.) ‘**’ EU RF L2 I4 <p>Outcome 2</p> <ul style="list-style-type: none"> SO2 I1: No of backlog cases in Magistrates Courts in focal counties. SO2 I2: No of awaiting trial prisoners SO2 I3: Time between the production of the police report and the issuance of the court ruling <p>Outcome 3</p> <ul style="list-style-type: none"> SO3 I1: Prosecution success rates, 	<p>Outcome 1</p> <ul style="list-style-type: none"> SO1 I1 B: To be determined based on DoJ / NALEAP reports and statistics 2015/16 SO1 I2 B To be determined during baseline study <p>Outcome 2</p> <ul style="list-style-type: none"> SO2 I1 B: To be determined based on Judiciary reports and statistics 2015/16 SO2 I2 B: To be determined based on Prison Service reports and statistics 2015/16 SO2 I3 B: To be determined based on 	<p>Outcome 1</p> <ul style="list-style-type: none"> SO1 I1 B: To be determined during inception phase SO1 I2 B To be determined during inception phase <p>Outcome 2</p> <ul style="list-style-type: none"> SO2 I1 B: To be determined during inception phase SO2 I2 B: To be determined during inception phase SO2 I3 B: To be determined during inception phase <p>Outcome 3</p> <ul style="list-style-type: none"> SO3 I1 B: To be determined during inception phase SO3 I2 B: To be determined 	<p>Outcome 1</p> <ul style="list-style-type: none"> SO1 I1 S: DoJ / NALEAP / LAS statistics and reports SO1 I2 S: CSO annual narrative reports <p>Outcome 2</p> <ul style="list-style-type: none"> SO2 I1 B: Judiciary statistics and State of the Judiciary reports SO2 I2 B: Judiciary statistics and State of the Judiciary reports SO2 I3 B: Judiciary statistics and State of the Judiciary reports <p>Outcome 3</p> <ul style="list-style-type: none"> SO3 I1 B: ODPP statistics and reports SO3 I2 B: KPAS statistics and 	<ul style="list-style-type: none"> Government will continue to fund NALEAP should the Legal Aid Bill be delayed. Government will provide staff and premises in line with the DoJ implementation plan for the LAS should the Legal Aid Bill be passed. Policies and legislation to increase efficiency of the criminal

¹³ To be defined once 2015 data are known

¹⁴ To be defined once 2015 data are known

	<p>in the criminal justice system</p> <p>Outcome 4 - Cooperation and coherence within the justice sector have improved</p>	<p>nationally and in focal counties.</p> <ul style="list-style-type: none"> • SO3 I2: No of cases of use of bail and alternatives to imprisonment in focal counties. • SO3 I3: No of prisoners awaiting trial and those imprisoned for minor offences (where alternatives would legally be allowed) ‘**’ EU RF L2 I4 • SO3 I4: No of witnesses in terror and related cases accessing witness protection ‘**’ EU RF L2 I4 <p>Outcome 4</p> <ul style="list-style-type: none"> • SO4 I1: Number of new policies / legislation to improve efficiency adopted • SO4 I2: Number of new regulations implementing new and existing legislations and policies 	<p>Judiciary reports and statistics 2015/16</p> <p>Outcome 3</p> <ul style="list-style-type: none"> • SO3 I1 B: To be determined based on ODPP reports and statistics 2015/16 • SO3 I2 B: To be determined based on KPAS reports and statistics 2015/16 • SO3 I3 B: To be determined based on Prison Service reports and statistics 2015/16 • SO3 I3 B: To be determined based on WPA reports and statistics 2015/16 <p>Outcome 4</p> <ul style="list-style-type: none"> • SO4 I1 B: Nil • SO4 I2 B: Nil 	<p>during inception phase</p> <ul style="list-style-type: none"> • SO3 I3 B: To be determined during inception phase • SO3 I3 B: To be determined during inception phase <p>Outcome 4</p> <ul style="list-style-type: none"> • SO4 I1 B: To be determined during inception phase SO4 • I2 B: To be determined during inception phase 	<p>reports</p> <ul style="list-style-type: none"> • SO3 I3 B: Prison Service reports and statistics • SO3 I3 B: KWPA statistics and reports <p>Outcome 4</p> <ul style="list-style-type: none"> • SO4 I1 B: Mid-term review report/ Reports of other Development Partners/ Steering committee reports and minutes/ Final evaluation report • SO4 I2 B: Mid-term review report/ Reports of other Development Partners/ Steering committee reports and minutes/ Final evaluation report 	<p>justice system will be adhered to.</p> <ul style="list-style-type: none"> • Government will provide premises and staff for the NCAJ Secretariat. • Courts will apply legislation allowing for diversion and make use of available alternatives to imprisonment. • Consistent policy of the leadership of the judiciary to effectively fight corruption in courts
Outputs	<p>Outcome 1 – Access to legal aid and assistance is enhanced, especially for the poor and vulnerable</p> <p>Outputs:</p> <ul style="list-style-type: none"> • OU1.1 Regulations developed • OU1.2 Induction training programmes produced • OU1.3 LAS Advocates trained (induction and 2 x specialised courses). • OU1.4 LAS Advocates / Legal Aid Providers jointly trained on trial advocacy, monitoring and reporting on Legal Aid issues; guidelines for assisting victims and vulnerable groups; ADR. • OU1.5 Paralegals trained • OU1.6 Public education campaigns in focal areas • OU1.7 Offices of the DoJ refurbished and provided with equipment • OU1.8 Grants to CSOs awarded, through UNDP-led Amkeni Wakenya basket fund. <p>Outcome 2 - Court administration and case management are strengthened</p> <p>Outputs:</p> <ul style="list-style-type: none"> • OU2.1 Container-based courts, registries and exhibit rooms provided in focal counties • OU2.2 Registry clerks and administrative staff trained ‘**’ EU RF L2 I3 • OU2.3 Guidelines, policy notes and regulations for improved court administration and case/file management developed 	<p>Outcome 1</p> <ul style="list-style-type: none"> • OU1.1 I1: No of regulations adopted. • OU1.2 I1: number of induction trainings organised • OU1.3 I1: No. of LAS Advocates trained. ‘**’ • OU1.4 I1: No. of accredited training programmes developed. • OU1.4 I2: No. of training materials produced. ‘**’ • OU1.4 I3: No of LAS Advocates / legal aid providers trained. • OU1.5 I1: No. of paralegals trained. ‘**’ • OU1.6 I1: No. of public education materials produced. • OU1.6 I2: No. of public education campaigns conducted in focal counties • OU1.7 I1: No. of offices refurbished and provided with equipment • OU1.8 I1: No of grants to CSOs awarded, through UNDP-led Amkeni Wakenya basket fund. • OU1.8 I1: Total funds disbursed by LAS <p>Outcome 2</p> <ul style="list-style-type: none"> • OU2.1 I1: No. of container-based courts, registries and exhibit rooms provided • OU2.1 I2: No. of furniture and equipment provided. 	<p>The baselines for these output indicators will be defined during the inception phase</p>	<p>The targets for these output indicators will be defined during the inception phase.</p>	<p>To be fine-tuned during inception phase but mainly:</p> <ul style="list-style-type: none"> • Regulations • Cooperation agreements with legal aid providers • Accredited training programmes. • Training reports and attendance lists. • Course materials. • Policy for cooperation with legal aid clinics • Public education materials. • Workshop reports and registers (public education) • DoJ / NALEAP / LAS reports • DoJ / NALEAP / LAS financial statements • State of Judiciary reports • ODPP reports and financial statements • WPA reports and financial statements • KPAS reports and financial statements • Asset registers • Equipment registers. • Meeting reports • M&E reports 	<p>Factors outside project management’s control that may impact on the output-outcome:</p> <ul style="list-style-type: none"> • Passage of Legal Aid Bill is stalled. • Lack of commitment / resources by government to roll out LAS. • Turnover of staff in beneficiary institutions and CSOs. • Limited internet access in remote counties. • Reluctance of Courts to use bail, diversion and alternatives to imprisonment • Poor maintenance of equipment.

	<p>Outcome 3 - Quality and efficiency have increased in the criminal justice system</p> <p>Outputs:</p> <ul style="list-style-type: none"> • OU3.1 Policy / legislation on diversion and plea bargaining produced and implemented • OU3.2 National Strategy and action plan to Reduce Prison Overcrowding developed (NCAJ) • OU3.3 Regulatory framework for ADR developed • OU3.4 Case and performance management systems for ODPP finalised and in operation • OU3.5 General training for prosecutors and investigators developed and conducted ‘***’ EU RF L2 I3 • OU3.6 Professional skills training for ODPP prosecutors developed and conducted ‘***’ EU RF L2 I3 • OU3.7 Feasibility study and guidelines on Prosecution Fund for witness expenses conducted • OU3.8 Management framework and organisation policies developed and implemented for WPA • OU3.9 Training for KPAS Probation and Voluntary Probation Officers developed and conducted ‘***’ EU RF L2 I3 • OU3.10 Provide equipment to improve communication and mobility for Probation Officers and VPOs <p>Outcome 4 - Cooperation and coherence within the justice sector have improved</p> <p>Outputs:</p> <ul style="list-style-type: none"> • OU4.1 TA to NCAJ provided ‘***’ EU RF L2 I4 • OU4.2 Provide equipment and furniture for NCAJ • OU4.3 Data collection tools for Court User Committees developed and implemented • OU4.4 National public education and awareness campaign on the rights of citizens within the judicial system and access to judicial services conducted 	<ul style="list-style-type: none"> • OU2.2 I1:No. of Registry clerks and administrative staff trained ‘***’ EU RF L2 I3 • OU2.3 I1:No. of guidelines, policy notes and regulations produced <p>Outcome 3</p> <ul style="list-style-type: none"> • OU3.1 I1:Status of Policy / legislation on diversion • OU3.1 I2:Status of Policy / legislation on plea bargaining • OU3.2 I1:Status of National Strategy and action plan to Reduce Prison Overcrowding • OU3.3 I1:Status of Regulatory framework for ADR • OU3.4 I1:Status of ODPP case management system • OU3.4 I2:Status of ODPP performance management system • OU3.5 I1:No. of prosecutors trained. ‘***’ EU RF L2 I3 • OU3.6 I1:No. of investigators trained. ‘***’ EU RF L2 I3 • OU3.7 I1:Status of Feasibility study and guidelines on Prosecution Fund report • OU3.8 I1: Status of KWPA management framework and organisation policies. • OU3.9 I1:No. of KPAS Probation Officers and Voluntary Probation Officers trained ‘***’ EU RF L2 I3 • OU3.10 I1: No. of Probation Officers and VPOs with adequate communication and mobility equipment <p>Outcome 4</p> <ul style="list-style-type: none"> • OU4.1 I1: No. of policies / guidelines / recommendations produced by NCAJ for improving efficiency and coordination in justice sector. • OU4.2 I1:NCAJ adequately provided with equipment for its functioning • OU4.3 I1:No of Court User Committees reporting to NCAJ • OU4.3 I2:No of Court User Committees reports analysed by NCAJ • OU4.4 I1:No. of public education campaigns conducted. • OU4.4 I2:No. of public education materials produced and distributed 				
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This action is funded by the European Union

ANNEX 2

of the Commission Decision on the Annual Action Plan 2016 in favour of the Republic of Kenya to be financed from the 11th European Development Fund

Action Document for Kenya – (AgriFI)

Support to productive, adapted and market integrated smallholder agriculture, including a contribution to the Africa Investment Facility

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012), applicable to the EDF in accordance with Article 37 of the Regulation (EU) No 323/2015 in the following sections concerning calls for proposals 5.4.1. Grants: call for proposals "Support to integrate smallholder farmers/pastoralists in their value chains on functional and equitable terms in Kenya" (direct management

1. Title/basic act/ CRIS number	Kenya – (AgriFI): Support to productive, adapted and market integrated smallholder agriculture, including a contribution to the Africa Investment Facility. CRIS number: KE/FED/037-928, financed under 11 th European Development Fund (EDF)	
2. Zone benefiting from the action/location	Kenya: The action shall be carried out at the following location: National	
3. Programming document	EU-Kenya Cooperation 11 th European Development Fund National Indicative Programme (NIP) 2014 - 2020	
4. Sector of concentration/ thematic area	Focal Sector 1: Food Security and Resilience to climate shocks in Arid and Semi-Arid Lands	DEV. Aid: YES ¹
5. Amounts	Total estimated cost: EUR 53 000 000 (plus EIB, Agence Française de	

¹ Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

concerned	Développement (AFD) and private investors contribution to be quantified) Total amount of EDF contribution EUR 50 000 000 This action is co-financed in parallel co-financing by: - German Development Cooperation for an amount of EUR 1 500 000; - This action is co-financed by potential grant beneficiaries for an amount to be determined. It is expected a co-financing from KALRO for an indicative amount of KES 170 000 000 (EUR 1 500 000)			
6. Aid modality(ies) and implementation modality(ies)	Project Modality <ul style="list-style-type: none"> • Indirect management with the Republic of Kenya • Direct management –grants – call for proposal • Indirect management with German Development Cooperation • Part of result 1 of this action regarding the Africa Investment facility will be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the Africa Investment Facility's project selection procedure 			
7 a) DAC code(s)	311 Agriculture, 31193 Agricultural financial services 78%, 31181 Agricultural education/training 11%, 31182 Agricultural research 11%,			
b) Main Delivery Channel	10000 Public Sector Institutions			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	<ul style="list-style-type: none"> • AAP Environment and climate change • AAP Food security and sustainable agriculture 			
10. SDGs	Main SDG Goal 2. End hunger, achieve food security and improved			

	<p>nutrition and promote sustainable agriculture</p> <p>Secondary SDG Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
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SUMMARY

The Programme responds to the 11th EDF NIP Focal Sector for Food Security and Resilience to climate shock in Arid and Semi-Arid Land areas, budgeted at EUR 190 million. The proposed programme contributes to Result 2 for this sector, namely for ***Productive climate resilient agriculture and community investments to safeguard productivity against climatic shocks supported.***

The programme builds on the ongoing 10th EDF Kenya Rural Development Programme and the Standards and Market Access Programme which have shown that limited access to finance, training and market integration of the smallholder farmers are the main obstacles to move out of subsistence farming.

The primary target of this programme are the smallholder farmers, pastoralists and their groups who are occasional market players with the potential to become full players in specific value chains. The agri-business actors are the strategic partners enabling smallholders' integration into commercial farming within their specific value chain. Financing of the value chain actors will be provided on the basis of approved business plans, whereby the EDF grant support will target provision of services and capacity building to enable smallholder investment on farms, as well as reduce financial risks by way of interest subsidies or collateralisation through a blending facility with possibly the European Investment Bank (EIB) acting as lead financial institution. A separate blending facility for the dairy value chain will target dairy cooperatives to support investments to improve quantity, quality, and traceability of milk delivery.

The purpose of the EU blending facilities is to help finance projects with high development impact that would not have been undertaken without the support from these facilities². The support to the value chain actors will be complemented by a) support to research on adapted value chain agro-practices solutions and b) support to develop and disseminate value chain based extension curricula modules, integrating also the compliance to Sanitary and Phytosanitary (SPS) regulations. The programme builds also on the Joint Programming Dialogue with EU Member States and will specifically leverage existing German Development Cooperation, Agence Française de Développement (AFD), Slovak Aid, Netherlands, Danish and Swedish Bilateral Aid support to the smallholder sector as well as lines of credit to Small and Medium Enterprise (SME) promotion provided by the European Investment Bank and by the EU Member States Finance Institutions.

² Catalysing private engagement and resources for development - the EU's role, 2015

1. CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 *Public Policy Assessment and EU Policy Framework*

The rationale of the programme is based on the need to ensure sustainable food security and growth of agriculture, livestock and fisheries growth with more intensive farming systems as indicated in the **Kenyan Agriculture Sector Development Strategy 2010 – 2020 (ASDS)**, the Medium Term Plan 2 and the Medium Term Economic Framework for Agriculture to 2017. Targeting small holders is part of Vision 2030 for increased productivity and income from underutilised land; the ASDS aims at empowering smallholder farmers operating at a subsistence level to include them in a productive model delivering market outputs. This approach is in line with the increasing role of the private sector in agriculture development, in a context where Kenya has graduated to medium income country status with vibrant private sector initiatives.

The programme also responds to a number of national policies and planning framework: a) the National Agriculture Sector Extension Policy which favours privatisation of services in a commercially oriented sector; b) the Common Programming Framework for Ending Drought Emergencies, that promotes diversification of livelihoods and more drought adapted solution in Arid and Semi-Arid Land areas; and c) the proposed priority programmes for agriculture development that will generate a Common Programming Framework for agriculture development.

The programme is in line with the **Agenda for Change** with attention to: a) investing in drivers for inclusive and sustainable economic growth; b) cross-cutting issues and employability targeting social inclusion and human development; c) gender equality; d) capacity-building, exchange of knowledge, vocational training for employability and capacity to carry out and use the results of research; e) climate adaptation and mitigation strategies f) strengthening cooperation with non-state actors and local authorities and supporting smallholder agriculture producer groups along supply and marketing chains, g) and h) support government efforts to facilitate private investment.

The programme integrates the guidelines from EU Communications on nutrition, on resilience and on working with the private sector particularly in: a) facilitating the development of a competitive local private sector, b) building management capacity, c) promoting SMEs and cooperatives, d) integrating youth in employment, and e) supporting a broad based farmers' outreach model. It complies with the "Criteria for the provision of direct support to private sector actors". The programme is also in line with the AgriFI approach to integrate and to generate investments funds for the private sector.

The programme will promote innovation for the farmers and sector growth. It will impact on the national food production deficit and on the nutrition challenges.

The Agenda for Change's themes for joint programming, financial leveraging and policy coherence are incorporated. Synergies between private sector led development and poverty eradication have been made.

1.1.2 Stakeholder analysis

a) The main target group are smallholders including livestock keepers, mixed farming practitioners, crop producers and fisher folks. Smallholders make up 80% of the people working in agriculture, nearly half of whom are living below the poverty line and/or are unable to meet their household nutritional requirements.

Women in Kenya comprise more than 70% of the labour force in agriculture contributing 80% of all labour in food production and 50% in cash crop production. Farming has become unattractive to youth which results in a farming population with an average age of 58 years.

b) Common Interest Groups and Common Working Groups associated with private sector value chain actors. Efforts to move individual smallholders from subsistence to commercial farming were based on the formation of Common Interest Groups at the primary level and Common Working Groups at the secondary level. In the dairy sector, the primary stakeholders are cooperatives, structured as Dairy Business Units (DBUs), that collect milk from members and selling it to processors.

c) Private sector value chain actors enabling access to market and promoting better standards of agriculture products for Common Interest Groups and Common Working Groups are part of the solution for success in Kenya for sorghum, pasture production, horticulture products and export commodities. The private sector is providing innovative services to smallholders such as crop and livestock index-based insurance, e-payments and banking as well as mobile based extension services, climate and disease information, market information and linkages.

d) The Kenyan Financing Institutions include micro-finance operators, Savings and Credit Cooperatives, commercial banks which have a countrywide structure providing loans for agriculture development, and associated not-for-profit entities of financial institutions able to provide grants and targeted subsidies to promote smallholders integration to value chains.

e) Apex organisations play an important role in supporting information management and capacity building to their members. On farming they include the: a) Kenya National Farmers' Federation, b) Cereal Growers' Association, c) Kenya Livestock Producers Association, d) Kenya Livestock Marketing Council, e) Kenya Dairy Board, f) specialised tea and coffee smallholder producers associations and g) horticulture producers association (F-Peak). On agribusiness/processing, apex organisations include the a) Kenya Private Sector Alliance, b) Kenya Association of Manufacturers, c) Kenya Agribusiness and d) Agro-Industry Alliance.

f) The public sector, represented by the Government of Kenya and parastatal institutions. After devolution of the agricultural sector, the **Ministry of Agriculture, Livestock and Fisheries (MoALF)** is responsible for policy making and for capacity building of County structures.

County Governments are responsible for agriculture planning, extension services, facilitating marketing and value chain development, food quality and safety inspection. Their main intervention tools are the County Integrated Development Plan and the budget. Most counties do not provide required services due to insufficient fund allocation and lack of skilled staff

Parastatals and government agencies for animal and plant health and food safety include the Kenya Plant Health Inspectorate Service, Department of Veterinary Services and Kenya Bureau of Standards. They play an important role in integrating standards, in providing advisory services and in training programmes to create awareness and compliance by producers to rules and regulations necessary to access export markets. The Pest Control Products Board performs a regulatory and licensing role.

The Kenya Agriculture and Livestock Research Organisation (KALRO) provides high yielding, drought tolerant adapted solutions that are integrated in specific value chains.

g) Other Development projects: 1) The Agriculture Sector Development Support Programme of Sweden is supporting counties in the promotion of priority value chains. 2) Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) supports a sustainable market oriented and climate resilient agriculture, the development of occupational standards and curricula for **Agricultural Technical and Vocational Education Training (ATVET)** and 3) the AFD project to finance the dairy value chain.

1.1.3 Priority areas for support/problem analysis

Despite Kenya's overall economic growth, the growth of productivity of small-scale farmers is limited and they remain marginalised. Smallholder agriculture is dominated by staple crop production for subsistence and rarely for sale. The marginalisation of smallholder farming is illustrated in maize production: it provides 75% of the national production of maize, but their average yield is 55% lower than large scale farmers. It is estimated that only 25% of smallholders are market oriented and the remaining 75% are subsistence oriented, being only occasional market players. The dominance of subsistence farming and the low productivity prevent farmers to invest and to become more market oriented.

While mobile banking has reached a broad client base, many smallholders do not use banking facilities and have difficult access to credit and possess little capital. The lack of collateral discourages financial institutions to provide loan finance at terms relevant to smallholders. Access to land in a context of demographic pressure is an aggravating factor which can be mitigated by increased productivity and expanded commercial farming.

Despite the contribution of the dairy value chain to the national economy (12% of agricultural gross domestic product GDP) and the strategic importance of smallholders for the sector (70% of the 1.8 million milk producers), productivity is low with 5 litres/cow/day, against 17-19 litres/cow/day for the larger farmers³. Moreover, 80% of smallholder production⁴ is traded in the informal market with low prices and delays in payment, poor sanitary controls and low quality of milk.

In Arid and Semi-Arid Land areas (ASAL), the dynamic of smallholders' marginalisation is even more profound, resulting in high poverty and malnourishment rates. The ASAL areas negative dynamic is driven by a number of inter-related factors:

- Recurrent droughts, resulting in high animal mortality and in crop failure.

³ EADD: Report on the Dairy Value Chain in Kenya, 1997

⁴ Source: IFAD, Smallholder Dairy Commercialisation Programme Updated Design Report, 2015

- Low return on unit produced due to a) poor rural roads, b) extensive production methods c) high input cost d) low market integration and e) poor animal disease control and extension services.
- Absence of risk mitigation investments such as: permanent water points, high yielding practices which are better adapted to drought, weather-based insurances, and ineffective management of communal natural resources.
- Disincentives created by untargeted social transfers and uncoordinated relief programmes.

The creation of producer-owned aggregation and knowledge hubs has enabled the integration of smallholder/pastoralists in their value chain. The key conditions for success are:

- Aggregate production into homogeneous lots of economic size.
- Promote membership entities with adequate governance.
- Integrate contractual relationships with transparent trade systems.
- Integrate religious considerations in predominant Muslim areas.
- Integrate service provision to cover all aspects of the value chain promotion.
- Capacitate all value chain actors and facilitate their dialogue along a single value chain.
- Be business minded and catalyse finance resources from all stakeholders.
- Use development financing to lower the financing risk and therefore the cost of finance especially through the provision of medium term finance. This would contribute to increase the level of banks' lending to the agriculture sector.

2 RISKS AND ASSUMPTIONS

Risks	Risk level	Mitigating measures
Failure of financial sector to provide loan finance	Low	Two dedicated blending funding lines will provide an incentive to financial institutions:
Smallholders don't comply with contractual arrangements	Low	Group guarantee; screening by value chain drivers and capacity building initiatives
Land conflicts	Low	Security of land tenure to be among appraisal guidelines for matching grants component
Market distortions due to programme grants	Low	Fund guidelines to include mechanisms of eligibility, appraisal and monitoring
Value chain champion don't provide integrated services	Low	Appraisal, verification and monitoring of the Proposals by the Fund Manager
Low absorption capacity for the matching grant component	Low	Partnership with Swedish International development Agency (SIDA)-supported Agriculture Sector Development Support Programme.
Price fluctuations within assisted value chains	Medium	Forward contracts with minimum base price preferred
Cash flow/ insolvency problems of farmers	Medium	Financial intermediation with debt servicing intervals aligned to crop cycles
Drought and other climate shocks	Medium	Promotion of sanitary controls and the quality of the milk and Crop and livestock insurance
Crop and livestock diseases	Medium	Coping mechanisms to be included in Business Plans appraisal guidelines
Security and freedom of movement in the Arid Lands	Medium	Outside programming scope: a national security issue to be addressed by the relevant authorities
Assumptions		
1. Private sector value chain champions will find the financial support sufficiently attractive and will have sufficient capacity to submit proposals for the agribusiness funding scheme		
2. Motivation of farmer groups to respond to value chain champions will be strong and sustained		
3. County Government support services in extension and farmer group training will be adequate		
4. County and/or national services in standards on animal health, food safety and plant diseases will be adequate		
5. Lenders will be willing to provide complementary funding at acceptable conditions		
6. The East African Community and its trade and taxation regimes will continue to favour trade		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The 2014 Mid Term Review of the SIDA-supported Agriculture Sector Development Support Programme confirmed the relevance of supporting county coordination in Value Chain Development. Recommendations included: 1) the project structure must be integrated in the county system, 2) components of environmental resilience must be mainstreamed, 3) create partnership linkages for capacity building and training of Value Chain actors, 4) integration of social inclusion, 5) introduce market analyses and business planning, and 6) engage private sector organisations as implementation partners.

The financial sector is not reaching out to the agriculture sector, mainly due to the perceived high risk; in 2013, the gross amount lent to the agriculture sector was only 4.4%⁵.

Contract farming enforcement is a main constraint to the provision of embedded services: investors are discouraged by the non-respect of obligations by farmers, in particular for side selling and lack of compliance with **Sanitary and Phyto Sanitary** standards. The problem is aggravated by insufficient clarity in the Sanitary and Phyto Sanitary regulation framework.

In the dairy sector, cooperatives find investments in technologies to improve milk quality and traceability to be risky and are reluctant to invest if there is no financial supported by third parties.

Farmers will purchase high quality inputs if packaged in the appropriate size but this is hindered by inappropriate regulation. In addition, excessive subsidies crowd out the private sector.

Donor interventions can facilitate access to finance: the African Enterprise Challenge Fund proved that there is a potential for absorption of targeted finance subsidies for investment plans.

Support to private sector should avoid introducing a distortion element in the competition in the financial market, especially when financing institutions such as commercial banks are involved.

KALRO's strategy for working with partners in the dissemination of research findings has improved the adoption of new technologies. Market and demand-led research has produced successes such as Gadam sorghum and thermostable Newcastle vaccine for indigenous chicken.

In its dialogue with the EU the private sector representatives signalled that EU support should target: job creation, business mentorship, developing profitable business models that integrate with markets, and modernizing production systems.

3.2 Complementarity, synergy and donor coordination

EU, SIDA, and GIZ jointly support the transformation of the Ministry of Agriculture Livestock and Fisheries and the devolution process, called the Transformation Initiative. This includes a Common Programming Framework, to coordinate initiatives from the public, private and Development Partner sectors. The SIDA-supported Agricultural Sector Development Support Programme is a strong partner to support dissemination and networking between value chain stakeholders at County level for the agribusiness funding component, and to facilitate the capacity building on the Sanitary and Phyto sanitary regulation framework for County officials.

The component on standards builds on the work of 10th EDF Standards and Market Access Programme. The component to develop new agricultural technologies builds on the support to KALRO under the 10th EDF Kenya Rural Development Programme

⁵ Source: Central Bank of Kenya

Other relevant ongoing programmes with a potential for synergy are:

Subject	Relevance to Programme mobilisation, effectiveness and/or efficient resource use
Coordination at the policy and programme levels	
Common Programming Framework within the Transformation Initiative of MoALF	Enables consensus and determination of best use of Development partners' comparative advantage
10 th and 11 th EDF Decentralised Land Governance	security of tenure will reduce risks and conflicts,
10 th and 11 th EDF Support to Drought Risk Management	Reducing drought-induced loss of productivity
10 th and 11 th EDF Climate Proofed Infrastructure in the Arid and Semi-Arid Land areas for rural roads and water supply	Enhanced resilience will facilitate integration of livestock value chain
Toyota Kenya Academy / Value Addition and Cottage Industry Development programme	Coordination and sharing of training modules
The African Union Interafrican Bureau for Animal Resources (AU-IBAR) Regional programmes on the Sanitary and Phyto Sanitary regulation framework	Participation of Kenyan stakeholder to regional fora to influence and own food safety standards
UK Aid/UK Department for International Development (DFID) Market Assistance Programme (MAP) supported by Gatsby Trust and the Netherlands.	Fund Management; information management and dissemination; involvement in catalysing targeted sub-sectors; youth employment support
Loan guarantee and equity funds including those supported by Africa Enterprise Challenge Fund, Mastercard Foundation, USAID and International Fund for Agricultural development (IFAD)/Government of Kenya..	Loan guarantee funds can assist to reduce risk to facilitate leverage of commercial bank loans.
Potential sub-national/ regional synergies	
Kenya Rural Development Programme - Kenya Cereal Enhancement Programme - Climate Resilient Agricultural Livelihoods IFAD Programme and FAO Conservation Agriculture in counties in Arid and Semi-Arid Land areas	Presence of service providers to: <ol style="list-style-type: none"> partnership with Cereal Growers Associations and KALRO, to disseminate research innovations; increased crop production and efficiency financial inclusion component could build up on Kenya Cereal Enhancement Programme achievements, towards larger scale investments
Slovak Republic support to Value Chain development	Relevant experience and model of approach
Denmark & Government of Kenya Medium Term Arid and Semi-Arid Land areas Programme	Programme coordination in counties covered
KfW through improved Agricultural Productivity in Western Kenya:	Programme coordination in Counties covered
GIZ Food Security and Drought Resilience programme	Programme coordination in Counties covered and technical partnerships with buyer Companies
IFAD's Smallholder Dairy Commercialisation Programme, implemented in 33 sub-counties over 9 counties	Financial support of dairy groups and link to the Dairy Information Management System: eDairy

The possibility for GIZ, SIDA, European Investment Bank (EIB), AFD and Slovak Aid to support a Value Chain development steering group under the auspices of the Programme Steering Committee could be considered.

The coherence with the other three 11th EDF interventions in the sector is nested in two sets of governmental policies and planning frameworks:

- a) The Agriculture Sector Development Strategy and the sector Medium Term Plan (MTP) that have for objective sustainable food security among others.
- b) The Arid and Semi-Arid Land areas Policy, the Ending Drought Emergencies MTP and the Common Programming Framework to improve resilience to drought in Arid and semi-arid land.

Political dialogue with the Government will build on the two planning and coordination platforms, (Transformation Initiative and the Ending Drought Emergency (EDE) coordination) already supported by 10th EDF projects. The link between the two coordination bodies is ensured by the fact that Ministry of Agriculture Livestock and Fisheries chairs the Joint Technical Working Group.

3.3 Cross-cutting issues

The impact of climate change results in crop and livestock failure and in perennial rivers drying up. The project will mitigate these impacts through the promotion of *conservation agriculture*. Increased environmental sustainability will be promoted through soil and water conservation, damming for irrigation and agro-forestry initiatives. The support to research will promote climate adaptation through development of drought resistant seed varieties and breeds and practices. Subjects on environmental sustainability and climate change will be included in the technical and vocational education and training curricula.

Gender equality/equity is addressed by targeting the integration of smallholders in their Value Chain through agricultural market linkages. Women constitute the majority of smallholder farmers, but their farms have generally lower added value per unit of input. Therefore, there is a high potential for yield increase by promoting opportunities to harness the strengths of women and youth, as they add value, with equal returns, to the physical resources that men own. The appraisal criteria of the business plans will include affirmative criteria for women and youth. Youth involvement will be supported by developing value chain extension curriculums modules aiming to the professionalisation of agricultural practices.

Good governance at farmer organisations will be promoted by including in the appraisal criteria of Result 1 institutional arrangements including contractual relationships, existing governance, and awareness on contractual obligations.

Social-economic and environmental sustainability criteria will be included in the call for funding application and appraisal guidelines.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG target 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture, but also promotes progress towards Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. This does not imply a commitment by the country benefiting from this programme.

Overall Objective

Institutions and stakeholders in the agriculture sector develop, adjust and implement Disaster Risk Reduction strategies involving a multi-sectoral approach to nutrition, agriculture productivity integrating market linkages, diversification of livelihood sources as well as supporting climate proof investments at community and at county levels.

Specific Objective:

Productive, climate change adapted and market integrated smallholder agriculture aiming to reduce the national food deficit and improve agriculture sector competitiveness is strengthened.

Results

- Result 1:** Capacity of smallholder farmers/pastoralists to practice environmentally sustainable and climate smart agriculture as a business in market-integrated value chain on functional and equitable terms
- Result 2:** Capacities of actors along selected value chains through the Agricultural Technical and Vocational Education Training -ATVET system approach strengthened
- Result 3:** Capacity of private sector at County level to manage and enforce standards on animal health, food safety and plant diseases increased
- Result 4:** Climate change adapted and innovative agricultural technologies with potential for market integration developed and adopted.
- Result 5:** Enhanced access by smallholders to the formal milk market

The logical framework presenting the results chain, indicators, baselines and targets is presented in Annex.

4.2 Main activities

Result 1:

- Support value chain based investments for funding the integration of agribusinesses and smallholders.

Result 2:

- Development of new value-chain based vocational training programmes.
- Implement and scaling up of vocational training programmes in selected value chains and Counties.

Result 3:

- Translate Sanitary and Phyto Sanitary regulations for value-chains supported under result 2 into user-friendly sector guidelines, tools and practices for use by the private sector.
- Train private and public sector on Sanitary and Phyto Sanitary regulations and food and animal safety requirements and supported the development of quality management systems.
- Support industry driven compliance audit.
- Support Counties in testing and surveillance and enforcement of Sanitary and Phyto Sanitary regulations.

Result 4:

- Research in new drought resistant and more yielding climate smart technologies.
- Disseminate existing market-linked research for application.

Result 5

- Support cooperative investments in the dairy value chain

4.3 Intervention logic

The intervention logic is based on a holistic support to the integration of smallholder farmers in their value chains. The project will enable smallholders' farmers to graduate from extensive subsistence farming to a more productive market orientated farming model, while promoting women and youth integration as part of value chain support (results 1 and 5). Support to develop new adapted solutions to extension services and standards, integrated in value chain, will be funded under results 2, 3, and 4.

Result 1 includes of a calls for funding with the following outlines:

- The basis to finance smallholder integration into a value chain development will be the submission of a **single Business Plan (BP)** to support investments in a given value chain. The Business Plan must demonstrate a positive impact on smallholders.
- Financing of the business plan will be based on an **integration of grant and loan finance**:
 - **grant finance** will be provided to smallholder farmers groups (Common Interest Groups and Common Working Groups) through grants selected through a Call for Proposals that is managed by the Fund Manager (implemented through a grant as per 5.4.1). The grant will support actions such as:
 - provision of services and training to increase productivity
 - investments related to soil and water conservation
 - seasonal inputs supply if not subsidised by other mechanisms
 - job creation for youth and women offering services to smallholder farmers
 - subsidies to businesses which would otherwise not be considered for commercial financing
 - **loan finance** will be provided to private sector value chain actors by commercial banks under their responsibilities and terms (implemented through a contribution to the African Investment Facility (AFIF) as per 5.4.4): The loan will support actions such as:
 - improvement of productivity,
 - quality and adherence to standards of commodities,
 - processing, bulking and value addition
 - working capital for services to meet production and marketing objectives
- Dedicated financing lines will be established possibly by EIB under the AFIF to facilitate provision of complementary finance by commercial banks.

- The BP will be submitted by a single legal person/entity or a consortium, which will provide services to partners contributing to value chain development. This legal person could be Common Interest Groups, Common Working Groups or (private) agri-business entities.
- Consortium members may include other actors in the value chain including: producer organisations, service providers, traders, managers of storage facilities, processors and marketers
- BPs will be prioritised for a value chain addressing a situation of national food deficit where Kenya has suitable agro-climatic condition; for instance fish farming, grains, and livestock.
- Capacity building and other affirmative actions will facilitate access to funding for applicants from counties with a less developed private sector (namely Arid and Semi-Arid Land Areas).
- Synergies will also be sought with current and future programmes by Development Finance Institutions, especially from EU Member States, to provide additional financing to lower the cost and risk of finance for commercial banks.
- The BPs will not be limited to specific value chains and/or geographical locations. The dairy sector, could also be eligible, since activities under result 5 would target common interest groups, namely cooperatives, through financing instruments.

Result 2 builds on the GIZ programme supporting the upgrading of agriculture and agri-business value chain based training curriculums under ATVET. The programme will contribute to the upscaling of the existing training programmes in 4 value chains (horticulture, aquaculture, dairy and irrigated agriculture) to additional counties and training centres. It will support the development of ATVET training programmes in other value chains (beef, potatoes, sweet potatoes and others). It will develop additional modules in standards compliance and in value chain knowledge, integrating business management skills among the farmers and farmer groups, particularly leadership, to infuse good governance practices and realize the agenda for farming as a business. ATVET Training Centres will assist interested farmer groups in the Business Plan formulation and implementation. Training of Trainers and provision of teaching equipment will be used to enable the ATVET Training Centres to disseminate the new curricula.

Under **Result 3**, the programme will add training modules on Sanitary and Phyto Sanitary compliance to the extension curriculums described under result 2. They will target both the public sector, such as county officials and the private sector on topics including voluntary guidelines and adherence to existing regulations to access Kenyan, East African Community (EAC) and other export markets, including reference to the Economic Partnership Agreement (EPA) with the EU. GIZ, in collaboration with the Kenya Plant Health Inspectorate Service, the Department of Veterinary Services and the Kenya Bureau of Standards, and associations representing farmers and agribusinesses will start a participative process to translate existing Sanitary and Phyto Sanitary regulations into operational guidelines and Quality Management Systems and monitoring and enforcement protocols, which will be translated into training modules for the value chains.

Under **Result 4**, KALRO will deliver market-linked research to develop innovative drought tolerant technologies. This will include the selection of research protocols associating international scientific research organisations and Kenyan private sector companies for the diffusion of adapted solutions. KALRO might partner with other research institutions such as with the Kenya Marine Fisheries Research Institute for research on research on fish.

The research will be relevant to sector needs and consistent with other EU-funding to research institutions such as the Forum for Agricultural Research, Consultative Group for International Agricultural Research (CGIAR) consortium members, and the Association for Strengthening Agricultural Research in Eastern and Central Africa.

Activities under **result 5** consist in a **blending** project in partnership with the **Agence Française de Développement (AFD)**, targeting the **dairy value chain** in supporting investments to improve the quality and traceability of milk delivered from the producers to the processors. This component will be subject to further feasibility studies, which will inform AFD proposal to access the funds earmarked under the AFIF.

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

This financing agreement will cover the part of the action with the objective to develop and promote climate change adapted and innovative technologies with potential for market integration of smallholder farmers and pastoralists (result 4).

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation of the budget support component

N/A

5.4 Implementation modalities

5.4.1 Grants: call for proposals "Support to integrate smallholder farmers/pastoralists in their value chains on functional and equitable terms in Kenya" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The Objective of the call for proposal is to identify and conclude a grant contract with an institution that will act as the grant manager to implement the sub-grant scheme to provide funding to Smallholder farmers/pastoralists.

Actions eligible for financing are the design, launch, dissemination and implementation of a call for funding to support the grant finance component of result 1. In addition, the grant manager will network with banks and other financial institutions to ensure parallel loans to co-finance the investments, which are in turn supported by the contribution to the African Investment Facility.

Expected results are:

- A number of sub-grants to Common Interest Groups and Common Working Groups for the grant component of the action described under 4.3 above.
- Business Plans to support investments are identified, appraised and co-financed by beneficiary consortia and commercial finance institutions

(b) Eligibility conditions

Eligible applicants are non-profit-making legal persons and could be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation as defined by Article 43 of the Rules of application of the EU Financial Regulation, established in a Member State of the European Union or of any Country covered by ACP-EC Partnership Agreement, as laid down in Annex IV to the latter Agreement as revised by DECISION No 1/2014 OF THE ACP-EU COUNCIL OF MINISTERS of 20 June 2014 (2014/428/EU). Moreover, the applicants will need to have a demonstrated capacity to manage action involving a significant sub-grant component targeting agribusinesses in East Africa.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution is EUR 20 000 000 and the grants may be awarded to sole beneficiaries (mono-beneficiaries) only. The indicative duration of the grant (its implementation period) is 60 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call: Last trimester of 2016

5.4.2 Indirect Management with the partner country

A part of this action with the objective to develop and promote climate change adapted and innovative technologies with potential for market integration of smallholder farmers and pastoralists (result 4) may be implemented in indirect management with the Government of Kenya in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Regulation (EU) 2015/323 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement and grant procedures.

Payments are executed by the Commission.

The financial contribution does not cover the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable by virtue of Article 36 of the Regulation (EU) /3232015 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner country shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of the Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the partner country.

5.4.3 Indirect management with a Member State

A part of this action may be implemented in indirect management with **Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH**, Germany in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails all activities under results 2 and 3. This implementation is justified because the two components build up on actions and a methodology GIZ is already implementing. It has proven its technical and financial management capacity and its capacity to conduct sector policy dialogue with the Ministry of Agriculture, Livestock and Fisheries on behalf of the EU and has already the structures in place to provide for this dialogue.

The entrusted entity would carry out the following budget-implementation tasks. GIZ activities will be focused on: provision of technical assistance, organisation and facilitation of training and coordination workshops, provision of equipment and other logistical support to the Agricultural Training Centres, monitoring and evaluation.

The entity has passed the new Pillar Assessment. The EU Specialised Agency has been assessed ad-hoc on the basis of opinions of the Court of Auditors, discharge resolutions and any available internal audit reports for the past three years.

5.4.4 Contribution to the African Investment Facility (AFIF)

This contribution may be implemented under indirect management with the entities, called Lead Financial Institutions, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The entrusted budget-implementation tasks consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it. The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in its appendix. A complementary financing decision will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

Component.	EU contribution (in EUR)	Indicative third party contribution
Result 1 composed of		
5.4.1 Direct management: Support to integrate smallholder farmers/pastoralists in their value chains, Grant through a Call for Proposals	22 200 000	Private investors; to be quantified
5.4.4 - Contribution to the African Investment Facility: funding for integration of agribusinesses and smallholders	10 000 000	EIB loan and loans/equity from Financing partners and private investors – still to be quantified
Result 2 composed of		
5.4.3 – Indirect management with German Development Cooperation / GIZ	2 730 000	EUR 900 000
Result 3 composed of		
5.4.3 – Indirect management with German Development Cooperation / GIZ	2 270 000	EUR 600 000
Result 4 composed of		
5.4.2 - Indirect management: Development of climate change adapted and innovative technologies with KALRO – Grant through Direct award	5 000 000	KES 170 000 000
Result 5 composed of		
5.4.4 - Contribution to the African Investment Facility: Support cooperative investments in the dairy value chain	5 000 000	AFD loans and private investors loans /equity to be quantified
5.9 - Evaluation, 5.10 - Audit	300 000	
5.11 Communication and visibility	500 000	
Contingencies	2 000 000	
Totals	50 000 000	

5.7 Organisational set-up and responsibilities

A Programme Steering Committee (PSC) will be constituted to direct and to review the operations of the Programme under Chairmanship of the Ministry of Agriculture, Livestock and Fisheries. Participants in the Committee will be the concerned government ministries, development partners and private sector representatives with the European Commission participating in an observatory status. The Committee will oversee and validate the overall direction and policy of the project. The steering committee shall meet twice a year and form technical committees to meet regularly under its supervision

The National Authorising Officer will be responsible for the contracting of the Grant under points 5.4.2 with KALRO.

5.8 Performance monitoring and reporting

The Grant Manager mentioned in paragraph 5.4.1 will be directly responsible for the monitoring of activities under result 1: as part of its tasks in the Call for Proposals, he/she will design a framework and a methodology to consolidate indicators baseline, targets and reporting of achievement per each business plan funded, including the blending component. This framework (which will be approved by the Project Steering Committee) will include gender disaggregation of indicator data, a common methodology for data collection, analysis, consolidation, and reporting by the value chain grants/blending beneficiaries.

The above mentioned monitoring framework shall include, per each approved business plan, a detailed risk analysis/appraisal and mitigation strategy, which will possibly involve coordination with the banks providing complementary commercial loans. The analysis and monitoring will also include the risk that funds are misused or not ultimately benefiting smallholders.

The baseline and target surveys for this component will be produced by the Grant Manager during the inception phase of its contract: they will be updated on the basis of the approved business plans, and monitored by the Grant Manager during project implementation. The Grant Manager will be responsible also for the measurement of the result's indicators at the end of the project with funding from its grant contract. The baseline and target results measurements could be done in collaboration with the Lead Financial Institutions mentioned in paragraph 5.4.1.6.

GIZ will be responsible for monitoring achievements under results 2 and 3.

KALRO will be responsible for monitoring achievements under results 4: particular attention shall be put to the effectiveness of the public private partnerships to disseminate the research outcomes.

Activities under result 5 will be jointly monitored by AFD and the Kenya Dairy Board, who is a partner of AFD for the project

As far as the blending components are concerned the day-to-day technical and financial monitoring of the implementation of individual projects will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by

corresponding indicators, using as reference the relevant minimum set of indicators defined in the EU blending results framework and the relevant indicators defined in the regional programme. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and comprehensive regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the nature of the action, a mid-term and an ex-post evaluation will be carried out for this action or its components contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to the use of blending facilities as an effective tool to reach smallholder farmers and to assess the effective complementarity of the different components in contributing to the action outcome.

The ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), and will inform future directions of EU support to the private sector in the agricultural sector.

The evaluation reports shall be shared with all other key stakeholders. The implementing partner, the Government of Kenya and the Commission shall analyse the outcome of the evaluations and, jointly decide on the follow-up actions to be taken and any adjustments necessary, including the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract: one in 2020 for the mid-term evaluation; the other after the completion of the project in 2022.

As far as the management of the blending component is concerned evaluation tasks will be carried out under the responsibility of the Lead Financial Institution and will be organised according to the requirements of each project. In addition, the Commission reserves the right to undertake evaluations on specific projects; in that case it shall be financed by other financial sources.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, two contracts for audit services shall be concluded under a framework contract, one system audit for the non-governmental organisation grant manager after award of contract in 2017 and tentatively one after the completion of the project.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above, in addition to visibility activities planned to be implemented centrally, which will be pooled with funds from other initiatives from the 11th EDF National Indicative Programme for Kenya.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Visibility actions supported may cover all EU cooperation activities in Kenya in order to increase coherence in the EU's communication strategy. Care will be taken that substantial visibility will be given to the programme as described in this Action Document.

In consideration of the innovative nature of component 1, the Grant Manager contract will also include the organisation of events to disseminate lessons learnt to stakeholders in the private, public and civil society sectors. The Grant Manager will also play an important role in disseminate among development partners outside Kenya lessons learnt on the effectiveness of the model of support agri-businesses as a tool to empower smallholder farmers, with particular focus on affirmative actions to include women and youth.

In addition to visibility activities planned to be implemented by the implementing entities mentioned under chapter 5.4 above, the Communication and Visibility budget of Euro 500 000 will also be used to pool funds from other initiatives from the 2016 Annual Action Programme for Kenya. Visibility actions may cover all EU cooperation activities in Kenya in order to increase coherence in the EU's communication strategy. Care will be taken that substantial visibility will be given to the programme as described in this Action Fiche. Standards for visibility will be derived from the "EU visibility guidelines for external actions" published by the European Commission. It is foreseen that one service contract (pooled with resources from other Commitments) will be concluded with the procedure to be launched in the first trimester of 2017.

List of appendices

Appendix 1	Logical Framework
Appendix 2	List of Lead Financial Institutions

APPENDIX 1 - Indicative Logframe matrix (for project modality) ⁶

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators. Indicators will be disaggregated by gender whenever relevant.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Institutions and stakeholders in the agriculture sector develop, adjust and implement Disaster Risk Reduction strategies involving a multi-sectoral approach to nutrition, agriculture productivity integrating market linkages, diversification of livelihood sources as well as supporting climate proof investments at community and at county levels.	1. *(NIP) National grain deficit (reduction)	1. 20%	1. To be established at inception	MoALF / FAO / IFAD annual reports	

⁶ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Specific objective(s): Outcome(s)	Productive, climate change adapted and market integrated smallholder agriculture and improve agriculture sector competitiveness is strengthened.	2. *(NIP) % of smallholders farmers beneficiaries graduating from subsistence farming to commercial farming measured by: i. % of non-subsidized inputs used. ii. % of smallholder farmers with a commercial contract (sex disaggregated) iii. % smallholder farmers accessing formal financial services (sex disaggregated)	2. Baseline data to be established at project inception by consolidating baseline data from implementing partners	2. Targets to be established at project inception (and reviewed after approval of business plans as per results 1-5) by consolidating targets from implementing partners	Business plans as per result 1; Grant Manager reports (for result 1); GIZ reports (results 2-3); KALRO reports (result 4); AFD report	Kenya's membership of the East African Community (EAC) and its trade tariff and taxation regimes will continue to favour internal and external trade.
Outputs	Result 1 Capacity of smallholder farmers/pastoralists to practice environmentally sustainable and climate smart agriculture as a business in market-integrated value chain on functional and equitable terms improved	<i>** indicators will be disaggregated by gender</i> 3. *(NIP) % increase of smallholders' production that is marketed 4. ** (EU RF 6 L2) Agriculture and Pastoral ecosystems where climate smart land management practices were introduced with EU support (number of hectares) 5. ** (EU RF 8 L1) Agricultural Value added per hectare (amount) 6. (EU RF 7 L2) Number of smallholders benefiting from BP funding (disaggregated by gender)	3-6.. Baseline to be established by Grant Manager at inception and updated upon business plans approval	3.-6. Baseline to be established by Grant Manager at inception and updated upon business plans approval	3-6 Grant Manager reports, based on consolidation and verification of business plans reports	Private sector value chain champions will find the financial support framework attractive and will have capacity to submit proposals for the agribusiness funding scheme. Organisation and motivation of farmer groups to respond to value chain champions will be strong and sustained. Banks and other lenders will be willing to provide complementary funding at acceptable conditions.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	<p>Result 2</p> <p>Capacities of actors along selected value chains through the Agricultural Technical and Vocational Education Training - ATVET system approach strengthened</p>	<p>7. Number of new value chain based curriculums developed and certified by ATVET authorities</p> <p>8. 15 local ATVET centres directly supported by the programme to provide training</p> <p>9. 5000 additional value chain actors trained (500 youth in regular programmes, and 4500 other value chain actors in short term programmes) (sex disaggregated)</p>	<p>7. 3 currently being developed under GIZ CAADP-ATVET programme</p> <p>8. 7 currently supported (but support to be upscaled during this project)</p> <p>9. 0 (the indicator will measure the additional beneficiaries from the GIZ programme)</p>	<p>7. 7 value chain based developed and certified by ATVET authorities by end of project</p> <p>8. Curriculums delivery is broadened to 15 Counties by end of project</p> <p>9. 5000 (number of additional value chain actors trained)</p>	<p>Inventory of curriculums developed by the ATVET programme</p> <p>GIZ reports, ATVET centres records</p> <p>GIZ reports, ATVET centres records</p>	<p>County Governments support to services in extension and farmer group training will be adequate to meet programme implementation requirements</p>
	<p>Result 3</p> <p>Capacity of private sector at County level to manage and enforce standards on animal health, food safety and plant diseases increased</p>	<p>10. Number of value chain based modules on SPS developed and certified by regulatory authorities</p> <p>11. Number of County officials completing SPS modules (sex disaggregated)</p>	<p>10. 0</p> <p>11. 0</p>	<p>10. 7 value chains (same as per result 2)</p> <p>11. 100% of County staff in charge of enforcement of SPS compliance in 15 Counties</p>	<p>Inventory of curriculums developed by the ATVET programme</p> <p>Training reports and completion certificates</p>	<p>Actors from private and public sector cooperate to define VC based guidelines on SPS compliance</p> <p>Counties recruit and retain technical staff of the suitable calibre in a timely manner</p> <p>CIG/CWG representatives committed to SPS compliance and good governance</p>

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		<p>12. Number of CIGs/CWGs trained on SPS and group governance</p> <p>13. Number of SPS controls undertaken by county officials</p>	<p>12. 0</p> <p>13. Established at project inception</p>	<p>12. >50% CIG/CWG accessing funding under result 1</p> <p>13. Established at project inception</p>	Report by SPS county enforcement authorities	County Governments involved supporting officials in SPS monitoring
	<p>Result 4</p> <p>Climate change adapted and innovative agricultural technologies with potential for market integration developed and adopted</p>	<p>14. *(NIP) Number of new drought resistant and more yielding technologies adopted (in value chain or national programme) -</p> <p>15. Number of farmers (disaggregated by gender) adopting climate smart research innovations through partnerships with the private sector -</p>	<p>14.-15. Baseline to be established at project inception</p>	<p>14.-15. Targets to be established at project inception</p>	KALRO, County Government and MoALF reports.	KALRO continues to receive not less than the present level of funding from Government and retains its financial semi-autonomy
	<p>Result 5</p> <p>Enhanced access by smallholders to the formal milk market</p>	<p>16. Number of DBUs adopting e-dairy system</p> <p>17. Number of smallholders accessing formal milk markets (sex disaggregated)</p>	<p>16. 0 DBUs adopting full e-Dairy system</p> <p>17. To be assessed with baseline survey</p>	<p>16. 87 DBUs adopting the e-dairy system (number verified at project start)</p> <p>17. To be assessed with baseline survey</p>	Implementing partners report	Successful feasibility study and application to AFIF by AFD

Appendix 2

List of Lead Financial Institutions to implement part of the action

- European Investment Bank (EIB)
- Agence Française de Développement (AFD)

EN



This action is funded by the European Union

ANNEX 3

of the Commission Decision on the Annual Action Programme in favour of the Republic of Kenya to be financed from the 11th European Development Fund

Action Document for the project "*Contribution to the African Investment Facility to support the Climate Proofed Rural Roads in Arid and Semi-Arid Lands (ASAL)- Kenya*"

1. Title/basic act/ CRIS number	Contribution to the African Investment Facility to support the Climate Proofed Rural Roads in Arid and Semi-Arid Lands (ASAL) -Kenya CRIS number: KE/FED/038-747 Financed under the 11 th European Development Fund (EDF)			
2. Zone benefiting from the action/location	Kenya The action shall be carried out at the following location: Selected Counties in Arid and Semi-Arid Lands (ASAL)			
3. Programming document	11 th EDF - National Indicative Programme (NIP) 2014-2020			
4. Sector of concentration/ thematic area	Sector 1 – Food security and resilience to climatic shocks			
5. Amounts concerned	Total estimated cost: EUR 90 000 000 Total amount of EDF contribution EUR 30 000 000 This action is co-financed by entities and for amounts specified in the indicative project pipeline which is an appendix of this Action Document			
6. Aid modality and implementation modalities	This action regarding this Regional Blending Facility shall be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the Regional Blending Facilities award procedure			
7 a) DAC code(s)	21020 – Road transport			
b) Main Delivery Channel	10000 – Public Sector Institutions			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good govern.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. GPGC	N/A			
10 SDGs	<p>Main SDG Goal: Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>Secondary SDG Goals: Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture and Goal 13. Take urgent action to combat climate change and its impacts</p>			

SUMMARY

This programme is aligned with the Common Programme Framework (CPF) that operationalises Kenya's 'Ending Drought Emergencies' (EDE) strategy. The EDE is the government's commitment to end the worst of the suffering caused by drought by 2022. The EDE CPF was developed jointly between the Government and its development partners and focuses on the 23 most drought-prone counties in Kenya, collectively known as **Arid and Semi-Arid Lands (ASAL)**. Its implementation will be led by the relevant parts of the national and county governments, working in ways that strengthen synergy between sectors and agencies and deepen accountability to drought-affected communities. A donor mapping exercise against the six pillars of the Ending Drought Emergencies Medium Term Plan revealed a bias towards investments in livelihoods and risk reduction, ignoring the need to address the infrastructure deficit. Further, more detailed analysis of the type of support provided by donor programmes evidenced that soft costs, such as small scale community projects and capacity building, were favoured, leaving little budget for capital investment.

The project is a contribution to the African Investment Facility to co-finance sustainable rural roads projects to improve connectivity and efficiency of the transport network in ASAL. It will support EDE Pillar II - Climate-proofed Infrastructure by allocating EUR 30 million to support the Kenya Roads 2000 Programme in expanding its activities to the ASAL area. It is envisaged that the Rural Roads Programme will be executed in partnership with EU Member States development agencies.

The overall objective is that communities in drought-prone areas are more resilient to drought and other effects of climate change, and that the impacts of drought are contained, leading to improved food security.

The specific objective is that the deficit of climate-proofed / productive rural roads and their lack of maintenance are progressively addressed in a coordinated and comprehensive manner at national, county and community levels.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 Public Policy Assessment and EU Policy Framework

The Constitution of Kenya 2010 vests in the counties the mandate to deliver a wide range of services, including county planning and development, agriculture, county health services, county roads and transport, trade development and regulation, specific national government policies on natural resources and environmental conservation, county public works and services, and water and sanitation services. Since infrastructure is an enabler for effective service delivery, the commitments in this programme will enable the counties to perform their constitutionally mandated responsibilities.

Kenya Vision 2030 anchors its three development pillars (economic, social and political) on world-class infrastructure whose implementation is a prerequisite for attainment of the Vision 2030 goals. It also recognises that infrastructure must be climate-proofed, i.e. that current and future climate risks are factored into its design and implementation, given the cost, significance and anticipated life-span of infrastructure investments. The various organisations whose mandates involve infrastructure

development have been aligning their sectoral plans with the Vision 2030. The second Medium Term Plan (2013-17) of the Vision 2030 also puts much emphasis on infrastructure development.

The Vision 2030 Development Strategy for Northern Kenya and other Arid Lands recognises that poor infrastructure in ASALs increases vulnerability to drought by reducing access to markets and basic services and by deterring the investment needed to expand and diversify the economy. It also notes that, given the large size of the region, infrastructure investments in different sectors should be well coordinated in order to reinforce each other and deliver maximum benefits, which is a particular focus of this programme.

Climate-proofed infrastructure is one of the main priorities of the National Policy for the Sustainable Development of Northern Kenya and other Arid Lands (the 'ASAL Policy'), launched in February 2013, which notes that a more robust infrastructure will stimulate investment and growth, lowers the cost of doing business, and improves the security and stability of the region. It prioritises major infrastructure projects which promote the integration of the ASALs with the rest of Kenya and the wider region. Kenya's Lamu Port South Sudan Ethiopia Transport (LAPSSET) Corridor project is one of the most ambitious programmes supported by Kenya and its East African partners (Ethiopia, South Sudan and Uganda) will result in great economic benefit, especially for ASAL areas in Kenya.

The EDE strategy, which builds on the ASAL policy, aims to accelerate ASAL development and commits the Government to supporting communities in the 23 most drought prone counties of Kenya (estimated 15 million people) to become more resilient to drought and ending drought emergencies by 2022.

The EDE has six pillars: 1) peace and security, 2) climate-proofed infrastructure, 3) human capital, 4) sustainable livelihoods, 5) drought risk management, and 6) institutional development and knowledge management. In 2011, the Government has created the National Drought Management Authority (NDMA), to provide leadership and coordination of drought management in the country.

Implementation of the first four pillars is led by the national and county governments, while implementation of the fifth and sixth is led by NDMA, which also has oversight of the EDE.

The EDE strategy has been approved by the Cabinet, adopted by key parts of both the national and the county governments, and endorsed by development partners as a framework around which to align their assistance. It is being implemented through the **Common Programme Framework of the Ending Drought Emergency (EDE CPF)**, which was developed jointly by the national and county governments and their development partners and approved in February 2015 by the Permanent Secretaries of Internal Affairs, Devolution and Planning, Water and Irrigation, Agriculture Livestock and Fisheries, Industry and labour, Health, Education and Transport. Each of the pillars has its own common programme framework document and its own configuration of agencies interested in its agenda, which meet on regular basis. All projects will be aligned against these frameworks.

This programme contributes to the overall objectives of the EDE CPF Pillar II, Climate Proofed Infrastructure, which is a key element in the EDE Strategy, but so far has been a neglected area, both by Government and donors. This EDE CPF is currently chaired by the Ministry of Water and Irrigation, and co-chaired by the European Union.

The road sector is still organised according the Kenya Roads Act in 2007, which provided for the separation of sector functions by (1) focusing policy and regulation in the Ministry of Roads and (2) the creation of four autonomous authorities, delinked from their parent ministry, with clear mandates to manage the development and maintenance of Kenya's different road network assets:

1. Kenya National Highways Authority (KeNHA); the implementing agency to manage and maintain all road works on class A, B, C roads;
2. Kenya Rural Roads Authority (KeRRA) to become responsible for all rural and small town roads, class D and below including special purpose roads and unclassified roads (currently under

county councils and town councils), also responsible for Forest Department Roads and County Council Game Reserve Roads

3. Kenya Urban Roads Authority (KURA) charged with managing and maintaining all roads in forty-four cities and major municipalities.

4. The Kenya Wildlife Service (KWS) responsible for roads in game parks and national reserves.

The emphasis of the Constitution on equalisation measures is being reflected in specific sector policies. For example, the road sector's draft policy (Kenya Road Bill 2015) on aligning the roads sub-sector with the Constitution refers to an Equalisation Fund, which is designed to bring the quality of basic services in marginalised areas to the level generally enjoyed by the rest of the nation. The new constitutional dispensation has also had an impact on the legal framework because of the restructuring of the central government and the responsibilities devolved to counties. The Kenya Urban Roads Authority and the Kenya Rural Roads Authority are set to merge to become one if Kenya Roads Bill 2015 is passed into law. The two agencies will join to be the Kenya National Secondary Highway Authority (KENSHA) and will see some functions of the two agencies be taken over by county governments. Through the proposed law, more funds will be allocated to the counties to maintain roads in their jurisdiction.

The proposed infrastructure programme will also contribute to the following policy documents:

- National Climate Change Action Plan (NCCAP), 2013: The NCCAP introduces the concept of climate-proofing infrastructure as a way of disaster preparedness. The programme therefore will directly contribute to the attainment of the NCCAP.
- The Agriculture Sector Development Strategy 2010-2020 is unequivocal that infrastructure is a precondition for agricultural development. Thus, the infrastructures proposed in this programme directly contribute to agricultural development in the country.

The **11th EDF National Indicative Programme 2014-2020 for Kenya**, signed in June 2014, includes as first focal sector "*Food security and resilience to climatic shocks with focus on ASAL*". One of the main expected results for this sector is that "*a conducive environment for long-term food security, rural growth economy and resilience building is supported*". In order to achieve substantial impacts by 2020, the interventions under this result will have to address some of the Government priorities and some key issues, such as to promote market linkages, by addressing inadequate productive infrastructure. The 11th EDF should also be an opportunity for leveraging investments from Government, other development partners and private sector in an effective Community Public Private Partnership approach.

Within the area of climate proofed infrastructure, water and roads have been singled out by the National Authorising Officer, as the most needed infrastructural area for development.

1.1.2 Stakeholder analysis

People and communities living in drought-prone areas are both direct recipients as well as the primary stakeholders of the interventions coordinated through the EDE CPF. Improved road network connectivity, as will be provided by this project, makes markets, services and basic commodities more available for the pastoralists, agro-pastoralists, subsistence farmers and other vulnerable groups. The support for rural roads will not only benefit pastoralist and subsistence farmers, but will also boost trade and business in general. It is a well-known fact that the provision of roads is a major factor in opening up underdeveloped areas such as the ASAL areas.

A second category of stakeholders is the respective county governments, as it is in their interest/mandate to ensure good rural road network connectivity to promote the local economy, and to enable easier and cheaper access to social services by the most vulnerable. Likewise insecurity in

remote areas resulting from banditry will be reduced thanks to better access by law enforcement authorities.

The private sector also has a major interest in rural infrastructure development in the ASALs, the main motivation being the reduction in the cost of doing business as well as guaranteed security, particularly in the hitherto remote and hard-to-reach ASALs areas. An additional interest lies in construction and subsequent operation and maintenance of rural infrastructure facilities. The Roads 2000 Programme is building on private sector participation. Small contractors are being trained and the local population are involved in the roads works, which, where feasible, are labour intensive based.

The last category of stakeholders is the national government, which for a long time was charged with the responsibility of investing in rural infrastructure.

1.1.3 Priority areas for support/problem analysis

Vulnerability to drought is particularly acute in the ASALs, where food insecurity and drought emergencies are products of developmental and structural challenges, such as population growth, environmental pressures, chronic poverty, poor-inadequate infrastructures, and inequalities.

So far investments in transport infrastructure in ASAL have been minimal and insufficient compared to the needs. It is also the major roads that attract the attention and the bulk of investment from the National government and donors.

Following decades of underinvestment in the road network in ASAL counties, these remain remote as they are not efficiently connected to the rest of the transport network.

As a result, transport times and charges are important and are key contributors to the high price of doing business, curtailing access to markets. It also increases the cost of providing social services and security.

As evidenced by the opening of the Isiolo-Merille road section, agriculture/livestock trade and upstream agriculture production have been increasingly driven by better transit time to markets, increased security along the road and therefore, better price paid per unit. In turn, more functional market points have attracted diversified services including mobile phone providers, veterinary services, value addition and diversification of natural resource products and penetration of social protection services. Additionally, improved road network is a prerequisite to reduce criminal activities, terror and tribal fighting as it allows faster response by security forces.

The same pulling effect has been observed when rural roads become passable and now link a local market place, within a productive area, with a main road. Market development and accessibility inevitably generate the development of human settlement and intensification of productive system.

Therefore in ASAL, like in other part of Kenya, rural roads are key enablers for agriculture growth, and their climate proofed dimension needs to be included because of the severity of the climate. That means that the roads are passable throughout the year in order to have functional markets (including the destocking of animal during drought) and access of goods and services to human settlements.

The rather abstract notion of 'climate-proofed' infrastructure was given a clearer meaning by County Governments while developing their respective County Integrated Development Plans (CIDPs). The CIDPs vision of county infrastructure is one that facilitates the socio-economic integration of all communities to such a scale that those infrastructures will continue playing their role throughout climatic accident episodes.

The programme aims to improve mobility and all year access of ASAL communities and to increase their incomes thanks to better connectivity with local markets and reduced transportation costs through climate proofed transport infrastructures. County Government skills in terms of planning and finance of rural roads will be also improved, while capacities for their operation and maintenance (O&M) will be progressively developed.

2 RISKS AND ASSUMPTIONS

Risks	Risk level	Mitigating measures
Insufficient local contractor capacity: The inadequate capacity of local contractors is a long-standing concern.	H	The programme will be implemented using the Road 2000 methodology, which includes a big component of contractor capacity building.
Lack of sustainability of infrastructures assets.	H	Rural road design standards will be updated to ensure that future infrastructure is developed to be resilient to anticipated climate change and extreme events, as well as strengthening of the maintenance and repair regimes. During the design stage, consideration will be given to the environmental factors that will contribute to sustainability and this will result in environmental protection measures, such as afforestation of catchments.
Governance and fiduciary risks: the programme will be at risk if the operating environment is opaque.	M	Transparency in contract management at the county level will be strengthened. The programme will include an external technical and financial expertise component to support national and county officers in work' planning, tendering and supervision.
Lack of clarity with regard to responsibility for road management between County and National Government and lack of political will to implement institutional and policy reforms to strengthen sector context.	M	A continued and where possible intensified policy dialogue at the different levels of Government and a close follow up of Government reforms, in particular on the finalisation of the Roads Bill. In the transport sector, this process should be facilitated as the EU is the chair of the Development Partners Transport Sector Working Group and the Co-chair of the EDE CPF pillar 2.
Inadequate prioritisation and lack ownership by the beneficiaries.	M	Involvement of the community beneficiaries at the identification, design and construction stages. The sixth pillar of the EDE includes interventions designed to strengthen public participation and accountability. Assessment undertaken during detailed feasibility studies will ensure that technical requirements are adapted to local conditions (e.g. availability of materials).
Insufficient private/public funds available to finance significant rehabilitation rural roads projects and their maintenance.	M	Close coordination with public and private stakeholders in the sector to anticipate in which areas and for which priorities funding is available for newly developed bankable projects. Commitments by the relevant administrations to allocate budget for the maintenance of the rehabilitated roads (counties, CRCs, central level, KRB)

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

An **evaluation of the EU Kenya Cooperation** (2006-2012) conducted in 2014 identified several key recommendations to improve cooperation in the infrastructure sector. The evaluation found that the EU had a comparative advantage in the transport sector and recommended that the future strategy should continue to support roads, but with a broader focus on providing infrastructure to the poor, which addresses clear priority needs and enhances synergies.

The evaluation was also of the opinion that support to rural roads in ASAL would provide good opportunities to enhance internal coherence and to create synergies between various sector level activities supported by the EU. Furthermore, an important lesson is that a broad array of well integrated interventions needs to be planned and should not be limited to the roads sector alone, but should be linked with interventions in other sectors to realise synergies.

One of the key findings of the Post-Disaster Needs Assessment, carried out after the drought that affected Horn of Africa in 2010/11, was that besides the sheer size of its socio-economic impacts, resilience to future droughts would require a multi-sectoral approach, in which infrastructures play a key role.

While all 23 ASAL counties have infrastructure needs, there are wide variations in the coverage and quality of infrastructure, and the human resource capacity needed for planning, implementation and management of new infrastructure. Further, production systems vary across the ASALs, and in areas of predominantly pastoralist production under communal land tenure, there will be specific considerations to take into account, for example in the siting of infrastructure and its impact on the environment and livelihoods. Capacity and needs assessments should therefore be undertaken and transparent criteria developed for selecting beneficiary counties.

New financing mechanisms and strategies will be needed, given that fiscal transfers and local revenue will be insufficient to meet county infrastructure needs.

Sound project structuring is vital, including adequate risk analysis and mitigation measures, formulation of effective performance indicators and flexibility in the implementation process.

Despite the fact the Roads 2000 programme is a concept specifically designed to benefit poor areas, it has not yet been implemented in ASAL counties, other than Nyeri and Laikipia under AFD financing.

3.2 Complementarity, synergy and donor coordination

This programme would have significant complementarity and coherence with other implemented or planned programmes funded by EU and other development partners.

The **on-going EU support** in the transport sector (9th-10th EDF) already entails: support to rehabilitation/construction of sections of two regional corridors; rural and tourist roads programme; a 3-year capacity building programme to the transport/roads sector institutions.

Support to transport is also foreseen under the **11th EDF Regional Indicative Programme (RIP)**, through the African Investment Facility. Two projects have been earmarked for potential support under this envelope: rehabilitation of the Lesseru – Nakodok road and Mombasa Port upgrading. Other supports to the Kenyan Transport sector are foreseen under the **11th EDF NIP** second focal sector "*Sustainable infrastructure*". A first project "*Support to Kenya Energy and Transport sectors*" has been approved to provide capacity building in both sectors, support the Kenyan Road Safety policy and programme and develop studies for which no other sources of funding is available. Close coordination between these projects will be ensured.

In addition, the EU-Africa Infrastructure Trust Fund (ITF) board approved in December 2014 a grant to the project upgrading a section of the Northern Corridor (Mombasa-Mariakani) to be financed by the KfW banking group and the European Investment Bank (EIB).

In terms of complementarity with existing EU rural development projects, the proposed programme will particularly impact on the Kenya Cereal Enhancement Programme and on the livestock support where the production and marketing of crops and animal products heavily rely on local access roads.

As part of the 11th EDF support to EDE CPF, a EUR 30 million programme has been recently approved to support Pillar V (Drought Risk Management) and Pillar VI (Institutional Development and Knowledge Management), while a EUR 20 million programme to support WASH (Pillar II - climate proofed infrastructure) and a EUR 50 million support to productive agriculture (Pillar IV - sustainable livelihoods) are at the final formulation stage.

The proposed programme will contribute to the objectives of the EDE Pillar II climate-proofed infrastructure, for which the total budget for 2015-2020 is estimated to be EUR 500 million.

Several **other Development Partners** are active in rural roads:

Under German Cooperation, the Mt. Kenya Region Rural Infrastructure Programme (Phase I) was recently completed. Under this programme, a number of road sections were rehabilitated and upgraded. Likewise 89.4 km long Maai Mahiu – Narok section has been rehabilitated. The road forms part of the B3 national trunk road.

French cooperation, through Agence Française for Development (AFD), supported the Roads 2000 programme in several phases. Under phase I (EUR 20 million) about 1,020 km of gravel roads were rehabilitated in 2 Counties (Central Area). Presently, through a second phase of the project (EUR 55 million) covering 4 additional Counties, 700 km of gravel and 165 km of Low Volume Seal roads will be rehabilitated, noting that 2 of the Counties are classified as ASAL areas (Laikipia, and parts of Nyeri).

In the context of **joint programming exercise** in Kenya, the EU and Member States agreed that transport and energy are priority sectors for joint programming. As such, the EU and the EIB, KfW and Agence Française de Développement (Afd) have committed themselves to jointly programme activities in these two sectors, and where applicable will include other EU MS.

Coordination in the relevant sector is ensured through different fora:

- the EU chairs the Development Partner-Transport Sector Working Group since July 2014, which is in most need of coordination to avoid overlapping and ensure proper coordination between EU support and that of other Development Partners.
- the EDE CPF Pillar 2 is chaired by the Ministry of Water and Irrigation and co-chaired by the European Union.

The overall coherence to achieve food security and nutrition under the 11th EDF interventions is ensured, since this proposed programme addresses the multi-sector approach to food security and improved road network impacts directly on the livelihood of the communities. Climate proofed infrastructure / investments are part of the specific objective number 1 and indicator C3, in the NIP.

3.3 Cross-cutting issues

Cross cutting issues will be addressed in all activities implemented under the project.

Environmental and social issues will represent a key part of the project design in terms of reduction and mitigation of the negative environmental and social impacts related to infrastructure projects.

Gender issues will also be integrated in the project, according to EU guidelines on "*Mainstreaming gender equality to the project approach*" as well as the recommendations of the "*Action plan for accelerated Gender Equality, Women's Empowerment and Gender Mainstreaming in Country Programming*" currently being developed in Kenya.

Successful implementation and functionality of rural roads projects have positive impacts on both genders and, in some instances, more positive impacts on women and children, since it leads to better access to facilities, such as schools and health centres.

The methodology used by the programme will ensure that communities are represented by both men and women and that the activities supported will mainstream gender issues throughout at all stages. Equal employment opportunities for men and women will be promoted. Equal pay will be monitored and various steps will be taken to protect the rights and develop empowering procedures in the award and management of contracts. The programme will also combine with county officials to identify and train female routine maintenance contractors to ensure that the national target of employing and training 30% of the labour force/training cohort is achieved.

A sustainable infrastructure project is one that continues to deliver its intended benefits in an environmentally and socially acceptable manner during its entire life span. For this to be assured, sustainability considerations must be factored across the entire project cycle and are particularly critical in rural road programmes, given the challenges encountered in Operations and Maintenance (O&M). Some of the factors that need to be considered to improve on the chances of sustainability include the followings:

- A clear and supportive legal and institutional framework;
- Consideration given during the design stage to the environmental factors and to issues such as the institutional arrangements for maintenance;
- Effective involvement of the community from the planning to the maintenance stages;
- Adequate funding and organisational capacity at the operational stage.

Capacity building on sustainability carried out by the implementing agencies will help prepare the different stakeholders to ensure the projects continue to provide services after the programme is completed.

The main impact of road improvement and maintenance works on the environment is in the area of drainage issues that relate to water for irrigation and domestic supplies. Thus, cross drainage of springs and other important streams will be carefully managed to avoid disruptions or contamination during construction.

In addition, 'Climate-proofed infrastructure' concept and its implementing accompanied measures will secure environmental soundness by ensuring that upstream and peripheral environmental protection activities, such as river basin protection measures or greening dam embankments, are integrated in the design, either as part of the project or as a parallel project.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goals: Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture, but also promotes progress towards Goals Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation and Goal 13. Take urgent action to combat climate change and its impacts*. This does not imply a commitment by the country benefiting from this programme.

The **overall objective** is: communities in drought-prone areas are more resilient to drought and other effects of climate change, and the impacts of drought are contained, leading to improved food security.

The **specific objective** is: the deficit of climate-proofed rural roads and their maintenance is progressively addressed in a coordinated and comprehensive manner at national, county and community levels

The expected results are:

- Communities have improved mobility and all year access and the local economy benefits from reduced transportation costs through climate proofed transport infrastructures;
- County Government skills in terms of planning and finance of rural roads are improved, while capacity for their operation and maintenance (O&M) is progressively developed at county level.

4.2 Main activities

The main activity will consist in implementing county consolidated plans with regard to the rural roads investment component. More specifically, the programme will finance part of the investment costs of the rural roads programme as well as finance an operational and capacity development support unit. The rural road investments will be selected according to the agreed qualitative, funding and operational criteria.

In the first instance, the investment projects will need to be aligned with the overall and specific objectives of the EU focal areas as defined in the 11th EDF NIP and with the EDE CPF developed for the Pillar 2 "Climate proofed infrastructures". The exact location of the projects will be guided by studies and analysis in order to define the extent to which inadequate road infrastructure is a key contributor to constrained agricultural development in certain ASAL areas. With EU funding support, 2 pre-identification studies have been carried out in order to prioritise the type of infrastructure interventions to be implemented with climate proofed specifications, as well their indicative location in ASAL¹.

Given the expected increase in funding as a result of devolution, and given other measures such as the EDE-MTP and the Equalisation Fund, the counties' capacities to manage the infrastructure implementation process and its operations and maintenance will be enhanced by activities facilitated by a management support unit. It is envisaged to use the physical works programme to generate a number of management and capacity development outputs that will be mainstreamed in the county government procedures.

The 11th EDF Contribution to the African Investment Facility will only finance part of the total cost of these investment projects. Other contributions will include:

- concessional loans from financing partners;
- contributions from the Kenyan Governments (national and local).

Several Financing Partners have already shown an interest in these projects including AFD.

4.3 Intervention logic

Relevance

A donor mapping exercise in 2012 against the six pillars of the Ending Drought Emergencies Medium Term Plan (EDE MTP) revealed a bias towards investments in livelihoods and risk reduction, ignoring the need to address the infrastructure deficit. Further, a more detailed analysis of the type of support provided by donors programmes revealed that small scale community projects and capacity building activities were favoured, leaving little budget for capital investment. Finally duplication in sector

¹ 1) Mapping out and identifying an EU response on 11th EDF to the "end drought emergencies -Pillar II Climate Proof Infrastructure" – Agriconsulting Europe – June 2015
2) Comparative Economic Analysis of the Potential Impact of a Rural Roads Programme on Agricultural Aesa East Africa – December 2015

intervention and geographical areas were common, leaving other areas such as North Eastern Kenya and semi-arid areas poorly covered.

With the devolution and the compilation of the first County Integrated Development Plans (CIDPs) in 2013, the gap in terms of local infrastructures become more evident since most of the Counties allocated most of their development budget to infrastructure.

With a gross funding deficit of about 125 billion Kenya Shilling for non-tarmac rural road for the next three years, counties do not have the financial capacity to do it alone and, national government, development partners should pool resources along ASAL county' funds to address in a coherent manner this deficit and to significantly impact on resilience and growth.

In total, the EDE CPF for climate proofed infrastructure is a EUR 500 million programme with an expected 44% contribution from Development Partners.

Strategy analysis

To address the gap identified in climate proofed infrastructure development in ASAL and to produce a broad outline for the EU's support to EDE Pillar II, an identification study "Mapping out and identifying an EU response to the EDE – Pillar II Climate Proof Infrastructure has been carried in 2015 in Nairobi and six counties (Nyeri, Laikipia, Isiolo, Turkana, Kilifi and Tana River). One of the main features of the proposed programme, which was approved during a final workshop held with the major stakeholders towards the end of the mission, was that the rural roads sub-sector should be allocated a more substantial amount than other investments. It was confirmed by the willingness expressed by the county representatives to earmark 10% of their development budget for co-investment in the roads sub-sector while 5% should be allocated for co-investment in the water sub-sector.

The National Treasury representative also proposed that the Equalisation Fund should be mobilised and used as a leverage of the EU grant. This was already indicated during the formulation of the EDE in a bilateral meeting (prior county consultation) between NDMA and the Resource Mobilisation Department along with the need to focus on rural road and provide permanent water solutions.

The Roads 2000 programme is considered as an appropriate approach to road infrastructure development in the ASALs. The programme uses labour intensive methods and provides especially local contractors and consultants with technical training in road maintenance and repair, which gives job opportunities in areas where labour force is abundant, but underemployed, especially for the youth. With the rapidly increasing youth population in the ASALs, and nearly 70% below the age of 30 years without employment, the Roads 2000 programme could be an opportunity for short term employment for the youth, while also building local capacity for operation and maintenance of the rural road network in the ASALs.

Counties have a lead role to play but they also recognise their capacity limitations as well as the need to develop inter-county response. Therefore while addressing the deficit during the proposed 10 years span of the EDE Common Programming Framework, a progressive capacity transfer should take place. Development Partners currently involved in the Roads 2000 programme are facilitating this transfer by setting up a management support unit where county, national and international expertise are pooled.

The possibility to develop a common programme in ASAL has been already discussed with AFD and KfW, since both development agencies have a strong background in supporting rural roads in Kenya and have working experience in ASAL, which are strategic areas for their future cooperation with Kenya. Involvement of financing institutions is considered as crucial in order to achieve significant improvements in the rural road network and to enhance the connectivity of the selected counties with the main roads. The idea is to leverage the EU grant by blending it with the loan funds, thereby also soften the projects financial modalities. The leverage of loans through the facility, and the inclusion of the national and local governments funding, should help mobilise the resources needed for such a programme.

The scoping works have been complemented by a study commissioned by EU end of 2015. The "Comparative Economic Analysis of the Potential Impact of a Rural Roads Programme on Agricultural" covered nine counties divided into three county clusters as follows:

- Cluster 1 - Tana River, Garissa and Kitui;
- Cluster 2 - Marsabit, Isiolo and Samburu; and
- Cluster 3 - Turkana, West Pokot and Baringo.

These 3 county clusters were pre-identified using a set of criteria such as their existing and future connectivity (LAPSET) with main roads, their potential in terms of economy, their security situation, in addition to the willingness expressed by the development agencies to extend existing or future rural road projects. For each county cluster, the study objective was to determine the extent to which inadequate road infrastructure constrains agricultural development.

The study has used a set of criteria (road connectivity, availability of labour force, connectivity to markets and other counties, crop and livestock productions etc.) to rank the clusters and counties according to the highest level of untapped agricultural potential related to poor rural access road condition.

By providing additional information on the relevance to address rural network connectivity in the 9 pre-selected ASAL counties, the study will be used later on as a support to the decision to invest in certain geographic areas, which will lead to further detailed feasibility studies carried out by the partners interested in the co-financing of the proposed programme.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of the Annex to Regulation (EU) 2015/322.

5.3 Implementation of the budget support component

N/A

5.4 Implementation modalities

5.4.1 Contribution to the Africa Investment Facility

This contribution may be implemented under indirect management with the entities, called Lead Financial Institutions, and for amounts identified in the indicative budget, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The entrusted budget-implementation tasks consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it. The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in Appendix 2. A complementary financing decision will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively.

Certain entrusted entities are currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002, they can be entrusted with budget-implementation tasks under indirect management.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.4.1 Contribution to the African Investment Facility	EUR 30 000 000	Financing partners contribution to be identified at a later stage
5.9 – Evaluation, 5.10 - Audit	EUR 0	The financing of the evaluation shall be covered by another measure constituting a financing decision.
5.11 – Communication and visibility	N.A.	Financing partners contribution to be identified at a later stage
Contingencies	N.A.	N.A.
Totals	EUR 30 000 000	Financing partners contribution to be identified at a later stage

5.7 Organisational set-up and responsibilities

Activities will be implemented under indirect management by the Lead Financial Institutions.

Looking at the agreed institutional arrangements for the EDE common programming framework there could be one steering committee, one planning and implementation coordination structure at national level under the Support Unit and the coordination at county level.

The **steering committee**, bringing together representatives from the EU, the Financing Institutions, the Kenyan Government, and other stakeholders involved in the project implementation, will be established and meet at least on a yearly basis to ensure proper monitoring of all activities of the project.

The planning and implementation coordination structure at national level under the Support Unit will be the venue to plan with other donors' contribution in order to achieve an equitable coverage across all ASAL counties and a balanced coverage between the different types of infrastructure.

To develop planning synergy between EDE pillars, an inter-pillar coordination should take place prior holding the CPF steering committee meeting.

At county level, the inter-pillar coordination should be facilitated by the National Drought Management Authority (NDMA) and be compulsory before each budget and planning review.

The final project organisational and implementation set-up will however be confirmed during the feasibility study, taking into consideration also the proposed institutional reforms in the roads sector.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes).. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

One of the specific objectives of the EDE Pillar 6 is to assist the partners in assessing the impact of Kenya's progress towards the EDE ten-year goal of ending drought emergencies by 2022 as well as towards the Vision 2030 Development Strategy for Northern Kenya and other Arid Lands.

The EDE monitoring and evaluation (M&E) framework has been developed and will help track progress in implementing the Pillar Common Programme Frameworks (CPFs) and carry out periodic evaluations of the programme outcomes and impacts. The M&E Technical Working Group, chaired and supported by the EDE Secretariat, and composed of the representative(s) from EDE Pillars 1-6, is the coordination instrument that drives the implementation of the results-based M&E framework for the overall EDE.

Results of the M&E analysis will allow the partners to identify gaps, improve coordination and alignment building on in-depth cross-county and cross-Pillar comparisons, match funds with priorities and ensure proper resource utilisation. A web-based M&E management information system (MIS) will also show how the CPFs could contribute more effectively to national and county development through the identification of emerging challenges and opportunities. The EDE M&E framework intends to elaborate the rational pathway of changes by linking the CPF inputs/activates/outputs (up to 2018) and the EDE goals (2022 and 2030) logically, through the identification of a chain of anticipated results in-between, namely short-term/immediate outcomes, mid-term outcomes, and long-term impacts.

5.9 Evaluation

Having regard to the importance and the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the programme will promote innovative techniques and specific implementation modalities that have never been used in the ASAL areas.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of the implementation of the programme by the Lead Financial Institutions and supported with its budget, in addition to visibility activities planned to be implemented centrally, which will be pooled with funds from other initiatives from the 2016 Annual Action Programme for Kenya. Visibility actions supported may cover all EU cooperation activities in Kenya in order to increase coherence in the EU's communication strategy.

Standards for visibility will be derived from the "EU visibility guidelines for external actions" published by the European Commission.

Communication and visibility measures will be implemented by the Lead Financial Institutions responsible for implementing the respective projects. These measures will be described in the project proposal submitted by the Lead Financier to the African Investment Facility. Care will be taken that substantial visibility will be given to all activities described in this Action Document.

APPENDIX - INDICATIVE LIST OF PROJECTS TO BE CO-FINANCED UNDER THE PROJECT

Project description	<p>The programme aims to improve mobility and all year access of ASAL communities and to increase their incomes thanks to reduced transportation costs through climate proofed transport infrastructures. County Government skills in terms of planning and finance of rural roads will be also improved, while capacities for their operation and maintenance (O&M) will be progressively developed.</p> <p>The main activity will be to implement county ASAL infrastructure consolidated plans, with infrastructure investments selected according to the agreed qualitative, funding and operational criteria. Example of infrastructures supported will be:</p> <ul style="list-style-type: none"> • Gravelled roads and Otta® or Low Volume Sealed rural roads • Critical rural road infrastructure rehabilitation in to address bottlenecks such as river and swamp crossing, black cotton soil areas crossing, high gradient portion, etc. <p>The location of the projects will be guided by identification and feasibility studies which will define the extent to which inadequate road infrastructure is a key contributor to constrained agricultural development in certain ASAL areas.</p> <p>This would help prioritise the counties in order of the highest return in agricultural development that would result from investments in road infrastructure.</p> <p>The climate proofed dimension need to be included, meaning that the roads are passable throughout the year in order to secure a functional market (including the destocking of animal during drought) and access of goods and services to human settlements.</p>
Estimated total amount	<p>Total project estimated amount: EUR 150 million</p> <p>Estimated remaining financial gap: EUR 25 to 30 million</p> <p>(gap estimated after deduction of estimated EU development banks contribution, Government of Kenya and County contributions)</p>
Financial partners	<p>Potential Lead Financier for the sections to be funded by EDF and EU development banks: Agence française de Développement (AfD)</p> <p>Other potential Financial Partners: KfW, Government of Kenya, County governments</p>
Preparedness	<p>With EU funding support, 2 pre-identification studies have been carried out to prioritise the type of infrastructures to be implemented with climate proofed specifications, as well their indicative location in ASAL.</p> <p>Detailed design studies including environmental and social impact surveys, economic and financial return assessments to be carried out by the Lead Financier.</p>
Preliminary timing	<p>Submission of the project by the Lead Financier to the AFIF: S2 2016</p> <p>Beginning of works: S2 2017</p>

INDICATIVE LIST OF PROJECTS TO BE CO-FINANCED UNDER THE PROJECT

Source: Comparative Economic Analysis of the Potential Impact of a Rural Roads Programme on Agricultural Development in County Clusters
- Final Report- January 2016 - AESA East Africa Team

4.1. Cluster1: Tana River, Kitui, Garissa Counties

S/N	Road Name	No. Km	Description/Justification
1.	Wayu – Waldena – Saware - Muthaa (Kitui County Border Town)	170	<ul style="list-style-type: none"> I. The road will open Tana River to Kitui County and enhance business. II. Shortens the distance to Nairobi. III. Increases socio – economic activities. IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g. markets, health water points, etc.
3.	Laza - Wenje - Masalani (Garisa County)	60	<ul style="list-style-type: none"> I. The road will open Tana River to Garisa County and enhance business; II. Increase socio - economic activities; III. Increased livelihood; IV. Increased connectivity; V. Reduced maternal deaths VI. Accessibility to services e.g. markets, health water points, etc
4.	Hola – Bura	54	<ul style="list-style-type: none"> I. The road will open Tana River to Garissa County and enhance business; II. Increase socio - economic activities; III. Increased livelihood; IV. Increased connectivity; V. Reduced maternal deaths VI. Accessibility to services e.g markets, health water points, etc VII. linking Laza - Hola Sub County Offices
5.	Bura - Sala - Madogo	90	<ul style="list-style-type: none"> I. The road will open Tana River to Garisa county and enhance business. II. Shorten the distance to Garisa County as an alternative road. III. Increase socio - economic activities. IV. Increased livelihood

S/N	Road Name	No. Km	Description/Justification
			V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g markets, health water point etc
6.	Bura - Bangale	70	I. The road will link Tana River to Kitui County, Meru County, Nairobi County and enhance business. II. Shorten the distance to the capital city. III. Increase socio - economic activities. IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g markets, health water point etc
7.	Garsen - Assa - Kone	160	I. The road will open Tana River County to Taita Taveta County and enhance business. II. Shorten the distance to the Voi and others III. Increase socio - economic activities. IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g markets, health water point etc
8.	Gamba - Wema - Kitere - Masalani (Garisa County)	80	I. The road will open Tana River to Garisa County and enhance business; II. Shorten the distance to the Garisa County, Lamu County and the lower parts Tana River County from The capital Hola; III. Increase socio - economic activities; IV. Increased livelihood; V. Increased connectivity; VI. Reduced maternal deaths; VII. Accessibility to services e.g markets, health water points, etc.
9.	B8 - Oda - Manono - Ozi	50	I. The road will open Tana River to the Lower Part of the county and enhance business. II. Shorten the distance and increased efficiency III. Increase socio - economic activities.

S/N	Road Name	No. Km	Description/Justification
			IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g. markets, health water point etc
10.	Odha - Burakofira (Proposed 90m Steel Bridge) - Kipao	15	I. The road will open Tana River to the lower parts of the county and enhance business. II. Shorten the distance and increased efficiency III. Increase socio - economic activities. IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g. markets, health water point etc
11.	Onkolde Footbridge	210m long	I. The road will open the lower Tana River county to the upper areas of the county and enhance business. II. Shorten the distance and increased efficiency III. Increase socio - economic activities. IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g markets, health water point etc
12.	Shirikisho Footbridge	0.07	I. The road will open the lower parts of Tana River to upper parts of the county and enhance business. II. Shorten the distance and efficiency III. Increase socio - economic activities. IV. Increased livelihood V. Increased connectivity VI. Reduced maternal deaths VII. Accessibility to services e.g. markets, health water point, etc.

4.2. Cluster 2: Marsabit, Isiolo, Samburu Counties

Ranking	Road	Length (km)	Economic Justification
1.	E 827: Karare-Dirib-Shurr-Arbijan	165	<p>High agriculture activities along the route; Passes through a major irrigation scheme(200 ha); Will compliment other development activities in crop and livestock by ADB Supported Drought resilience project; Serves Dirib Gombo and Jaldesa livestock market and pasture bulking sites; Business opportunities between Marsabit,Wajir and Isiolo. Traverses many different ethnic communities hence enabling efficient peace building and intergration initiatives; Connects major dry season water point-Jaldesa borehole,Shurr ,Dirib Gombo,Yamisha; Connects major dry season water point-Jaldesa borehole,Shurr ,Dirib Gombo,Yamisha; Opening up of more than 100,000 Ha grazing land; Link to Lapsett corridor; Will enable patrolling and control of economic activities in Marsabit forest and National park reducing environmental degradation</p>
2	Turbi-Erebor-Forolle-Hurri Hills –Tigo	210	<p>Linkage to Forolle livestock market; Serves fodder production sites in Hurri Hills Access to strategic boreholes- Linkage to Shegel export abattoir a major investment by County, National World Bank and Africa Development Bank Opens up the Hurri Hills for exploitation of crop and fodder production and marketing Eases access and transport improvement in the major pastoral zones of the County Makes conflict and peace building activities more efficient and less costly along the Ethiopian border Will contribute to enhancement of movement of goods and services across the Ethiopian border; Improve access to strategic boreholes and Alabor water point in Ethiopia Will improve a major livestock Migration route</p>

Ranking	Road	Length (km)	Economic Justification
			Will compliment investment of a veterinary Borger Inspection Point for control of cross border livestock diseases
3	Loiyangalani-Moite-Illeret	238	<p>Opens up economic activities along Lake Turkana associated with fisheries</p> <p>Improves access to strategic boreholes</p> <p>Will be a major boost for Loiyangalani-Sibiloi-Illeret tourism circuit</p> <p>Will serve to open up northern grazing areas;</p> <p>Will enhance inclusivity for the El Molo and Dassanach communities;</p> <p>Enhance trade between Turkana county and Ethiopia</p> <p>Support effectiveness of protection and conservation activities of Sibiloi park</p> <p>Link to major livestock and fish markets at Illeret;</p> <p>Improves inter county and intra county linkages;</p> <p>Support conflict and peace building activities along this corridor by improving accessibility.</p>
4	DamballaFachana-Ambalo-Basir	90	<p>Improving linkages to Moyale/Ethiopia Markets;</p> <p>Linkage to Wajir and Mandera counties;</p> <p>Opening up diverse grazing areas</p> <p>Linkages improvement to strategic boreholes;</p> <p>Access to Garba Irrigation scheme</p> <p>Improve accessibility of livestock market at Dabel</p> <p>Opening up of agriculture potentially rich areas</p> <p>Access to livestock holding ground at Amballo</p> <p>Improve access to Moyale Economic Hub under LAPSSSET;</p> <p>Improve access to veterinary services at the Sololo Veterinary Border Inspection Point</p>

4.3. Cluster 3: Turkana, West Pokot and Baringo Counties

Priority	Road	Length (km)	Location/ Ward	Economic Activities (Justification)	Markets/Amenities Served
1	Chepnyal-Kotit-Sinjo-Chepolet-Kriich	50	Sook/Endugh	<ul style="list-style-type: none"> • Millet farming • Sorghum farming • Minerals mining • Fish farming • Ecotourism 	<ul style="list-style-type: none"> • Tamugh Market • Kriich Market • Chepkobegh Market
2	Amakuriat-Kalapata-Nauyapong'-Loya	100	Alale	<ul style="list-style-type: none"> • Livestock keeping • Bee keeping • Maize/beans farming • Mining of Rubies/Gold 	<ul style="list-style-type: none"> • Amakuriat Market • Moroto Market • Amudat Market • Loro Market
3	Ortum-Sebit-Kerelwa-Sekution-Tapach-Kapsait-Kabichbich	110	Batei/Tapach/Le lan	<ul style="list-style-type: none"> • Livestock keeping(dairy & beef) • Onion growing • Pyrethrum growing • Irish Potatoes • Mangoes farming • Wool production • Timber products • Tourism attraction 	<ul style="list-style-type: none"> • Ortum Market • Kabichbich Market • Tapach • Kamelei • Sekution • Tot • (E/Marakwet)
4	Sebit-Kerelwa-Sekution-Tapach	42	Batei/Tapach	<ul style="list-style-type: none"> • Onion farming • Dairy farming • Pyrethrum growing • Maize farming 	<ul style="list-style-type: none"> • Ortum Market • Tapach Market • Kamelei Market
5	Sebit-Kapakeremba-Ptop-Sukut-Kapsangar	50	Batei/Tapach	<ul style="list-style-type: none"> • Onion farming • Dairy farming • Pyrethrum growing 	<ul style="list-style-type: none"> • Ortum Market • Tapach Market • Sina Market

Priority	Road	Length (km)	Location/ Ward	Economic Activities (Justification)	Markets/Amenities Served
6	Ng'otut-Kamketo-Kasei-Korkou-Kang'litan	60	Kapchok/Kasei	<ul style="list-style-type: none"> • Livestock keeping • Bee keeping • Maize/beans farming 	<ul style="list-style-type: none"> • Konyao Market • Kacheliba Market • Amudat Market (UG) • Korkou Market
7	Chepkobegh-Nakwijit-Kesot-Kapkata-Tipet	80	Chepareria/Endug	<ul style="list-style-type: none"> • cattle keeping • fish farming 	<ul style="list-style-type: none"> • Nakwijit Market • Chepkobegh market • Chepareria Market • Nasukuta Abattoir
8	Kacheliba-Kanyerus-Karita-Asilong-Cherangan	70	Swam/Kodich	<ul style="list-style-type: none"> • Livestock keeping • Maize farming • Sugarcane farming 	<ul style="list-style-type: none"> • Kacheliba Market • Orolwo Market • Kanyerus market
9	Kacheliba-Cherangan-Katopoton-Kois Kanyang'areng	60	Swam/Kodich/Kapchok	<ul style="list-style-type: none"> • Livestock keeping • Crop farming 	<ul style="list-style-type: none"> • Kacheliba Market • Konyao Market • Orolwo Market
10	Chesta-Chemutlokotyo-Kapatet	35	Lomut	<ul style="list-style-type: none"> • Livestock keeping • Banana farming • Maize/beans farming • Cassava & Mango 	<ul style="list-style-type: none"> • Lomut Market • Sigor Market
11	Lomut-	30	Lomut	<ul style="list-style-type: none"> • Livestock keeping 	<ul style="list-style-type: none"> • Lomut Market

Priority	Road	Length (km)	Location/ Ward	Economic Activities (Justification)	Markets/Amenities Served
	Annet-Chepkokogh-Chemain-Marus			<ul style="list-style-type: none"> Banana farming Maize/beans farming Mango farming Green grams/Water Melon 	<ul style="list-style-type: none"> Sigor Market
12	Takaywa-Amolem-Kainuk	70	Masol	<ul style="list-style-type: none"> Livestock farming Green Grams growing Mango farming 	<ul style="list-style-type: none"> Akulo Market Nyang'aita Market.
Total		757			
13	Timboroa (A104)-Moringwo (C55)-Oinobmoi (C51)-Kinyach – Loiywat (B4)-Kolowa-Ngoron-Kamusino road	200	Eldama Ravine, Mogotio, Baringo Central, Baringo North and Tiaty sub-counties. Connects Uasin Gishu, Kericho, Elgeiyo Marakwet, Baringo, West Pokot and Turkana Counties.		
14	Mailikumi-Kisanana-Waseges-Chebinyiny			Connects to LAPSSET Corridor.	

Priority	Road	Length (km)	Location/ Ward	Economic Activities (Justification)	Markets/Amenities Served
	(C51)- Mukutani- Tangulbei (C 51)(Lapsset)				
15	Kampi ya Samaki- Kipcherere- Kabartonjo- Barwessa road				
16	Kabimoi (C55)-Solian- Sabatia- SGR(Kadutur a) road.				

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This action is funded by the European Union

ANNEX 4

of the Commission Decision on the Annual Action Programme 2016 in favour of Kenya to be financed from the 11th European Development Fund

Action Document for Ending Drought Emergencies: Climate proofed infrastructure for improved water supply and sanitation in Arid and Semi-arid Lands (ASAL) areas

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) applicable to the EDF in accordance with Article 37 of the Regulation (EU) 2015/323 in the following section concerning grants awarded directly without a call for proposals: 5.4.1.

1. Title/basic act/ CRIS number	Ending Drought Emergencies: Climate Proofed Infrastructure for improved water supply and sanitation in Arid and Semi-arid Lands (ASAL) areas CRIS number: 2015 / 038-417 financed under the 11 th European Development Fund
2. Zone benefiting from the action/location	Kenya: The action shall be carried out at the following location: 23 Arid and Semi-Arid Counties
3. Programming document	EU-Kenya Cooperation 11th European Development Fund - National Indicative Programme (NIP) 2014 - 2020
4. Sector of concentration	Food security and resilience to climatic shocks
5. Amounts concerned	Total estimated cost: EUR 27 100 000 Total amount of EDF contribution: EUR 20 000 000 This action should be co-financed in parallel by: - National Government of Kenya for an amount of KES 453 000 000 - County Governments of Kenya for an amount of KES 348 000 000 Government of Kenya 802 000 000 (estimated at EUR 7 100 000)
6. Aid modality and implementation modalities	Project Modality Direct management: grant – direct award procurement of services
7. DAC code(s)	14020 - Water supply and sanitation (100%)
b) Main Delivery Channel	1000 –Public sector institutions

8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	X
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input type="checkbox"/>	X
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	X
9. Global Public Goods and Challenges (GPGC) thematic flagships	Flagship 1. Global Climate Change Alliance + (GCCA+)			
10. SDGs	Main SDG Goal: Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture Secondary MDG Goal: Goal 5. Achieve gender equality and empower all women and girls and Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation			

SUMMARY

This programme is aligned with the Common Programme Framework (CPF) that operationalises Kenya's '**Ending Drought Emergencies**' (EDE) strategy. The EDE is the government's commitment to end the worst of the suffering caused by drought by 2022. The EDE CPF was developed jointly between the Government and its development partners and focuses on the 23 most drought-prone counties in Kenya. Collectively these are known as the **Arid and Semi-arid Lands or ASAL** counties). Its implementation will be led by the relevant parts of the national and county governments, working in ways that strengthen synergy between sectors and agencies and deepen accountability to drought-affected communities. A donor mapping exercise against the six pillars of the Ending Drought Emergencies Medium Term Plan revealed a bias towards investments in livelihoods and risk reduction, ignoring the need to address the infrastructure deficit. Further, a more detailed analysis of the type of support provided by donor programmes evidenced that soft costs, such as small scale community projects and capacity building, were favoured, leaving little budget for capital investment costs.

The proposed programme will support EDE Pillar II - Climate-proofed Infrastructure by allocating EUR 18 million to a new ASAL programme that will be established by the **Water Services Trust Fund (WSTF)** to implement medium sized water and sanitation projects in selected ASAL counties.

The WSTF Programme in the ASAL counties will have the following characteristics:

- Outreach Programme that supports ASAL counties in planning and designing infrastructure projects;
- Support to projects that are based on climate-proofed technology;

- Cooperation with Partner Funds (set aside by counties);
- Ability to fund medium sized projects;
- WSTF to perform “willingness-to-partner assessment, which includes preparedness to co-fund and ability to safeguard Operations and Maintenance;
- Be able to leverage funding.

The proposed programme will also promote the establishment of Public Private Community Partnerships to increase the role of the private sector in the construction and management of water supply services.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 Public Policy Assessment and EU Policy Framework

The 2010 Constitution states that every person in Kenya has a right to clean and safe water in adequate quantities and to reasonable standards of sanitation. It also divides the country into 47 Counties and introduced the devolved two-tier system of government of national and county governments.

The roles and responsibilities of the national and county governments are defined in the Fourth Schedule of the Constitution, which classifies all water areas as public land managed by the national government, while counties are responsible for the provision of water and sanitation services.

An Equalisation Fund was established by Article 204 to provide basic services, including water, to marginalised areas, so that they can enjoy the same quality of services as the rest of the nation.

The Country’s blue print for development, Vision 2030, states that the role of water sector service provision should endeavour to “Reverse the declining trend of water availability per capita, increase access to safe water and sanitation, increase area under irrigation and reclaim arid and semi-arid lands for productive use.” Key elements of water resource management are water harvesting and storage facilities, and the development of water resources information and monitoring system.

The Water Master Plan 2030 captures the three key elements of Integrated Water Resources Management 1) Social equity:, 2) Economic efficiency:, 3).Ecological sustainability.

The Water Act 2002 states that the ownership of all water resources is vested in the State. The Act established an institutional framework to manage the water sector. WSTF was established under this framework among other water sector institutions.

In the Water Bill 2014, the Water Sector Trust Fund is retained as the financing mechanism of the water sector, with a mandate to provide grants to the Counties and to assist in the development of water services in underserved areas.

The National Climate Change Response Strategy stipulates the Government’s commitment to enhancing the resilience of communities in all drought- and other climate change-induced disasters and improve the capacity for adapting to global climate change.

The EDE strategy builds on the National Policy for the Sustainable Development of Northern Kenya and other Arid Lands that commits the Government to supporting communities in the 23 ASAL counties of Kenya (estimated 15 million people) to become more resilient to drought and ending drought emergencies by 2022.

The EDE has six pillars: 1) peace and security, 2) climate-proofed infrastructure, 3) human capital, 4) sustainable livelihoods, 5) drought risk management, and 6) institutional development and knowledge management. In 2011, the Government has created the National Drought Management Authority, to provide leadership and coordination of drought management in the country.

The EDE strategy has been approved by the Cabinet, adopted by key parts of both the national and the county governments, and endorsed by development partners as a framework around which to align their assistance. It is being implemented through an **Ending Drought Emergency Common Programme Framework (EDE CPF)**, which was developed jointly by the national and county governments and their development partners and approved in February 2015. Each of the pillars has its own common programme framework document and its own configuration of agencies interested in its agenda, which meet on a regular basis.

This programme contributes to the overall objectives of the EDE CPF Pillar II, Climate Proofed Infrastructure, which is a key element in the EDE Strategy, but so far has been a neglected area, both by Government and donors. This EDE CPF is chaired by the Ministry of Water and Irrigation, and co-chaired by the European Union.

The action will contribute to the implementation of the National Climate Change Response Strategy. Target activities at community level will include adaptation and mitigation measures to enhance their resilience towards adverse climatic change effects.

1.1.2 Stakeholder analysis

People and communities living in drought-prone areas are both direct recipients as well as the primary stakeholders of the interventions coordinated through the EDE CPF. Particular beneficiaries of the increased access to better quality water for both domestic use and production, as to be provided by this project, include pastoralists, agro-pastoralists, subsistence farmers and other vulnerable groups.

A second category of stakeholders is the participating county governments. Access to water is a right embedded in the Constitution, and since water provision is a devolved activity, it is the counties responsibility to secure this right.

The county Water Services Providers are the main implementing agents for water projects and will be targeted for capacity building activities carried out by WSTF, before being contracted for the implementation of the proposed programme. They will work in consultation with Community Based Organisations, such as Water Resources Users Associations, especially in project design and non-infrastructure Water Resources Management activities.

The private sector also has a major interest in rural infrastructure development in the ASALs, the main motivation being the reduction in the cost of doing business as well as guaranteed security, particularly in the hitherto remote and hard-to-reach ASALs areas. An additional interest lies in construction and subsequent operation and maintenance of rural infrastructure facilities.

The last category of stakeholders is the National Government which for a long time had the responsibility of investing in rural infrastructure.

The National Drought Management Authority, under the Ministry of Devolution and Planning, is the focal point in Government for drought management and has the mandate to coordinate the implementation of the EDE strategy.

The Ministry of Water and Irrigation is responsible for promoting and supporting integrated water resource management to enhance water availability and accessibility.

The Ministry of Public Health is responsible for the Sanitation policy and for the harmonisation of the institutional framework for sanitation. The Ministries of Public Health and of Water and Irrigation have developed a common Water Supply and Sanitation Concept which has defined targets for water supply and for sanitation.

The Water Services Trust Fund is the financing mechanism of the water sector with a mandate to provide conditional and unconditional grants to counties and to assist in financing the development and management of water services in the marginalised and underserved area.

The Water Resources Management Authority is a State Corporation in charge of managing and protecting water catchments. It develops principles and procedures for allocation of water resources and determines application of permits for water use.

1.1.3 Priority areas for support/problem analysis

Drought is one of the biggest threats to the well-being of people in the ASAL areas and to the achievement of Kenya Vision 2030. Between 2008 and 2011, the impact of drought is estimated to have slowed gross domestic product (GDP) by an average of 2.8% per annum, with total damage and losses estimated at USD 12.1 billion.

An important consequence of drought is the loss of productive assets, such as livestock and crops, leading to a rapid deterioration of the food security situation in the affected areas. This frequent deterioration of the food security situation is a major concern in Kenya, since an estimated 10.8 million people (25% of the total population) are under-nourished,¹ and more than two million under-five children are stunted.² Drought is an important factor that perpetuates food insecurity. Other important factors include tribal conflicts generated by the pressure to access the remaining water points and pasture areas and the poor outreach of targeted safety nets. Vulnerability to drought is particularly acute in the ASAL areas where structural challenges, such as population growth and environmental pressures, reinforce chronic poverty, inequalities and food insecurity.

The rather abstract notion of ‘climate-proofed’ infrastructure was given a clearer meaning by county governments while developing their respective County Integrated Development Plans. The County Integrated Development Plans vision of county infrastructure is one that facilitates the socio-economic integration of all communities to such a scale that those infrastructures will continue playing their role throughout climatic accident episodes. The County Integrated Development Plans revealed the sheer size of the infrastructure deficit in ASAL and the need to invest in critical medium-sized infrastructure that will link pockets of development with major county economic hub and further with the national economy.

An important tool in overcoming food insecurity in case of drought is the strengthening and development of permanent water points. Permanent water points will enable communities to keep the remaining part of their livestock alive while the excess herd is being destocked, and also enable the communities to better manage common natural pastures areas and trekking routes, thereby contributing to conflict reduction. Increased permanent water points also impact on human health by reducing the direct stress caused by prolonged thirst, poor hygiene and sanitation and the indirect stress due to the sharp distance increase that people, especially women and children have to travel to access water. Finally, the presence of water is encouraging better agro-pastoral output, markets and the settlement of population nearby, which allows safety nets to reach the most vulnerable.

According to the Kenya 2013-2014 Water Sector Review, a large proportion (51.2%) of the rural population in Kenya is using unimproved sources (streams, lakes or ponds) for their domestic water supply, while in urban areas the percentage is 34.6%. The fast population growth is challenging the

¹ FAO (2014) ‘The State of Food Insecurity in the World’

² Republic of Kenya (2008) Kenya Demographic and Health Survey

country's efforts to provide adequate water services. Degraded water catchments and the effects of climate change reduce the amount of fresh water in surface and groundwater resources.

In recognition of this deficit and the need for climate proofed infrastructure in ASAL counties, this programme emphasises the construction of medium sized water infrastructure with capacities that can secure water provisions throughout the drought periods. Complementary to these interventions, European Member States' programmes will contribute to water resource planning and management, capacity of county government and other water services and users' institutions as well as smaller-scale water and sanitation systems.

Technology choice will focus on use of renewable energy and energy saving schemes, such as solar powered pumps, gravity schemes, rain water and run-off harvesting. Capacity building will ensure sustainability of service delivery and therefore resilience against climate shocks.

2 RISKS AND ASSUMPTIONS

The following risks have been identified to be relevant to the implementation of the proposed programme.

Risks	Level	Mitigating measures
Disruptive Devolution: The devolution process is underway but certain start-up problems can be experienced such as conflicting mandates between national government and county governments. This could cause delays in establishing county legislation and policy development to guide investments in ASALs.	Low	WSTF and the National Drought Management Authority have established positive working relationships with the County Governments which will lead to deeper ownership of the EDE and national policies at the county level. Inter-governmental mechanisms are already in place and will be strengthened. WSTF is providing specific support and capacity building through on-going projects that will be reinforced by the proposed programme.
Fiduciary risks: Due to the size of the investments, infrastructure works are sensitive to corruption, which would lead to increased cost and/or to sub-standard infrastructure and increasing Operation and Management costs. The risk of lack of due diligence in procurement and monitoring and evaluation (M&E), completion certificate awards and other aspects of infrastructure development is a risk.	Medium	WSTF will ensure that sufficient and transparent financial reporting of each project is taking place and that adequate internal control procedures are in place. An accounts manual shall be developed. WSTF undertakes statutory annual audits, which comprise Financial and Systems Audits and projects audits on all funding streams. The EDE CPF for Pillar II has stringent measures proposed for fiduciary risk
The approach to be adopted in the implementation of this programme is new, starting with the concept of climate-proofed infrastructure itself. In addition, the Public Private Community Partnerships concept in infrastructure development is new and this may take time for government institutions to adjust to the new <i>modus operandi</i> .	Medium	The EDE Statement of Intent and the EDE Steering Committees at the national and county level are designed to deepen alignment and harmonisation. The Infrastructure Development Support Units will provide assistance to EDE Secretariats and Committees which will address these change management requirements.
Peace and security in the implementation counties and locations, without which accessibility of project sites and implementation could become a major challenge	High	The Pillar II EDE CPF will liaise closely with Pillar I (Peace & Security) to minimise the chance that insecurity would disrupt implementation.

Assumptions
1) Climate proofed infrastructure development needs better partnership between county government, national government, donors, private sector, community based organisations and other stakeholders. New approaches, such as a better involvement of the private sector will need to be promoted to facilitate a paradigm shift in the financing, planning, implementation, and operation and maintenance structures of infrastructure development. The assumption is that government machinery both at county and national levels will allow, support and facilitate positive change as opposed to maintaining the status quo.
2) Of particular significance is the implementation of the Equalisation Fund for the 14 most marginalised counties. It would provide a huge financing window for investments in infrastructure development in the ASALs over the next 20 years. The assumption is that the national government is committed to operationalising the Equalisation Fund mechanism at the County level, as provided for in the Constitution.
3) The EDE initiative has a ten-year timeframe which therefore straddles the next election period. Past experience in ASAL development in Kenya has illustrated the challenge of sustaining commitment to long-term initiatives between governments. The assumption is that mechanisms will have been put in place by national and county governments to ensure that continuity in infrastructure development policy and strategy implementation will not be influenced or affected by changes within the political or governance domains.
4) The current security situation is characterised by terrorist attacks and purported livestock raiding episodes. It is important that the national and county governments provide an enabling and safe environment under which this programme will be implemented. The assumption is that the Ministry of Internal Security and National Coordination will neutralize the situation in the most affected counties.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

A finding of the 2011 drought Post-Disaster Needs Assessment was that resilience to future droughts would require a multi-sectorial approach with increased investments in infrastructure. A donor mapping exercise in 2012 against the six pillars of the Ending Drought Emergencies Medium Term Plan revealed a bias towards investments in livelihoods and risk reduction, ignoring the need to address the infrastructure deficit. Furthermore, it was found that small scale community projects and capacity building activities were favoured, leaving little budget for capital investment. Finally, duplication in sector intervention and geographical areas were common, leaving other areas such as North Eastern Kenya and semi-arid areas poorly covered.

The Ending Drought Emergencies Medium Term Plan states that better infrastructure is important, but it must be climate-proofed. This requires that climate risks are factored into their design and implementation, in order to ensure that the anticipated life-span of investments is achieved.

A review of the lessons learnt on the Medium Term ASAL programme funded by Danish International Development Agency (DANIDA) in 6 ASAL counties will inform future programmes in water sector implemented in ASAL. They are summarised in the following table alongside proposed changes to address the issues.

Lesson learned from Medium Term ASAL programme	Proposed change in approach for new programme
Scattered populations and large distances between project sites resulted in poor support and supervision to Community Based Organisation.	Implementation will preferably take place in focused and clustered sites.
Site selection for infrastructure development was based on which organisations responded first, rather than need and priority.	Implementation will take place in County Government priority sub-catchments based on the County Integrated Development Plans.
There was insufficient linking of investments to improve local problems in the three WSTF windows, water supply, sanitation and sub-	A sub-catchment plan will be prepared, to guide investments in water and sanitation, linking water supply and sanitation with broader issues of Natural

catchment planning.	resources management and improved livelihoods.
Water Service Providers in ASALs are not in a position to Build Operate Transfer water delivery systems in remote areas.	Water Service Providers are useful implementation partners near County HQs, but they need additional support to operate in remote areas.
The Support Organisations that were recruited by WSTF often ‘cut corners’ again because of scattered populations and large distances involved, often resulting in poor design, and lack of supervision.	WSTF will enter into contractual arrangements with the County for structured support to the programme. County based staff will be recruited to support the programme, to have direct control and to ensure proper design and supervision.
Poor knowledge to plan climate-proofed infrastructure at the county level. Technical design standards and guidelines to prepare climate-proofing specifications are not available.	A standard curriculum outlining technical design specifications and guidelines for ASALs on similar investments will be developed as part of the capacity building provided by WSTF and EDE Pillar 2 stakeholders.
The Project time frame of 2 years was too short.	Implementation phase will be over a four year period, allowing full consultation with all stakeholders.
Infrastructure provided incremental improvements rather than providing comprehensive solutions.	Addressing water and sanitation needs based on a sub Catchment Management plan should result in comprehensive solutions to the provision of Water supply, Sanitation and Hygiene services.

3.2 Complementarity, synergy and donor coordination

This proposed programme will have significant complementarity and coherence with other implemented or planned programmes funded by EU and other development partners.

Under the SHARE programme, EU co-funds a joint programme with Danida with a total budget of EUR 8 million to develop water infrastructures in 6 ASAL counties. The programme is channelled through WSTF, and is implemented in the 6 Counties of Tana River, Lamu, Garissa, Marsabit, Isiolo, Wajir . So far, 32 water supply and sanitation proposals amounting to EUR 3 million and 32 sub-catchment protection proposals, amounting to EUR 1.45 million have been approved for funding by the Investment and Monitoring Committee of the WSTF Board of Trustees.

Under the Kenya Rural Development Programme, EU funds a EUR 10 million grant with the National Drought Management Authority to support the Drought Contingency Funds under the EDE Common Programme Framework Pillars V. The availability of these flexible funds has allowed the National Drought Management Authority responds to droughts, with EUR 4 million disbursed in the period July 2014 to March 2015 in the 17 counties most affected. Combined with the parallel disbursement by the counties; water trucking, emergency de-silting of water retention structures and emergency borehole repair and operation represent half of the total disbursement (EUR 2 million).

Under the Ending Drought Emergency: Support to Drought Management and Coordination which will start in 2016, a EUR 30 million EU grant has been approved, to 1) upscale the drought preparedness and response activities of the Drought Contingency Funds, 2) support the early warning system, 3) support the EDE Secretariat and its knowledge management and EDE coordination structures.

Four EU Member State cooperation agencies are also providing supports in the areas of Water Supply, Sanitation and Hygiene and water resources management through the WSTF:

- KfW has extended grants amounting to EUR 26 million to the WSTF to support the provision of water supply and sanitation for the urban low income areas.
- Sweden together with the Finnish Government and the Government of Kenya is supporting a EUR 19 million Equitable Rural Water, Sanitation and WRM Programme to be implemented by

WSTF. The programme covers 6 counties, of which 4 are located in ASALs. WSTF has for many years received funding from both Finland and Sweden in the rural areas.

- Under the Medium Term ASAL Programme, DANIDA provides direct investments in access, supply and management of water in 6 arid and semi-arid counties and supports in planning and devolution for natural resources and economic development. The programme is implemented through the Directorate of Arid and Semi-Arid Lands, which will also be responsible for a new EUR 10 million thematic programme for Green Growth in 6 ASAL counties to support renewable energy technologies and strengthen communities' resilience to climate change.

Because of the similarity of the objectives and the use of the same implementing partner, five EU partners (EU, Germany, Denmark, Sweden and Finland) developed a "Joint EU framework for the provision of water and sanitation in Arid and Semi-Arid Lands of Kenya". This framework is a step in furthering the efforts of EU joint programming in the water and sanitation sector, one of the selected so called 'front runner' areas. It will strengthen the complementarity between the EU grant support to medium size infrastructure with higher investment cost and the EU Member State grants focusing on water resource management and water supply and sanitation at community level. It will lead to alignment with the national strategies and the institutions involved in their implementation, as well to set up joint administrative arrangements, such as using the same monitoring and evaluation systems, and to common position in the programme steering. Signature of a joint statement between the partners of intent is foreseen once the funding is confirmed. The total funding of the Joint EU framework for the period 2017-2021 should amount EUR 46.5 million, including EUR 7.1 million counterpart contribution from the two levels of Government.

A programme under International Fund for Agricultural Development (IFAD) is targeting sustainable resource management in Upper Tana and is implemented by the WSTF.

The overall responsibility for the operations of WSTF lies with the WSTF Board of Trustees, appointed by the Cabinet Secretary in charge of water services. WSTF's progress is assessed by its Board of Trustees and reported in the organisation's annual reports.

The main instrument of the WSTF in respect to the cooperation with the development partners is the Development Partners Steering Committee. There are two steering committees relating to WSTF operations, the Rural Window Steering Committee and the Urban Window Steering Committee.

Strategic coordination will take place through the structures of the EDE Common Programme Framework. The National Drought Management Authority is the focal point in Government for the EDE and provides the secretariat to the various structures. At the apex is an Inter-Governmental Committee, to which the national and the county governments are members to provide political leadership and direction. Technical coordination is provided by a National EDE Steering Committee, attended by the chair and co-chair of each of the six EDE pillars. A similar structure undertakes coordination at county level.

The proposed programme will contribute to the objectives of the EDE climate-proofed infrastructure pillar, which is chaired by the Ministry of Water and Irrigation and co-chaired by the European Union. The total budget of the EDE Pillar 2 for 2014-2018 is estimated at EUR 500 million.

The overall coherence to achieve food security under the 11th EDF interventions is ensured as this proposed programme is addressing the multi-sector approach to food security and nutrition because access to permanent water impacts directly on the livelihood of the communities by preserving their productive assets. Climate proof infrastructure investments are part of the specific objective number 1 and indicator C3, in the NIP.

3.3 Cross-cutting issues

Adaptation to climate change and the improved management of water resources are fundamental to the proposed intervention. It will notably implement social and environmental safeguards to ensure collectively accepted, efficient and sustainable use of water.

In relation to the cross-cutting area of gender and diversity, drought interventions in the past have been criticized for their lack of gender sensitivity. In recent years, improvements have been made, not least by an increasing emphasis on sustainable water supply, which plays an important role, not only for domestic purposes, but also on the livelihood by protecting the productive assets. Such interventions have had more success in understanding local livelihoods, in building on indigenous systems and, by increasingly involve the women in the identification process. Successful implementation and functionality of infrastructure projects have positive impacts on both genders and, in some instances, such as water supply projects, a more positive impact on women and children. Reduced time and drudgery and improved health, which arise from improved water services, give women and children more time for productive endeavours, leisure, study, and play.

The working groups supporting the implementation of the EDE CPF foresee the development of guidelines on women/child focused drought risk management, and to monitor their implementation, as well as a stronger system for child protection during drought spells.

The need to understand the gender dimensions of infrastructure development is particularly important both during the development stage and operation. For instance, planners must understand the challenges for women's participation in labour-based road construction and maintenance or women's expectations of a water supply facility. This will enable the concerns of each gender to be included in the design and implementation arrangements. Similar considerations are needed during the operational phase; gender is an even more critical consideration in water supply given that women and children are traditionally tasked to collect water. They have a higher stake in the continuous functioning of the facilities and hence need a bigger role in their management. In the proposed programme, special emphasis will be given to the participation of women and youths in implementing bodies, namely the Water Services Providers and the Water Resources Users Associations.

4 DESCRIPTION OF THE ACTION

4.1 Objectives, results and options

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goal: Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture, but also promotes progress towards Goals: Goal 5. Achieve gender equality and empower all women and girls and Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. This does not imply a commitment by the country benefiting from this programme.

The overall objective is:

Communities in drought-prone areas are more resilient to drought and other effects of climate change and the impact of drought are contained, leading to improved food security.

The specific objective is:

The deficit of climate-proofed water supply and sanitation infrastructures and their maintenance is identified, planned and progressively addressed in a coordinated and comprehensive manner at national, county and community level.

The expected results are:

- Result 1: The communities in ASALs have improved access to water supply and sanitation services
Result 2: Sustainable management of Water Resources in ASALs is improved
Result 3: Public Private Community Partnerships are implemented in the water provision in ASAL.

The support to the institutions under this action may create a platform for a future Sector Reform Contract.

4.2 Main activities

Based on its experience and mandate to reach out to Kenyan citizens in the underserved and marginalized areas and experience, to achieve the results the programme will undertake the following activities:

Result 1: The communities in ASALs have improved access to water supply and sanitation services

Improved access to water supply will be achieved through:

The programme will support the implementation of medium scale³ water supply projects which include : installation of energy saving schemes such as solar powered pumps, development of surface and sub-surface water sources like construction of surface runoff and sub-surface water retention structures, promotion of low maintenance water treatment technologies, rehabilitation and upgrade of piped water schemes, construction of community water points which include water kiosks, consumer meters and prepaid meters, yard taps and construction of livestock watering facilities. Human and livestock water needs will be considered and well balanced during the project identification. Systems will be put in place for the regular undertaking of water quality tests and relevant treatments such as de-fluoridation.

Improved access to sanitation services will be achieved through:

1) promotion of good health and hygiene practices to communities, using participatory approaches, such as Community Led Total Sanitation to ensure that villages are triggered to improve their sanitation situation and attain Open Defecation Free status. For sustainability, access to Public Sanitation Facilities will be at a small fee and the facility leased to a private operator/group giving preference to Youth, Women and Person with Disability.

2) the construction of sanitation facilities in institutions such as schools, market places and health centres. Sanitation facilities will include public ablution blocks, VIP latrines, Ecosan toilets and pour-flush toilets, as well as hand washing facilities.

The Programme will implement Water Supply and Sanitation Services in ASALs through legally established Water Service Providers; WSTF, in conjunction with the respective county governments, will conduct an inventory of existing and potential Water Services Providers. The Water Services Providers will submit separate water and sanitation project proposals which will undergo appraisal at WSTF for funding using objective selection criteria such as:

- a) Evidence of prudent financial management and accountability
- b) The viability of business model including tariffs charged and products developed,
- c) The number of staff and their technical capacity
- d) The target beneficiaries of Water Services Providers (underserved and the marginalized)
- e) Legal status of the Water Services Providers

³ Adopting Climate proofed criteria it is estimated that one medium sized water supply project will costs € 0,5million up to € 1million.

- f) Authorisation to operate by county government and Water Service Regulatory Board

The level of funding will be determined using a set of criteria such as:

- a) Viability of the project
- b) The size of the project – medium or small.
- c) The type of the project –Water or sanitation
- d) The per capita costs of the project
- e) Technology of the project

Sanitation facilities will be implemented by the Water Services Providers, while campaigns on health and hygiene practices will entail WSTF staff, the National Public Health Office and county officers.

Result 2: Sustainable management of Water Resources in ASALs is improved

The programme will support communities in managing their water resources within their sub-catchments. Water resources management activities will be implemented through the Water Resources Users Associations (WRMA), in collaboration with the Water Resources Management Authority based on their Sub Catchment Management Plans. Special consideration will be given to linkages between resource based conflicts and water storage and conservation facilities such as water pans, sand dams, and erosion control structures. WSTF, in collaboration with the county governments and Water Resources Users Associations will identify existing and potential Water Resources Users Associations. The targeted Water Resources Users Associations, with the support of Water Resources Users Associations, will prepare and submit proposals to WSTF via the Water Resources Users Associations institutional structure. The proposals will be appraised using selection criteria such as:

- a) The geographical coverage of 100km² of the sub catchment
- b) The level of degradation of the sub catchment where interventions are undertaken
- c) Management of Water Resources Users Associations including elements such as Gender Equality and Social Inclusion, good leadership and accountability
- d) Type interventions – inclusive of livelihoods components
- e) Authorisation by Water Resources Users Associations permits
- f) WSTF Investment level
- g) Level of impacts on water resources upon intervention with specific consideration given to expected effects on conflict reduction.

The awarded projects will be progressively supported according a four level funding mechanism developed by WSTF:

- Level 1 – Development of Sub-Catchment Management Plan, with a maximum budget of KES.1.5 million
- Level 2 – Implementation of the Sub-Catchment Management Plan Activities, with a maximum budget of KES.5 million
- Level 3 – Implementation of the Sub-Catchment Management Plan Activities, with a maximum budget of KES.10 million
- Level 4 – Implementation of the Sub-Catchment Management Plan Activities, with a maximum budget of KES.30 million in three tranches of Kshs.10 million.

Capacity building in support of results 1 and 2

The programme will enhance capacity of the WSTF, local authorities and implementing partners to achieve Result 1 and 2 by providing technical assistance services and supports to accompaniment measures:

- County capacity will be developed to provide strategic guidance in addressing the water and sanitation needs of the underserved. It will include (1) development of guidelines for pro-poor

initiatives and map out underserved areas and existing water points, (2) support to the County Assemblies in the development and review of a County Water Prototype Bill, (3) support the County Working Groups to plan for and to manage and implement water, sanitation and water resources projects.

- Capacity building of implementing Water Services Providers and Water Resources Users Associations will be strengthened to ensure sustainability of water and sanitation infrastructures, to withstand climate change effects, to sustain operation and maintenance activities, to ensure gender equality and social inclusion, to ensure prudent project management, to strengthen financial and procurement systems, to strengthen knowledge on sanitation and hygiene practices.

- Institutional WSTF performance will be reinforced: it will include the implementation and monitoring of a Risk Management Framework through development and use of implementation guidelines for procurement as well as financial management of and by sub-grantees. The internal capacity of WSTF will be also enhanced through developing an improved Management Information System, a strengthened Monitoring and Evaluation system, and by capacity building of staff.

Result 3: Public Private Community Partnerships are implemented in the water provision in ASAL.

The private sector engagement as service contractors, managers, investors or technology providers is expected to ensure sustainable Operations and Maintenance, economic viability and timely delivery of services. Through a service contract, support will be provided for the development and introduction of various Public-Private- Community-Partnerships models in the ASAL areas, contributing to climate proofing of the water infrastructures:

The range of possibilities to engage Small and Medium Size Enterprises as Operators and investors includes:

- delegated management contract signed by small town water utilities with private Operators for their rural areas of supply;
- co-management contract signed by County Government with Local Small and Medium Size Enterprises to manage relatively large water system or a cluster of water systems;
- contracting manufacturer and suppliers of pipes, fittings and other construction materials to manage one or more water systems based on Lease Operator contract;
- engagement of local management consulting firms as Operators of a cluster of water projects;
- engagement of water equipment suppliers to take on the Operation and Maintenance responsibility for a cluster of water systems within the County;
- technology providers contracted by counties to manage some of the water systems with innovative pre-paid technologies.

Through the service contract, technical leadership and advisory support will be provided to WSTF, counties, implementing partners and private sector, with the aim to identify and promote best-management practices. Following the identification and feasibility phase, a number of Public-Private- Community-Partnerships will be piloted in existing or future projects; those implemented with the support of the programme constituting privileged entry points.

4.3 Intervention logic

4.3.1 Relevance

To address the gap identified in climate proofed infrastructure development in ASAL, an identification study "Mapping out and identifying an EU response to the "EDE – Pillar II Climate Proof Infrastructure" was carried out in June 2015. This study produced a broad outline for EU's support to EDE Pillar II. The main outcomes of the study, which was approved during a workshop

by all major stakeholders, was to suggest to allocate EDF resources to a new ASAL programme, to be established by WSTF. The intention is to implement reference water points to be able to serve a cluster of smaller community projects and therefore improve the availability of water to the communities throughout the year. It is foreseen that a part of the budget will be used to pilot a number of different Public-Private- Community-Partnerships in a number of ASAL counties.

4.3.2 Strategy analysis

The Water Services Trust Fund aims to specifically assist ASAL counties and aims at creating a specific ASAL sub-programme with a total capital of KES 10 billion. Including the envisaged support through this 11th EDF programme and those already agreed with other donors (Medium Term ASAL programme II (DANIDA), Supporting the Horn of Africa Resilience Programme (SHARE) (EU), the Green Growth Programme (DANIDA) and the Swedish/Finnish Water Sector Programme, the ASAL Sub-Programme will have a starting capital of KES 4 billion.

The characteristics of the ASAL Sub-Programme will be:

- Outreach Programme that support weak ASAL counties in preparing projects;
- Support to projects that are based on climate-proofed technology;
- Cooperation with Partner Funds (set aside by counties);
- Ability to fund medium sized projects;
- WSTF to perform “willingness-to-partner assessment”, which includes preparedness to co-fund and ability to safeguard Operation and Maintenance;
- Be able to leverage funding.

WSTF will emphasise medium sized infrastructure, which are more likely to be sustainable all year round within the drought conditions of the ASALs, as compared to small sized schemes. Technology choices will focus on renewable energy and energy saving schemes, such as solar powered pumps, gravity schemes, rain water and run-off harvesting. Capacity building and support towards management of the project will ensure long term operational sustainability and therefore resilience against climate shocks.

WSTF will seek partnerships with the County Governments and embark on transitional arrangements, with increased private sector involvement. The programme will improve 1) water supply and sanitation services (Result 1) by supporting registered County Water Services Providers and 2) water resource management (Result 2) by supporting the Water Resources Users Associations. Selected Water Services Providers will implement water and sanitation projects in consultation with the community especially in the project design and accompaniment measures for Water Resources Management. This approach will remove the sole burden of implementation from communities, which will then take their rightful role as the rights bearers for service delivery.

Since there is a considerable interest among ASAL counties to establish Public-Private- Community Partnerships, the programme will also pilot a number of Public-Private- Community-Partnerships initiatives. By providing technical leadership and advisory supports to WSTF, Counties, implementing partners and private sector, the Programme will directly contribute to the achievement of the Result 3 (Public Private Community Partnerships implemented).

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a Financing Agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement. This Financing Agreement will cover the grant with the WSTF for Results 1 and 2.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out, and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) to Regulation (EU) N° 322/2015.

5.3 Implementation of the budget support component

NA

5.4 Implementation modalities

5.4.1 Grant: direct award "Climate Proofed Infrastructure for improved water supply and sanitation in ASAL" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

A EUR 17.650 million grant will be used to support water infrastructure projects in the ASAL that will improve the community's ability to overcome droughts. Eight Counties have been pre-selected⁴ using selection criteria such as combined hardship index; level of WSTF investment; future investment by financiers; water coverage; sanitation coverage; and the number of Water Resources Users Associations and Sub-Catchment Management Plans.

The grant will support the implementation of water supply and sanitation infrastructure and services in ASALs, through sub-grants to legally established Water Service Providers. For this grant, sub-granting is the primary aim of the action in accordance with the Financial Regulation Article 137.1c). WSTF, in collaboration with the county governments, will conduct an inventory of eligible Water Services Providers and will select suitable Water Services Providers using objective criteria. The selected Water Services Providers will prepare project proposals, and WSTF will appraise the proposals using objective criteria.

The grant will also support sustainable management of water resources in ASALs, through sub-grants to legally established Water Resources Users Associations based in the selected counties. WSTF in collaboration with the county governments and Water Resources Users Associations will select suitable Water Resources Users Associations using objective criteria. The selected Water Resources Users Associations with the support of Water Resources Users Associations will prepare proposals and WSTF will appraise the proposals using objective criteria.

To ensure that the Counties, Water Services Providers, Water Resources Users Associations, and Water Resources Users Associations will be able to implement and sustainably manage the water supply and sanitation schemes, and that WSTF is able to provide the required support, the grant will also support the actions as described in 4.2 above under "Capacity building in support for result 1 and 2". This will be done in part by staff of the WSTF (existing or recruited for the programme purpose) and part will be undertaken through Technical Assistance hired through service contracts.

(b) Justification for a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Water Services Trust Fund .

⁴ Baringo, Kajiado, Kilifi, Kitui, Mandera, Samburu Taita-Taveta, and West-Pokot

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the Water Services Trust Fund is a Kenyan State Corporation established under the Water Act of 2002 with a mandate to assist in financing the provision of water services to areas of Kenya which are without adequate services. WSTF operates under the newly formed Ministry of Water and Irrigation Services. In the Water Bill 2014, The Mandate / Object of the Fund is to provide conditional and unconditional grants to the Counties and to assist in financing the development of and management of water services in the marginalized and underserved areas including:

1. Community level initiatives for the sustainable management of water resources
2. Development of water services in rural areas considered not to be commercially viable for provision of water services by licensees;
3. Development of water services in the under-served poor urban areas

WSTF works with other sector institutions to facilitate Water Services Providers and Communities Based Organisations to apply for financing, implement and sustainably manage their quality water and sanitation services through capacity building and stakeholder partnership. WSTF is funded by the Government of Kenya and Development Partners.

WSTF has over the 10 years of its existence built adequate human capital, technical and operational capacity to handle and even harmonise diverse expectations from Development Partners, and has earned the trust required to effectively execute its mandate. WSTF has so far disbursed about KES 6.5 billion for implementation of both Urban and Rural projects to reach over 5 million people. Of these, KES 2.5 billion has been disbursed to Urban projects while KES 4 billion has gone to Rural projects. The Fund has over 10 key Development Partners and more partnerships are expected in the near future. The WSTF is already implementing the 10th EDF (EUR 6 million) Water and Sanitation Services for the ASAL (DANIDA - WSTF).

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 80%.

In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012, applicable by virtue of Article 37 of regulation (EU) 323/2015 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

d) Indicative trimester to conclude the grant agreement

It is envisaged that the grant with WSTF will be signed during the second semester of 2016.

5.4.2 Procurement (direct management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical assistance to establish Public Private Community Partnerships in water provision in ASAL ⁵	Services	1	2 nd semester 2016

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget (EUR)

	EU contribution EUR	Indicative Government of Kenya contribution KES	Indicative county contribution KES
5.4.1 Result 1: Sub-grants to Water Service Providers for better access to water and sanitation services in ASALs (Direct grant - direct management)	10 700 000	295 000 000	270 000 000
5.4.1 Result 2: Sub-grants to Water Resource User Associations for Sustainable management of Water Resources in ASALs (Direct grant - direct management)	2 500 000	55 000 000	50 000 000
5.4.1 Result 1 and 2: Support to Capacity development of County Governments, implementing agents, WSTF (Direct grant - direct management)	4 450 000	102 000 000	28 000 000
5.4.2 Result 3: Public Private Community Partnerships piloted in the ASAL counties (Service contract - direct management)	2 000 000		
5.9 - Audit , 5.10 - Evaluation	350 000	N.A	N.A
5.11 - Communication and visibility (included in grant and service contract)	N.A.	N.A	N.A
Contingencies	0	N.A.	N.A.
TOTAL	20 000 000		

5.7 Organisational set-up and responsibilities

The overall responsibility for the operations of WSTF lies with the WSTF Board of Trustees. WSTF's progress is assessed by its Board of Trustees at regular Full Board and Board Committee meetings and reported in the organisation's annual reports.

The main instrument of the WSTF in respect to the cooperation with the development partners is the Development Partners Steering Committee. There are two steering committees relating to WSTF operations, the Rural Investments Steering Committee and the Urban Investments Steering Committee.

⁵ Tentatively the NGO, SNV has been identified as the preferred entity to undertake the service contract.

This proposal falls under the Rural Investments Steering Committee. The Committee meets quarterly and has an agreed terms of reference (TORs). All partners financing rural programmes of WSTF are members of the Steering Committee, which is chaired by the Chief Executive Officer of WSTF.

5.8 Performance monitoring and reporting

The programme will be monitored towards the WSTF results reporting and management systems, which includes an Annual Progress Review (with quarterly progress reviews) and Performance Scorecards/ Results scorecards. Progress will be tracked through an integrated Project Management Information System, which was recently commissioned at the WSTF. The EDE Monitoring and Evaluation Plan will help track progress in implementing the Pillar 2 CPF and carry out periodic evaluations of the programme outcomes and impacts.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and comprehensive regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The Commission shall inform the implementing partner at least 2 months in advance of the date foreseen for the evaluation mission. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and among other things provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in 2018 and one in 2021.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contracts for audit services shall be concluded under a framework contract in the 2021.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of the implementation of the direct grant contract with WSTF in addition to visibility activities planned to be implemented centrally, which will be pooled with funds from other initiatives from the AAP 2016 Kenya. Visibility actions may cover all EU cooperation activities in Kenya in order to increase coherence in the EU's communication strategy. Care will be taken that substantial visibility will be given to the programme as described in this Action Fiche. Standards for visibility will be derived from the "EU visibility guidelines for external actions" published by the European Commission.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - Indicative Logframe matrix (for project modality) ⁶

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results Chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Communities in drought-prone areas are more resilient to drought and other effects of climate change and the impact of drought are contained, leading to improved food security.	No. of people (gender disaggregated) requiring food assistance as a result of drought emergencies. '*' '**'	3.75 million (2011)	Reduce by 1.5 million (2017/18) Reduce by 1.875 million (2022)	Kenya Food security Steering Group – (KFSSG) food security assessments	Government of Kenya continues to prioritise EDE as a foundation for national transformation within Kenya Vision 2030.
		% of children (gender disaggregated) under-five stunted in each of the 23 most drought-affected counties. '*' '**'	31% (2008)	25% (2017/18) 20% (2022)	Kenya Demographic and Health Survey- (KDHS) Nutrition surveys	
		Value of livestock lost in drought compared with previous drought episodes. *	Kshs. 165bn damages & losses (2011)	Reduced by 82.5 bn (50%) - 2017/18 Reduced by 132bn (80%) - 2022	Post-Disaster Needs Assessment conducted by GoK in the framework of EU, UN WB partnership	
		Kenya's capacity to manage drought episodes. *	International emergency appeal (2011)	International emergency appeals not required (2022)	Government of Kenya and UN documentation	
Specific objectives Outcome(s)	The deficit of climate-proofed water supply and sanitation infrastructures and their maintenance is identified, planned and progressively addressed in a coordinated and comprehensive manner at national, county and community level.	Proportion of population using an improved drinking water source and improved sanitation facility within targeted counties. '*' '**'	60% average water coverage and 50% average sanitation coverage of the targeted counties (Kenya county fact sheets, 2011)	Reach additional 362,000 people with improved water and sanitation services in target counties (2017-2020)	WSTF Programme monitoring and evaluation reports; Ministry of Water and Irrigation (MWI) report Kenya County Fact sheets Implementing Agents	Agreed National and Local Governments counterparts funding is provided. Adequate economic, political and climatic stability. Investments made across all pillars of the EDE, and functional links established between the pillars. Alternative sources of finance, such as the African Risk Capacity, and scalability mechanisms in place.
		% projects with functional O&M*	TBD at Baseline Survey	50% by 2018/19 90% by 2022	Ministry of Water and Irrigation (MWI)	
		% reduction in the water borne disease cases (gender disaggregated)	TBD at Baseline Survey	30% reduction of reported cases	Ministry of Health (MoH) records	

⁶ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

	Results Chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		reported* ' **				

	Intervention logic	Indicators	Baselines (incl. ref. year)	Targets (incl. ref. year)	Sources and means of verification	Assumptions
Outputs	Result 1: <i>The communities in ASALs have improved access to water supply and sanitation services</i>	1.1: No. of Climate-proofed medium sized water projects completed in compliance to approved and agreed upon standards*. 1.2: No of villages which attain Open Defecation Free (ODF) status. 1.3: N° of Public Sanitation Facilities	TBD at Baseline Survey	1.1: 24 additional climate proofed medium sized water supply and sanitation projects;(2020) 1.2: 36 additional villages attain ODF status (2020) 1.3: 36 additional PSF (2020)	1.1.: County and WSTF monitoring reports 1.2: County and Ministry of Health annual reports 1.3.: 1.2: County and Ministry of Health annual reports	Commitment of sectors, counties & development partners to adopt climate proofed infrastructure designs. County cooperation is earned and sustained The pro-poor strategies are implemented and adopted by the counties Sufficient political goodwill is sustained in the support for the County Prototype Bill Recommendations from the various studies are implemented Adequate risk mitigation measures are put in place to ensure programme objectives are achieved County Governments committed to invest in WASH
	Result 2: <i>Sustainable management of Water Resources in ASALs is improved</i>	No. of climate proofed water resources infrastructure projects completed to manage and restore water catchments to sustain water availability based on SCMPs.	TBD at Baseline Survey	20 additional climate proofed water resources projects (2020)	County Integrated Development Plan WRUA Sub catchment management Plans; WSTF Programme monitoring and evaluation reports	Communities can afford commercial water tariff; Private sector is willing to invest in ASAL Areas.
	Result 3: <i>Public Private Community Partnerships (PPCPs) are implemented in the water provision in ASAL</i>	3.1. No of ASAL County Governments / WSPs adopting PPPs in water sector 3.2.: No of water projects managed by Private Operators by 2020	TBD at Baseline Survey	3.1.: Adoption by the 8 Counties targeted by the programme (2018) 3.2.: 16 additional water projects managed by private operator (2020)	3.1: Ministry of Water and Irrigation (MWI) sector report, Kenya County Fact sheets 3.2: County Water Reports, WASREB IMPACT Reports	