OFFICE OF THE DEPUTY PRESIDENT

STATE DEPARTMENT FOR DEVOLUTION

SECOND KENYA DEVOLUTION SUPPORT PROGRAM (KDSP II)

PROGRAM OPERATIONS MANUAL

March 2024

ABBREVIATIONS AND ACRONYMS

APA	Annual Performance Assessment
AWPB	Annual Work Plan and Budget
BAFO	Best and Final Offer
CADP	County Annual Development Plan
CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CGAAB	County Government Additional Allocation Bill
CIDP	County Integrated Development Plan
CoG	Council of County Governors
CPCU	County Program Coordination Unit
CPIU	County Program Implementation Unit
CPSC	County Program Steering Committee
CPTC	County Program Technical Committee
CQS	Selection Based on Consultants' Qualifications
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CTIPT	County Technical Implementation Partner Teams
DFIL	Disbursement and Financial Information Letter
DLI	Disbursement-Linked Indicator
DOSHS	Directorate of Occupational Safety and Health Services
DSP	Devolution Sector Plan
DSWG	Devolution Sector Working Group
E&S	Environmental and Social
ESF	Environmental and Social Framework
ESHS	Environment, Social, Health, and Safety
ESHSRIM	Environmental, Social, Health, and Safety Risk and Impacts Management
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
ESSA	Environmental and Social Systems Assessment
FA	Financing Agreement
FBS	Selection Based on Fixed Budget
FM	Financial Management
FSA	Fiduciary Systems Assessment
GBV	Gender-Based Violence
GoK	Government of Kenya
GPN	General Procurement Notice
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GSDG	Governance and Service Delivery Grant
HR	Human Resources
HRM	Human Resource Management
HRMIS	Human Resource Management Information System

ICT	Information and Communication Technology
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
IFR	Interim Financial Report
IGRTC	Intergovernmental Relations Technical Committee
INT	Integrity Vice Presidency
IPF	Investment Project Financing
IRI	Intermediate Results Indicator
ISG	Institutional Strengthening Grant
IVA	Independent Verification Agent
KDSP	Kenya Devolution Support Program
KDSP II	Second Kenya Devolution Support Program
KRA	Key Results Area
LCS	Selection Based on Least Cost
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments, and Agencies
MIS	Management Information System
NEMA	National Environmental Management Authority
NGO	Nongovernmental Organization
NPC	National Program Coordinator
NPCU	National Program Coordination Unit
NPSC	National Program Steering Committee
NPTC	National Program Technical Committee
NT	National Treasury
NTIPT	National Technical Implementing Partner Team
OAG	Office of the Auditor General
OCoB	Office of the Controller of Budget
OSR	Own-Source Revenue
PAD	Program Appraisal Document
PAP	Program Action Plan
PDO	Program Development Objective
PFM	Public Financial Management
PforR	Program-for-Results
PIM	Public Investment Management
POM	Program Operations Manual
PP	Procurement Plan
PPSD	Project Procurement Strategy for Development
PRT	Project Review Team
PSC	Public Service Commission
PTC	Program Technical Committee
QBS	Quality Based Selection
QCBS	Quality and Cost-Based Selection
RAP	Resettlement Action Plan
REOI	Request for Expressions of Interest
RFB	Request for Bids
RFP	Request for Proposals

RFQ	Request for Quotations
SDD	State Department for Devolution
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SOE	Statement of Expenditure
SPA	Special Purpose Account
SPD	Standard Procurement Document
SPMU	Single Project Management Unit
SPN	Specific Procurement Notice
SRC	Salaries and Remuneration Commission
SRIM	Social Risk and Impact Management
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
ToR	Terms of Reference
TTL	Task Team Leader
UN	United Nations
UNDB	United Nations Development Business
VMGs	Vulnerable and Marginalized Groups
WBG	World Bank Group

Contents

1. INTRODUCTION/ABOUT THE PROGRAM OPERATIONS MANUAL (POM)

1.1. Scope and Objectives of the POM

1. This Program Operations Manual (POM) provides a description of the operational procedures to be adopted during the implementation of the Second Kenya Devolution Support Program (KDSP II) Program-for-Results (PforR), as well as the complementary Technical Assistance (TA) Investment Project Financing (IPF) component, which together form the 'KDSP II Program', also referred to as the 'Program' in this POM.

2. Specifically, the POM contains detailed administrative, procurement, financial management (FM), monitoring and evaluation (M&E), and environmental and social (E&S) safeguards procedures and the arrangements for the independent verification of the achievement of the Disbursement-Linked Indicators (DLIs) (including the verification protocol). The POM contains the Program Action Plan (PAP) including the actions to be taken to address the gaps identified in the current E&S system, complaints and grievance redress mechanisms (GRMs), and other governance issues on strengthening public financial management (PFM) systems. The POM also contains the coordination and oversight arrangements for the Program.

3. The objective of the POM is to provide strategies, rules, procedures, and guidance for stakeholders implementing the KDSP II Program. Specifically, the POM sets out to

- Enable stakeholders to understand the scope, content, organization, and activities of the KDSP II Program;
- Define the respective roles, responsibilities, and divisions of labor of the implementing agencies, the World Bank, and other stakeholders;
- Provide details on the flow of funds, payments modalities, and FM for the Program;
- Indicate the performance expected by management and stakeholders;
- Guide the operation of the functions performed under the KDSP II Program (at the national and county levels) to ensure consistency, timeliness, and accuracy and maximize the intended outputs and outcomes;
- Establish procedures and criteria that would enable relevant ministries, departments, and agencies (MDAs) and oversight bodies to implement various program components and activities effectively, as well as to better manage and mitigate internal risks;
- Harmonize reporting, monitoring, and evaluation procedures;
- Provide useful program templates and terms of reference (ToR); and
- Establish internal control procedures, so that the Government (both national and county) can be fully accountable to the public, development partners, and other stakeholders.

1.2. Users of the POM

4. This POM is designed to be used by the stakeholders implementing the KDSP II Program including

- Coordination and oversight committees at both the national and county levels including the National Program Steering Committee (NPSC), National Program Coordination Unit (NPCU), County Program Steering Committees (CPSCs), and County Program Implementation Units (CPIUs), and others;

- National Government MDAs participating in the Program;
- County governments and their entities;
- The Council of County Governors (CoG); and
- Consultants and development service providers, who provide services to National Government and county governments in areas such as management, training, or TA support and consultants involved in the annual capacity and performance assessments.

1.3. Key Reference Program Documents[1]

5. The POM should be read alongside the KDSP II Financing Agreement (FA), Disbursement and Financial Information Letter (DFIL), Program Appraisal Document (PAD), Program Technical Assessment, and the Program Environmental and Social Systems Assessment (ESSA). Where there are any inconsistencies between the POM and the PAD and Program Assessments, the provisions of the POM will prevail. Where there are any inconsistencies between the POM and the FA and DFIL, the provisions of the FA and DFIL will prevail.

1.4. Amendments to the POM

6. The POM—both main text and annexes—is a living document, to be revised and updated as necessary during the Program's implementation, including to address issues arising during implementation, for which the current version of the POM does not provide clear guidance on how to resolve and proceed. All new prescriptive measures should then be reflected in the revised/updated version of the POM.

7. The POM is also expected to be regularly reviewed (at least annually), and proposed revisions to the main text and annexes will be made by the NPCU in consultation with all other implementing agencies and partners at the beginning of each financial year.

8. Any proposed revisions to the POM should be formally submitted by the NPCU to the World Bank for review and no objection and, thereafter, disseminated immediately to all stakeholders implementing the KDSP II Program (that is, the users of the POM).

Table 1. KDSP II - Contact Persons

KDSP II Official Email: secondkdsp@gmail.com		
Name	**Role**	**Contacts**
Dr. Samuel Nyaga Jesse	National Program Coordinator	**E-mail:** samjesse.samuel@gmail.com **Mobile:** +254721678027
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[1] Downloadable from the World Bank website.

SUMMARY KDSP II PROGRAM DESCRIPTION

9. For the detailed KDSP II Program description, including sectoral context and rationale for the Program, please refer to the PAD and the Program Technical Assessment.

1.5. Context and Vision for Devolution

10. The Constitution of Kenya (2010) ushered in a devolved system of government consisting of the National Government and 47 county governments, which are distinct and interdependent. The respective functions and powers of the two levels of government are provided for in the Fourth Schedule of the Constitution of Kenya 2010. Further, Chapter 11 of the Constitution establishes the institutions and offices needed to establish the devolved system of government, as well as the modalities for cooperation, coordination, and consultation as the two levels of government exercise their respective functions and powers, as well as concurrent functions. The policies, legislation, offices, institutions, and modalities of coordination and cooperation needed to operationalize the devolved system of government were put in place during the second and third Medium Term Plans (2013–2022) and the Sector Plan for Devolution 2018–2022. This process has included the transfer and operationalization of the respective functions and powers of the two levels of government.

11. The Government of Kenya (GoK) has identified devolution as a key enabler for the creation of a conducive environment for socioeconomic transformation. Kenya's devolution process remains the most ambitious and rapid transformation of the Government since the country's independence. Over the last 10 years, significant milestones have been realized, including (a) the establishment and operationalization of 47 county governments (executives and assemblies); (b) the election of a bicameral parliament; (c) the establishment and operationalization of institutions and systems for the delivery of devolved services; (d) the establishment and implementation of administrative and fiscal frameworks for sharing resources, functions, and responsibilities; (e) substantial investments by counties in infrastructure and county corporations for service delivery; (f) investments by counties in human resources (HR) to recruit staff to deliver services; and (g) establishment of electoral, horizontal, and direct accountability mechanisms that have enabled citizen oversight of county service delivery performance.

1.6. Devolution Sector Plan 2023–2027

12. The Devolution Sector Plan (DSP) is the overall umbrella strategic framework for devolution. The theme of the 2023–2027 DSP is 'the acceleration of the performance of devolution', and its objectives include improving capacity in service delivery, resource management, and accountability; improving access to decentralized services; ensuring effective participation by communities in governance and socioeconomic development; and strengthening intergovernmental cooperation and collaboration for the resolution of emerging issues in devolution.

13. The DSP 2023–2027 comes at a time when the foundation has been laid regarding establishing the devolved system of government and its devolved units. The 2018–2022 plan period marked the end of the first decade of implementation of devolution, a period that realized the successful establishment of a functional devolved system of government, including:

(a) Establishing and operationalizing the two levels of government and institutions and laws to facilitate the operationalization of county governments;

(b) Establishing intergovernmental relations systems of consultation, cooperation, and cooperation, thus, significantly enhancing the clarification of mandates, functions, and powers; facilitating dispute resolutions; and promoting interdependence between the two levels of government; and

(c) Strengthening institutions and developing capacity of the National Government and county governments to enable them to implement their respective functions and powers under the devolved system of governance.

14. With the end of the Sector Plan 2018–2022, the DSP for 2023–2027 was developed to accelerate performance and achieve excellence in service delivery. Building on the successful establishment and operationalization of the devolved system of governance, the DSP 2023–2027 shall accelerate the process of achievement of the objects of devolution and further strengthen the implementation of devolution to address emerging issues, challenges, and lessons learned during the 2018–2022 plan period.

15. KDSP II will support the implementation of the DSP. It builds on the results achieved under the Kenya Devolution Support Program (KDSP), which closed in 2021. These improvements include (a) the quality of financial statements and financial reporting, (b) compliance with budgeting formats, (c) adherence to procurement procedures, (d) planning and M&E (setup of county M&E committees), (e) timely development of County Integrated Development Plans (CIDPs) and County Annual Development Plans (CADPs), (f) processes in public participation, and (g) county audit outcomes (number of counties with adverse and disclaimed audits reduced). Counties also established functional civic education units and processes for public participation and developed various infrastructure investments.

1.7. Program Development Objective and Key Results Areas

16. **The Program Development Objective (PDO)** is to strengthen county performance in the financing, management, coordination, and accountability for resources.

17. **To achieve the PDO, the Program is expected to significantly improve outcomes in the counties participating in the Program under each of the three key results areas (KRAs).** The Program supports a series of key interventions (at the input and output levels) which contribute to intermediate outcomes, and which in turn contribute to outcomes. The Program's DLIs also directly incentivize the achievement of the intermediate outcomes and outcomes under each of the three KRAs. *Table 2 shows the theory of change for the Program.*

- **KRA 1: Sustainable Financing and Expenditure Management.** This KRA will support efforts toward enhancing financing to and expenditure management by counties. In this KRA, the IPF will support the development of frameworks and guidelines for county revenue mobilization; policy to support financing for service delivery units; and structures and tools to support counties' institutionalization of shared project management functions, that is, the county Single Project Management Unit (SPMU). The DLIs will similarly target the revenue mobilization agenda (for example, increased revenue collection, enhanced accuracy of fiscal forecasting, and expansion of revenue base), timely communication on releases of conditional grants, automation of the county exchequer requests, and implementation of pending bills action plans.
- **KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management.** KRA 2 will support the National Government and county governments'

initiatives toward strengthening intergovernmental coordination, institutional performance, and human resource management (HRM). The IPF will support the development of policy and administrative procedures for the operationalization of intergovernmental, intercity, and inter-municipality forums. The IPF will also support the development of guidelines including on county HR and skills audits, model organization structures for customization by counties, and performance management. DLIs under this KRA will target counties implementing recommendations of HR, skills, and payroll audits; aligning county staffing with departmental functions in select sectors; and improving credibility of the payroll.

- **KRA 3: Oversight, Participation and Accountability.** KRA 3 will support improvements in oversight, participation, and accountability. The IPF will support the development of guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets). It will also support the rollout of the county Public Investment Management (PIM) framework. The DLIs will focus on the establishment of project management committees, county compliance with the PIM framework, and the development and operationalization of a county investment dashboard with a citizen feedback interface (which is used to improve public investments).

Table 2. KDSP II Theory of Change

Challenges	Activities	Outputs	Outcomes	PDO	Higher-Level Outcome
KRA 1: Sustainable Financing and Expenditure Management				Strengthen county performance in the financing, management, coordination, and accountability for resources	Improved service delivery in counties
• Disbursement to counties is delayed. • Own-source revenue (OSR) collection is below what is planned and below potential. • Commitments are not kept within resources availability, bills are not paid on time, and the stock of pending bills is high. • Weak compliance with requirements for development partner funding undermines delivery of development projects.	• Reengineer business processes for county government exchequer requests, including through automation. • Review county OSR forecasting tools. • Develop and review revenue enhancement plans. • Develop technical specifications and business process requirements for the integrated county revenue management system. • Develop and implement time-bound action plans for pending bills. • Develop model frameworks for financing county service delivery units. • Develop job descriptions for SPMUs.	• Conditional grant framework implemented • County exchequer process automated • Enhanced county OSR collection and administration, including automation • Revenue base expanded • SPMUs established and operational • Outstanding commitments and pending bills reduced	• Improved reliability in transfers to and within counties for service delivery (DLI 1). • Increase in OSR collection closer to potential (DLI 3). • Commitments are kept within resources availability, action plans are implemented on time, bills are paid on time, and the stock of pending bills is kept to a minimum (DLI 4). • Effective compliance and management of development partner funding.		

Challenges	Activities	Outputs	Outcomes	PDO	Higher-Level Outcome
KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management					
• Intergovernmental structures are not fully operationalized for more efficient coordination of institutional mandates, functions, and funding for service delivery. • County departmental structures and requisite staffing are not fit for purpose or efficient nor aligned to support performance and service delivery objectives, HR records are not up to date to inform decision-making, and payroll controls are weak.	• Develop policy and administrative procedures to operationalize intergovernmental institutional structures and strengthen monitoring of implementation of intergovernmental action plans. • Review county organizational structures, capacities, and HRM systems; approve staffing lists; and update HR records and payroll data. • Conduct compliance checks on grading and salary structures.	• Implementation of intergovernmental joint action plans • Timely submission of annual summit reports • Aligning of approved staff establishment, HR records, and payroll • Human Resource Management Information System (HRMIS) modules • Integrated performance management framework	• Improved coordination of functions and mandates for service delivery • Consolidated HR data for decision-making, improved payroll integrity, and budget control on staffing (DLI 5) • Accountability for results through performance management (DLI 6)		

Challenges	Activities	Outputs	Outcomes	PDO	Higher-Level Outcome
KRA 3: Oversight, Participation and Accountability					
• County public investment is weak, with fragmented information and citizen participation in planned and ongoing projects.	• Conduct county project stocktaking. • Roll out county PIM framework; Environmental, Social, Health, and Safety Risk and Impacts Management (ESHSRIM) Manual, public participation guidelines, and project management guidelines. • Develop an open public investment database with citizen feedback interface. • Develop guidelines for project management committees, which incorporate gender, vulnerable and marginalized groups (VMGs, where applicable), and other disadvantaged groups. • Carry out county assessments on climate resilience of existing infrastructure assets.	• Community-led county project implementation committees established and operational • Citizens provide feedback on implementation of county projects, and feedback is incorporated. • Strategies to enhance climate resilience of infrastructure • Pipeline projects prepared according to the PIM framework	• Enhanced oversight and accountability in use of public resources • Improved county public investments which are aligned to citizen service delivery needs (DLI 7) • Improved climate resilience of county infrastructure and projects		

1.8. Program Scope, Duration, and Components

18. **KDSP II is structured around the implementation of the National Government and county government actions and the achievement of national and county results across three KRAs.** The Program operational structure is as follows:

(a) **At the national level, the Program will be supported by the World Bank through both an IPF and PforR component.** The IPF will support TA and capacity building, while the PforR will incentivize the timeliness of transfers from the National Government to county governments, through DLI 1. Specific results under DLI 1 will include the automation of the county exchequer process, pending bills management within the Integrated Financial Management Information System (IFMIS), and more timely communication between the National Government and county governments on conditional grants to be received by the counties.

(b) **At the county level, the Program will be supported through DLIs that will fund two types of conditional grants enhancing the present conditional grant allocation system:**

- **DLI 2 is linked to the institutional grant (Level 1 Grant) which will be used by counties to finance capacity-building and institutional-strengthening activities.** Level 1 Grants incentivize counties to set up core governance and institutional arrangements for the management of public resources, which will enhance capacity, facilitate achievement of Program results, and support Program coordination. Specific results under DLI 2 will include the following: in the first year, counties will need to sign a Participation Agreement providing for, among others, publishing of budget and expenditure data and prepare approved work plans, cash plans, and budgets consistent with the agreed methodology and standards. In subsequent years, these results will also include (a) qualified or unqualified audit opinions (with time-bound action plans for addressing qualifications), (b) reports on implementation progress and use of Program funds, and (c) timely release of KDSP II funds from the County Revenue Fund (CRF) to the Special Purpose Account (SPA).
- **DLIs 3–7 are linked to the investment grant (Level 2 Grant) which will be used by counties to finance investments to support service delivery.** To access Level 2 Grants, counties will be required to meet all the minimum conditions. These include (a) work plan and budget for use of the investment grant in the next fiscal year, (b) disclosure of stock of pending bills,[2] (c) disclosure of OSR collection,[3] (d) establishment of a county SPMU[4], (e) development of implementation plans for HR and payroll audits and publishing of staffing levels aligned with approved structures and staff establishment, (f) screening of proposed infrastructure investments (which will also include feasibility studies and E&S screening for proposed investments),[5] (g) training of gender officers aligned with approved training programs, and (h) establishment of CPIUs. Minimum conditions will be assessed through the APA.

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[2] Aligned with disclosures made to the OCoB.
[3] Aggregated per revenue stream for the last 12 months and disclosed on the county website.
[4] Will include finance, procurement, internal audit, environmental, social, and M&E functions.
[5] Screening will cover climate, gender, environmental, and social issues and will also align with the county PIM framework (once rolled out to counties under the Program).

19. **KRA 1 will support efforts toward enhancing financing to, and expenditure management by counties.** In this KRA, the IPF will support the development of frameworks and guidelines for county revenue mobilization, policy to support financing for service delivery units, and structures and tools to support counties' institutionalization of shared project management functions, that is, the county SPMU. The DLIs will similarly target the revenue mobilization agenda (for example, increased revenue collection, enhanced accuracy of fiscal forecasting, and expansion of revenue base), timely communication on releases of conditional grants, automation of the county exchequer requests, and implementation of pending bills action plans (Table 3).

Table 3. KRA 1 - Sustainable Financing and Expenditure Management

Key Governance Bottlenecks	National Actions and Results		County Actions and Performance			Resolved Bottleneck
	IPF-Financed Activities	PforR (DLI 1)	Level 1 Grant	Level 2 Grant		
			DLI 2	Minimum Conditions	DLI	
Disbursements to counties is delayed and affects service delivery	(a) Reengineer business processes for exchequer requests (b) Financial reporting template for counties	Average number of days it takes for National Treasury (NT), Office of the Controller of Budget (OcoB), and Central Bank of Kenya (CBK) to process a county exchequer requisition once submitted	n.a.	n.a.	n.a.	**Timely disbursements to counties for service delivery**
OSR collection is below what is planned and below potential, reducing available resources to fund county service delivery	(a) County revenue forecasting framework with simple realism rules agreed (b) Technical specifications for the integrated county revenue management system (c) Guidelines for cleaning county tax registers and cadasters and assessing taxpayer obligations (d) Guidelines on revenue mapping	n.a.	n.a.	Disclosure on website of OSR collected (disaggregated by revenue stream) in previous year	**DLI 3** Counties that have increased OSR collected by at least 5% annually over and above inflation	**Increase in OSR collected, as planned, with OSR being closer to potential**

Key Governance Bottlenecks	National Actions and Results		County Actions and Performance			Resolved Bottleneck
	IPF-Financed Activities	PforR (DLI 1)	Level 1 Grant	Level 2 Grant		
			DLI 2	Minimum Conditions	DLI	
Commitments are not kept within resources availability, bills are not paid on time, and the stock of pending bills is high, affecting supply of goods and services to counties (including remittances of statutory deductions)	(a) Review of existing county budget and expenditure ceilings (b) Development of county pending bills action plans (c) Strengthening of IFMIS controls for exchequer requests and pending bills	n.a.	n.a.	Disclosure on website of verified stock of commitments and pending bills	**DLI 4** Counties that are implementing pending bills action plans	**Commitments are kept within resources availability, action plans are implemented on time, bills are paid on time, and the stock of pending bills are kept to a minimum.**
Weak compliance with requirements for development partner funding undermines delivery of development projects	Job descriptions and ToR for county SPMUs	n.a.	(a) Participation agreements (b) Approved work plans, cash plans, and budgets **From Y2 onward:** (c) Qualified or unqualified audit opinion (d) Proper use and timely reporting on grants (e) Timely release of KDSP II funds from CRF to SPAs	(a) SPMU structure approved (b) Training program for gender officers implemented as per approved budget (c) KDSP II CPIU established (d) Work plan and budget for use of Level 2 Grant in next fiscal year **Y3 onward:** (e) SPMU established	n.a.	**Effective compliance and management of development partner funding**

20. **KRA 2 will support National Government and county government initiatives toward strengthening intergovernmental coordination, institutional performance, and HRM.** The IPF will support the development of policy and administrative procedures for operationalization of intergovernmental, intercity, and inter-municipality forums. It will also support the development of guidelines including on county HR and skills audits, model organization structures for customization by counties, and performance management. DLIs under this KRA will target counties implementing recommendations of HR, skills, and payroll audits; aligning county staffing with departmental functions in select sectors; and improving credibility of the payroll. Details are shown in Table 4.

Table 4. KRA 2 - Intergovernmental Coordination, Institutional Performance, and HRM

<table>
<tr><th rowspan="3">Key Governance Bottlenecks</th><th>National Actions and Results</th><th colspan="2">County Actions and Performance</th><th rowspan="3">Resolved Bottleneck</th></tr>
<tr><th rowspan="2">IPF-Financed Activities</th><th colspan="2">Level 2 Grant</th></tr>
<tr><th>Minimum Conditions</th><th>DLI</th></tr>
<tr><td>Intergovernmental structures are not fully operationalized for more efficient coordination of institutional mandates, functions, and funding for service delivery</td><td>(a) Annual summit reports and monitoring of implementation of recommendations
(b) Frameworks and operationalization of intergovernmental sectoral forums and intercity and inter-municipality forums
(c) Review of devolution and intergovernmental legal frameworks
(d) Framework to operationalize the Devolution Sector Working Group (DSWG)
(e) Framework for monitoring and implementation of intergovernmental resolutions
(f) Framework for monitoring the implementation of intercounty agreements and projects
(g) Framework for intra-governmental relations between county executives and assemblies
(h) Frameworks for intergovernmental relations and operations of Social Risk and Impact Management (SRIM)
(i) Automation of Environmental and Social Impact Assessment (ESIA) approval by the National Environmental Management Authority (NEMA) and SRIM</td><td>n.a.</td><td>n.a.</td><td>Improved coordination of functions and mandates for service delivery</td></tr>
</table>

Key Governance Bottlenecks	National Actions and Results	County Actions and Performance		Resolved Bottleneck
	IPF-Financed Activities	Level 2 Grant		
		Minimum Conditions	DLI	
County departmental structures and requisite staffing are not fit for purpose or efficient nor aligned to support performance and service delivery objectives; HR records are not up-to-date to inform decision-making; and payroll management controls are weak	(a) Model organizational structures (b) Guidelines for HR and skills audit (c) Audits on county payrolls and compliance checks on grading and salary structures (d) Guidelines on integrated performance management (e) Capacity-building programs for county leadership (f) Staff establishment control guidelines (g) Completion and rollout of HRMIS and performance contracting system to counties	Counties have developed implementation plans for HR and payroll audit and organizational review recommendations and approved staff establishments.	**DLI 5** Counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS	**Consolidated HR data for decision-making and improved payroll integrity and budget control on staffing**
			DLI 6 Counties that are enhancing accountability for results through an integrated performance management framework	**Improved accountability for results through integrated performance management**

21. **KRA 3 will support improvements in oversight, participation, and accountability.** The IPF will support the development of guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets). It will also support the rollout of the county PIM framework. The DLIs will focus on the establishment of project management committees, county compliance with the PIM framework, and the development and operationalization of a county investment dashboard with a citizen feedback interface (which is used to improve public investments). Details are shown in Table 5.

Table 5. KRA 3 - Oversight, Participation, and Accountability

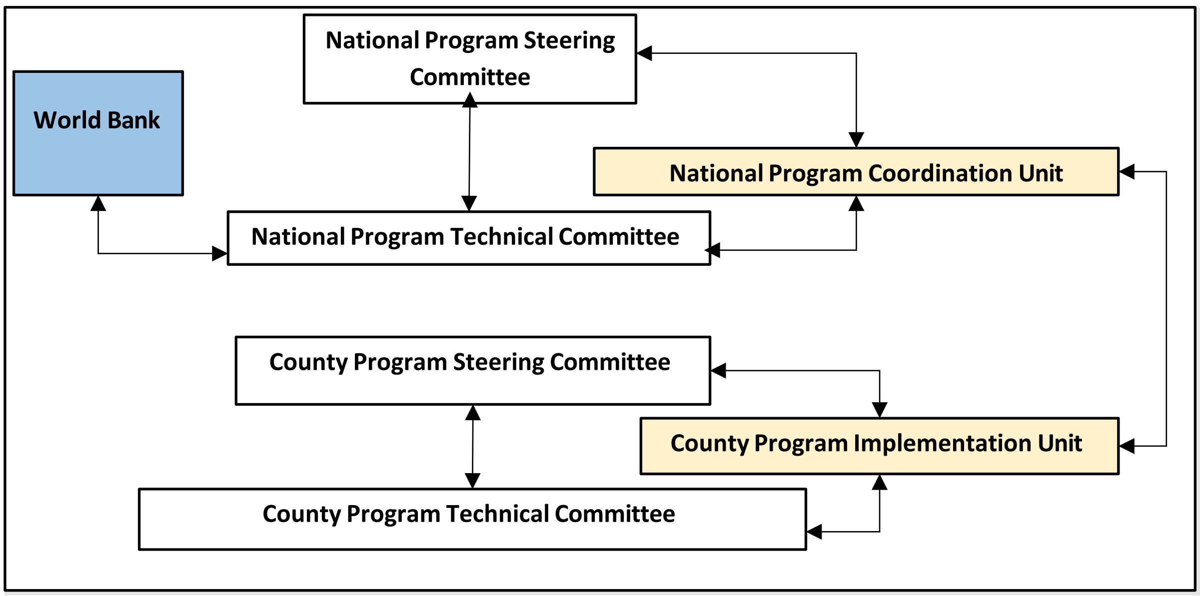
Key Governance Bottlenecks	National Actions and Results	County Actions and Performance		Resolved Bottleneck
	IPF-Financed Activities	Level 2 Grant		
		Minimum Conditions	DLI	
County public investment is weak, with fragmented information and citizen participation in planned and ongoing projects	(a) Rollout of county public participation guidelines, project management guidelines, and PIM framework (b) Rollout of guidelines for project management committees[6] (c) Rollout of ESHSRIM Manual (d) Guidelines on county project stocktaking (e) Guidelines providing business process and technical requirements for county investment dashboard (f) Guidelines on climate change risk screening and preparedness, including assessment of climate resilience of existing infrastructure (g) Development of frameworks and tools to strengthen county assembly oversight (h) Framework to harmonize public participation between county assemblies and executives	Screening of proposed infrastructure investments (which will also include conducting feasibility studies and climate change and E&S screening)	**DLI 7** Counties with public investment management dashboards with citizen feedback mechanisms	**Improved county public investments that are aligned to citizen service delivery needs**

[6] These committees will incorporate gender, VMGs, and other disadvantaged groups.

2. INSTITUTIONAL ARRANGEMENTS

22. Implementation of KDSP II shall be managed and coordinated at both the national and county levels. The State Department for Devolution (SDD) shall be responsible for the overall management and coordination of the operation of the Program. The national level will comprise the NPSC, National Program Technical Committee (NPTC), and the NPCU. The county level will comprise the CPSC, County Program Technical Committee (CPTC), and the CPIU. The management and coordination structure of the program is as illustrated in figure 3.1.

Figure 1. KDSP II Institutional Arrangements



2.1. National-Level Institutional Arrangements

3.1.1. National Program Steering Committee

23. The NPSC brings together the stakeholders involved in the implementation of the Program and strengthens their cooperation. Members have been strategically selected, and each agency has a cross-cutting mandate on the Program KRAs, relevant technical capacity for the Program, experience with PforR operations, and strong convening power to deliver on the Program results. The committee will be chaired by the Principal Secretary, SDD.

24. The NPSC shall comprise the following members:

(a) Principal Secretary, SDD

(b) Principal Secretary, NT

(c) Principal Secretary, State Department for Public Service

(d) Principal Secretary, State Department for Performance and Delivery Management

(e) Chief Executive Officer (CEO), CoG

(f) CEO, IGRTC

(g) CEO, Public Service Commission

(h) The National Project Coordinator (ex officio) - Secretary.

25. The functions of the NPSC will be to

(a) Provide overall policy guidance, oversight, and strategic direction, including interagency coordination;

(b) Approve the POM and annual work plans and budgets (AWPBs);

(c) Endorse the Annual Performance Assessment (APA) results for World Bank confirmation;

(d) Review the progress in the implementation of the Program, that is, achievement of DLIs in aggregate;

(e) Review the status of delivery of the capacity-building program across counties by implementing agencies and partners;

(f) Endorse Program semiannual and annual progress reports;

(g) Review and approve any changes in KDSP II procedures governing the implementation of the Program;

(h) Review the status of NPCU M&E, communication, and outreach activities;

(i) Provide guidance on any other matter related to the Program that may be brought to the committee by the NPCU or any member for deliberations; and

(j) Engage in dispute and conflict resolution through arbitration or other alternative dispute resolution mechanisms.

3.1.2. National Program Technical Committee

26. The NPTC shall provide technical guidance to the program. The committee will be chaired by the National Program Coordinator (NPC).

27. The membership of the Program Technical Committee (PTC) consists of senior-level officers from

(a) State Department for Devolution,

(b) NT,

(c) State Department for Public Service,

(d) State Department for Performance Delivery and Management,

(e) CoG,

(f) IGRTC,

(g) Public Service Commission (PSC),

(h) OcoB,

(i) OAG,

(j) SRC,

(k) CRA, and

(l) The Senate

28. The NPTC will be responsible for

(a) Handling all technical issues of the Program,

(b) Deliberating and preparing items for decision-making by the NPSC,

(c) Reviewing Program implementation progress and progress reports,

(d) Reviewing and verifying APA reports,

(e) Identifying and addressing emerging technical issues and challenges in the implementation of the Program, and

(f) Advising the NPSC on strategic matters as requested, among other responsibilities.

3.1.2.1. National Technical Implementing Partner Teams

29. Within the NPTC, National Technical Implementing Partner Teams (NTIPTs) will be formed to support the implementation of the program KRAs. Agency representatives in the NTIPTs will be selected according to their technical capacity and institutional mandates and will be organized and coordinated into dedicated results teams for each KRA to drive collaboration and achieve holistic results. The partner teams will be chaired by the respective KRA managers and co-chaired by results team leads nominated by the respective NTIPTs. The composition of the NTIPTs is flexible, and additional agencies may be co-opted into the Program as the need arises. The indicative list of agencies is provided in annex 6 of the POM, and the specific roles of the NTIPTs are provided for in annex 5.

3.1.3. National Program Coordination Unit

30. The SDD will house the NPCU for the KDSP II Program. The NPCU will oversee day-to-day Program operations and management. As per the FA, the NPCU should be adequately staffed and resourced to perform the key functions detailed below throughout the implementation of the Program. The NPCU will have at least the following positions, whose ToR are detailed in the annexes:

(a) **NPC** will be the head of the NPCU and shall be responsible for the overall coordination and management of the Program activities including provision of strategic guidance on the day-to-day implementation of the Program in accordance with the FA and the PAD.

(b) **KRA managers** will be in charge of coordination and management of their respective Program KRA activities.

(c) **FM specialist** will be in charge of the Program FM.

(d) **Devolution and intergovernmental relations specialist** will be in charge of ensuring that the Program operates within the existing intergovernmental structures and will provide technical input to the intergovernmental relations components of the Program.

(e) **Procurement specialist** will be in charge of the Program procurement management.

(f) **Program accountant** will be in charge of the Program accounting: verification of vouchers; preparation of withdrawal applications; capture of data in IFMIS; invoicing and validations; maintaining of cash books, ledgers, and vote book; preparation of imprest and expenditure returns, posting of payments and receipt vouchers, and posting of bank reconciliation statements.

(g) **Lead M&E specialist and Program M&E officer** will be responsible for M&E and reporting functions of the Program, including collection and evaluation of data at the national and county levels as per the Program's M&E system, reporting to the Program Coordinator on project results and performance, and providing training to M&E personnel at the county level on data collection and reporting.

(h) **Communications specialist** will be responsible for all communication and public relations for the Program.

(i) **Knowledge management specialist** will develop and implement processes and guidelines for the systematic capture of knowledge, good practices, and innovations and the sharing and use of the same to improve project implementation. She/he will also be responsible for keeping program records, information sharing, and documentation.

(j) **Environmental safeguards specialist** will be responsible for ensuring the Program's compliance with World Bank (for the IPF component) and the Government (for the PforR component) environmental safeguards policies/procedures for the Program and provide training to environmental safeguards personnel at the county level on environmental compliance.

(k) **Social safeguards specialist** will be responsible to ensure the Program's compliance with the World Bank (for the IPF component) and Government (for the PforR component) social safeguards policies/procedures for the Program and provide training to social safeguards personnel at the county level on social safeguards compliance.

(l) **GRM specialist** will be responsible for overseeing and managing the grievances redress mechanism within the Program implementation.

(m) **Gender specialist** will be a consultant hired on a need basis and will be responsible for handling gender-based violence/sexual exploitation and abuse/sexual harassment (GBV/SEA/SH).

(n) **Program officer** will report to the Program coordinator and will provide overall technical support for the planning, implementation, and monitoring of the Program activities.

(o) **Office administrator** will be responsible for office administration and logistical coordination for the NPCU.

(p) **Support staff services** will include (i) Program assistants, (ii) drivers, and (iii) office support staff.

3.1.3.1. Functions of the NPCU

31. The NPCU will be responsible for the overall program management/coordination and stakeholder management including

(a) Coordinating the development of work plans, budget, and Procurement Plans (PPs) for both the National Government and county governments;

(b) Submitting the work plans, budget, and PPs to the NPSC for approval;

(c) Ensuring that county resources are budgeted for and disbursed as per the Program Expenditure Framework;

(d) Coordinating the provision of capacity building for county governments by implementing agencies and partners;

(e) Ensuring timely implementation of the Program;

(f) Leading monitoring, evaluation, and reporting activities covering both the PforR and IPF components;

(g) Overseeing the APA process;

(h) Overseeing the accounting and financial reporting for the Program, including ensuring timely auditing of Program accounts;

(i) Reporting on Program performance to the World Bank and the NPSC;

(j) Leading Program communications and outreach activities to development partners and to the public, including developing and implementing a Program communication action plan;

(k) Ensuring adherence to and implementation of Environmental and Social Standards (ESS);

(l) Acting as the interface with the World Bank's supervision/implementation support team;

(m) Providing secretariat services to the NPSC and NPTC;

(n) Overseeing procurements for the Program;

(o) Mediating on disputes between implementing agencies, partners, and participating counties not involving the NPCU and informing the NPSC (where the dispute involves NPCU, the NPSC will mediate);

(p) Managing the complaints handling mechanism for the Program;

(q) Facilitating disbursement of annual PforR financing to the counties on the basis of the decision of the World Bank;

(r) Spearheading the process of updating the POM; and

(s) Performing any other role as may be assigned by the NPSC.

3.1.3.2. Recruitment of NPCU Staff

32. The NPCU will be staffed through deployment, secondment, or hiring. Recruitment of NPCU staff will be done in compliance with the existing GoK procedures and the World Bank procurement policy and the applicable laws governing the recruitment and selection process. Remuneration for NPCU staff shall adhere to prevailing government policy.

2.2. County-Level Institutional Arrangements

33. To support the implementation of the Program, the following institutional arrangements are to be established in each participating county not later than three months after Program effectiveness:

3.2.1. County Program Steering Committee

34. The CPSC shall comprise the following members

(a) County Governor, Chair, or their designee;

(b) County Executive Committee Member (CECM) in Charge of Devolution;

(c) Other relevant CECMs responsible for achieving Program results and DLIs;

(d) The Chair of the County Public Service Board;

(e) The Speaker of the County Assembly;

(f) The County Secretary; and

(g) County Program Coordinator (ex-officio)- Secretary.

35. The key responsibilities of the CPSC shall be to

(a) Provide overall policy guidance, oversight, and strategic direction including interdepartmental coordination;

(b) Approve the county AWPBs;

(c) Review the progress in the implementation of the Program, that is, achievement of DLIs for their county;

(d) Review APA results and recommendations by the independent verification agent (IVA), and take remedial actions to improve the county's performance;

(e) Review the status of delivery of the capacity-building programs in the county;

(f) Endorse Program semiannual and annual progress reports;

(g) Review the status of CPIU M&E, communication, and outreach activities;

(h) Provide guidance on any other matter related to the program that may be brought to the committee by the CPIU or any member for deliberations;

(i) Engage in dispute and conflict resolution at the county level through arbitration or other alternative dispute resolution mechanism; and

(j) Ensure that KDSP II activities are incorporated in the county planning framework including CIDPs.

3.2.2. County Program Technical Committee

36. The CPTC will be responsible for the technical operation of the Program. It will comprise of representation from the relevant county agencies and departments from the relevant sectors to ensure coordinated delivery of program results. This will include, but is not limited to,

(a) County Secretary- Chair, or her/his delegate;

(b) Chief Officer, Department responsible for Devolution;

(c) Chief Officer, Finance;

(d) Chief Officer, Department responsible for County Public Service;
(e) Chief Officer, Department responsible for Public Participation and Citizen Engagement;
(f) Chief Officer, Department responsible for Economic Planning;
(g) Chief Officer, Department responsible for Environment;
(h) Chief Officer, Department responsible for Social Services;
(i) Chief Officer, Department responsible for County Public Investments;
(j) CEO, County Public Service Board;
(k) Clerk, County Assembly; and
(l) County Program Coordinator – Secretary.

37. The key responsibilities of the CPTC shall be to

(a) Handle technical-specific issues related to the Program,
(b) Deliberate and prepare items for decision-making by the CPSC,
(c) Review Program implementation progress and financial accountability reports,
(d) Review county APA results and develop action plans for improvement and inclusion in work plans,
(e) Identify and address emerging technical issues and challenges in the implementation of the Program,
(f) Advise the CPSC on strategic matters as requested, and
(g) Perform any other responsibilities as may be assigned by the CPSC.

3.2.2.1. County Technical Implementing Partner Teams (CTIPTs)

38. County Technical Implementing Partner Teams (CTIPTs) will be formed to support technical operation of the program KRAs in the county. Representatives in the CTIPTs will be selected according to their technical capacity and mandates and will be organized and coordinated into dedicated results teams for each KRA to drive collaboration and achieve holistic results. The technical focal persons of the respective KRAs will chair the partner teams.

3.2.3. KDSP II County Program Lead and Accounting Officer

39. The CECM for Devolution shall be the KDSP II County Program Lead and is responsible for the overall oversight, accountability, and achievement of results for the Program.

40. The Chief Officer in Charge of Devolution will be the county KDSP II Accounting Officer and a mandatory signatory to the KDSP II SPA.

41. The Chief Officer in Charge of Devolution, in consultation with the CECMs for Devolution and finance shall be responsible for

(a) Designating county accountants;

(b) Ensuring that funds disbursed from the NT to the CRF are transferred to the SPA and from SPA to operational accounts without delays;

(c) Maintaining proper books of accounts and financial reporting, including quarterly financial reports to the NPCU;

(d) Submitting financial and nonfinancial reports related to the Program; and

(e) Ensuring compliance with the Public Finance Management Act (2012) and PFM Regulations (2015) in the conduct of their work.

3.2.4. County Program Implementation Unit

42. The CPIU will comprise

(a) County Program Coordinator (Director level–) – Head of CPIU,

(b) Technical focal persons on the three Program KRAs,

(c) Focal persons from the SPMU (on procurement and FM),

(d) Environmental and social safeguards officers (these could include officers from other World Bank devolved sector programs, for example, Kenya Urban Support Program II and Financing Locally Led Climate Actions who can be shared across World Bank-funded Programs in the County),

(e) M&E Officer,

(f) GRM Officer, and

(g) Gender Officer.

43. The CPIU key responsibilities shall be to

(a) Coordinate the development of the work plan, budget, and PPs;

(b) Consolidate and submit work plans, budget, and PPs to CPSC for approval;

(c) Ensure that county resources are budgeted for;

(d) Coordinate the provision of capacity-building programs at the county;

(e) Lead M&E and reporting activities at the county;

(f) Coordinate the APA process at the county;

(g) Prepare accounting and financial reports for the Program for submission to the NPCU, including facilitating timely audit of Program county accounts;

(h) Report on Program performance to the CPSC and NPCU;

(i) Coordinate and facilitate Program communications and outreach activities at the county including to the public (This includes developing and implementing a county Program communication action plan.);

(j) Ensure adherence to and implementation of environmental, social, health, and safety standards;

(k) Provide the secretariat to the CPSC and CPTC;

(l) Oversee procurement for the program at the county level;

(m) Mediate on disputes between implementing departments, not involving the CPIU and inform the NPCU of such disputes (where the dispute involves CPIU, the CPSC will mediate);

(n) Manage the complaints handling mechanism for the Program at the county level;

(o) Coordinate the CTIPTs toward program implementation and achieving results; and

(p) Perform any other role as may be assigned by the CPSC.

3. KDSP II GRANT MECHANISMS

3.1. Institutional Strengthening Grant (Level 1 Grant)

44. The objective of the Level 1 Grant is to incentivize and support county governments to undertake core institutional reforms and finance institutional and capacity-building activities that will strengthen their ability to access the Level 2 Grant and to subsequently achieve the intended Program results. As stipulated under the result areas, the county governments are required to have planned and budgeted for the use of the Level 1 Grant before accessing it. The planning template is provided in annex 9, while the list of ineligible expenditures is provided in annex 11.

45. The Level 1 Grant is tied to DLI 2 and will be accessed once a county achieves the DLI 2 results. These results are as follows:

- *In the first year of the Program, counties will need to*
  - (a) Sign a Participation Agreement providing for, among others, publishing of budget and expenditure data[7] and
  - (b) Prepare approved work plans, cash plans, and budgets consistent with the agreed methodology and standards.
- *In subsequent years, counties will, in addition to (a) and (b), need*
  - (c) Qualified or unqualified audit opinions (with time-bound action plans for addressing qualifications),
  - (d) Reports on implementation progress and use of Program funds, and
  - (e) Timely release of KDSP II funds from the CRF to the SPA.

46. The compliance assessment for the Level 1 Grant will be conducted as an integral part of the overall APA. The fulfilment of the DLI 2 results is a binary (yes/no) question, and to achieve the result, the score for all the applicable results must be a ‘yes’. Failing one (that means scoring a ‘no’) means that the DLI is not met; thus, the county will not receive Level 1 funding for that financial year.

47. Subject to the achievement of all applicable results for DLI 2, each of the eligible counties will access (receive) a flat amount in Kenya shilling equivalent to US$250,000. This will apply for each of the first three years of the Program.

3.2. Service Delivery and Investment Grant (Level 2 Grant)

48. The objective of the Level 2 Grant is to provide financing for investments in county infrastructure and service delivery with the aim of incentivizing enhanced performance of counties. The chosen investments must be aligned with the CIDP and CADP. As stipulated under the results areas, the county governments are required to have planned and budgeted for the use of the Level 2 Grant before accessing

[7] The template for the participation agreement is provided in annex 4 of the POM. The documents to be published annually are (a) CADP, (b) county fiscal strategy paper, (c) approved program-based budget, (d) county Finance Act, (e) county budget review and outlook paper, and (f) quarterly budget implementation reports (Q1–Q4).

it. The proposed planning template is provided in annex 10, while the list of eligible and ineligible expenditures is provided in annex 11.

49. To access the Level 2 Grants, each county will need to meet the following minimum conditions:

(a) Has prepared a work plan and budget for use of the investment grant in the next fiscal year

(b) Has disclosed stock of pending bills[8]

(c) Has disclosed OSR collection[9]

(d) Has established a county SPMU[10]

(e) Has (i) developed implementation plans for HR and skills audit; (ii) developed implementation plans for special payroll audits; and (iii) published staffing levels aligned with approved structures and staff establishment

(f) Has screened proposed infrastructure investments (which will also include feasibility studies and E&S screening for proposed investments)[11]

(g) Has trained gender officers aligned with approved training programs

(h) Has established CPIUs.

50. The Level 2 Grant will be allocated based on both the achievement of the minimum conditions and the county's scores in the performance measures. These performance measures reflect the three KRAs and the seven DLIs for the Level 2 Grant. The relative score of a county (that is, its score as compared to the score of others) will be considered to determine the size of the allocation for each DLI.

51. For each DLI (DLIs 3–7), 50 percent of the Level 2 Grant envelope will be divided among counties that met that respective DLI result using the CRA formula (that is, the equitable shares). The other 50 percent is allocated based on the scores against the performance measures pertaining to each respective DLI result area, weighted with the CRA formula. Therefore, meeting a DLI result will give counties access to the base allocation, which can be further enhanced by above-average performance against the related performance measures. The performance measures and scoring guidelines are provided in annex 3.

52. The investment grant for a county is the sum of what it is allocated under DLIs 3–7. The allocation for the Level 2 Grant is as follows:

- DLI 3: US$500,000 for each county that has increased its OSR by at least 5 percent annually, over and above the rate of inflation
- DLI 4: US$550,000 for each county that has prepared and is implementing an action plan to reduce the stock of pending bills and maintain it at minimal levels
- DLI 5: US$700,000 for each county that has integrated its HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS

[8] Aligned with disclosures made to the OCoB.
[9] Aggregated per revenue stream for the last 12 months and disclosed on the county website.
[10] Will include finance, procurement, internal audit, E&S, and M&E functions.
[11] Screening will cover climate, gender, and E&S social issues and will also align with the county PIM framework (once it is rolled out to counties under the Program).

- DLI 6: US$350,000 for each county that is enhancing accountability for results through an integrated performance management framework
- DLI 7: US$400,000 for each county with a PIM dashboard with citizen feedback mechanisms.

4. ANNUAL PERFORMANCE ASSESSMENT GUIDELINES AND VERIFICATION PROTOCOLS

4.1. The Annual Performance Assessment Guidelines and the Verification Protocols

53. An APA will be conducted to assess the achievement of DLIs by both the National Government and county governments for the respective DLIs for which they are eligible. The results of the APA will determine the disbursement of the Program funds.

54. The achievement of DLIs by county governments will be assessed county by county. The achievement of DLI 2, which is linked to the Institutional Strengthening Grant (ISG), will be assessed on a binary basis (Yes/No). The achievement of DLIs 3–7, which are linked to the Service Delivery and Investment Grant, will be based on both the achievement of the Minimum Performance Conditions and the county's score against the performance measures.

55. The assessment will be done at least annually by an IVA through the APAs using the DLI verification protocols. The latest official full set of APA Guidelines and DLI Verification Protocols, which apply to all the counties, is provided in annex 3 of this POM.

56. There will be formal entry and exit meetings held between the IVA, NPCU, and CPIU to discuss the scope of the assessment and the verification process including documents requirement and the timelines. The exit meeting will discuss the findings of the verification process.

57. It is envisaged that the APA Guidelines and DLI Verification Protocols may need to be refined during Program implementation to address systemic issues encountered in conducting the APAs. Formal revisions should be proposed by the IVA or NPCU and CPIU, submitted to the World Bank for review and no objection, and disseminated immediately to all the counties before the start of the financial year in which the revised guidelines and protocols will be applied.

5.1.1. The DLI Verification Protocols

58. The verification protocol for each DLI comprises

(a) The detailed definition/description of the DLI including definitions of key terms and

(b) The procedure that the IVA will use to assess whether the county has achieved (pass) or not achieved (fail) the DLI.

59. In interpreting the verification protocols, it is important to note the following:

- The detailed definition/description of the DLI in the verification protocol is not meant to be comprehensive on what a law contains or how a system should function. Rather, it describes the minimum content/function/performance expected to achieve the DLI.
- The data source and data requirements of the IVA are not recorded exhaustively within this protocol. The IVA reserves the right to request for any additional information or data from counties that may be required to form an opinion.

- The procedures the IVA will use to assess counties' achievement of the DLIs are not recorded exhaustively within this protocol. The IVA reserves the right to undertake additional procedures or amend the procedures to form an opinion.

5.1.2. The APA Guidelines

60. Timing and Definitions

- 'Year' refers to the fiscal year running from July 1 to June 30 of the following year. 'Year-end' refers to (December 31, 2027).
- The proposed timing of the APAs is shown in Table 6.

Table 6. PforR Annual Assessment Cycle

Program Evaluation and Disbursements	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	DLI 2 (Level 1 Grants)	**DLI 2 (Level 1 grants) + DLIs 3–7 (Level 2 Grants)**			
Performance period being assessed/year under assessment	December 2023–June 2024	July 2024–June 2025	July 2025–June 2026	July 2026–June 2027	July 2027–June 2028
Interim APA period for the IVA	April 2024	August–September 2025	August–September 2026	August–September 2027	n.a.
Final APA period for the IVA	May 2024	September–October 2025	September–October 2026	August–September 2027	July–August 2028
Interim verification report submitted by the IVA to the NPCU	May 2024	October 2025	October 2026	October 2027	n.a.
Verification report submitted to World Bank	June 2024	December 2025	December 2026	December 2027	n.a.
Publishing of results of IVA by SDD on their website	June 2024	December 2025	December 2026	December 2027	n.a.
Allocations in CGAAB	n.a.	By February 15, 2026	By February 15	By February 15	n.a.
Counties entering the allocations into their draft CFSP	n.a.	End February 2025	End February 2026	End February 2027	n.a.

Note: CGAAB = County Government Additional Allocation Bill.

61. The APAs are conducted independently of each other, that is, the assessment of counties' performance against the DLIs is not linked to the previous year's performance but will be a fresh assessment. For example, it is possible that a county fails in year 1, passes in years 2 and 3, and fails in year 4 on the same DLI.

62. The NPCU and other implementing agencies and partners plan to disseminate several guidelines/templates/tools for counties as part of the capacity building to counties to support them to achieve several of the DLIs. The templates are also shared with the IVA. The IVA assessment should be guided by the definition/description of the DLI provided in the verification protocol.

63. **Online publication on county official website(s).** Several of the DLIs require online publication on a county official website(s). The following requirements will apply:

- DLIs which require things to be published means that at a minimum they are published online on an official county website or county web portal.
- County official website(s) include the website of the county government or the website of the county assembly.
- All information required to be published on the counties' official website(s) by certain dates is to also remain on the website indefinitely.
- All information placed on websites by the counties should be time-stamped, to show the date and time of publication.
- All information required to be published on the counties' websites must be well sign-posted and easy for visitors to the websites to find. Links to these online publications and databases must be clearly identifiable on the home pages of each website.
- For all evidence to be downloaded from the county official website(s), the counties are to inform the IVA of the link and the specific web pages.

4.2. The Independent Verification Agent, the APA Process, and Dealing with Potential Issues

64. The process of APA and verification begins with the development of an APA tool by the NPTC and approved by the NPSC for self-assessment and notification to counties and the NT. For the first performance year 2023/2024, the tool should be developed by the end of March, to start the APA and verification process.

65. For DLI 1, the NT and Controller of Budget will lead the responsible implementing agencies to prepare and submit reports on the achievement of the DLI. The NT will compile the information on the achievement of the DLI together with the supporting evidence and submit to the IVA. The IVA will then assess achievement based on the provisions of the verification protocols.

66. For the APA and verification from FY2024/25, the IVA will follow the process as indicated in table 7.

Table 7. APA and Verification Process

Timelines	Activities
August – 2 weeks	(a) Preparatory activities agreement with IVA – tools and so on (b) Communication to counties about the assessment (2 weeks) (c) Desktop review (d) Inception meeting
4 weeks – mid-August to mid-September	(a) Field work – assessment (one month) (b) Exit meeting to discuss the preliminary report

Timelines	Activities
2 weeks – third and fourth week of September	Appeals
2 weeks – mid-October	Consideration of appeals – NPCU and NPTC
1 week – third week October	Synthesis of the 47 counties reports to produce one consolidated report
2 weeks – by the end of first week of November	World Bank to review
1 week – by mid-November	Presentation and review to NPTC
2 weeks – end of November	Approval by NPSC and submission of the IVA report to the NT
1 week – first week of December	Principal Secretary NT submits to the World Bank
1 week – second of December	World Bank review/internal processes and greenlight highlighting to NT to request for disbursement
2 days – by end of third week of December	SDD publishing IVA results

5.2.1. The Independent Verification Agent Arrangements

5.2.1.1 The APA Process and Outputs

67. The IVA will conduct an interim APA and a final APA in each year of assessment. There should be a two-week window for an appeal process, after which the report is compiled and formally submitted. At the end of each APA (interim and final), the IVA is expected to produce the following:

(a) **County APA reports** to be sent to each individual county, with copies to the NPCU. Each report will contain the following information:

- Description of the work done by the IVA on each DLI.
- A binary assessment for the minimum conditions (yes or no).
- Performance assessment and score for each DLI.
- Computed tabulation for each county for the specific DLI.
- Details of the reasons why the county failed to achieve the DLI—for example, out of the multiple elements required to achieve the DLI, which of the elements were not achieved and which ones were achieved.
- For the final APA, any adjustments of the interim assessment on DLIs will be based on audited financial statements instead of interim year-end figures.

(b) **Consolidated verification report.** This will be a compendium report to the NPCU, covering all participating counties. The report will contain the following information:

- Description of the work done by the IVA and the external firm for the APA.
- A binary assessment for the minimum condition (pass or fail) for each county.
- Computed tabulation for each county for the specific DLI.

- For the final verification report, any adjustments of the interim assessment on DLIs will be based on audited financial statements (instead of interim year-end figures) for each county.

- Lessons learned and recommendations for the next APA and any proposed revisions to the APA Guidelines and DLI Verification Protocols.

(c) **A verification report for DLI 1 results.** This report will assess the achievement of DLI 1 by the Controller of Budget, NT, and other responsible agencies. The verification report for DLI 1 will be done on an annual basis.

68. In addition to these reports, the IVA will retain documentary evidence to confirm all the checks in the verification protocol have been carried out

69. It is recognized that issues may potentially arise during the APA process particularly due to delays caused by counties providing verification data late. In such cases, the following rules will apply:

- The IVA will provide the counties with a comprehensive information request that includes the deadlines for the submission of data required for the APA. Deadlines will vary, but in general, counties are expected to provide information not more than four weeks after the information request is sent.

- In the interest of fairness, the IVA will in general only grant extensions to the stated deadlines for all counties, not individual counties. Note that extensions by the IVA will only be granted in rare circumstances and only with approval from the NPCU.

- The IVA will reach its conclusion on whether DLIs have been achieved based on the information available at the time of the deadline.

70. **Cases of fraudulent reporting by counties.** The IVA will immediately report on any indications of systemic attempts at fraudulent reporting of data related to DLI achievement by participating counties for consideration by the World Bank and NPCU.

5. FINANCIAL MANAGEMENT AND ACCOUNTING PROCEDURES

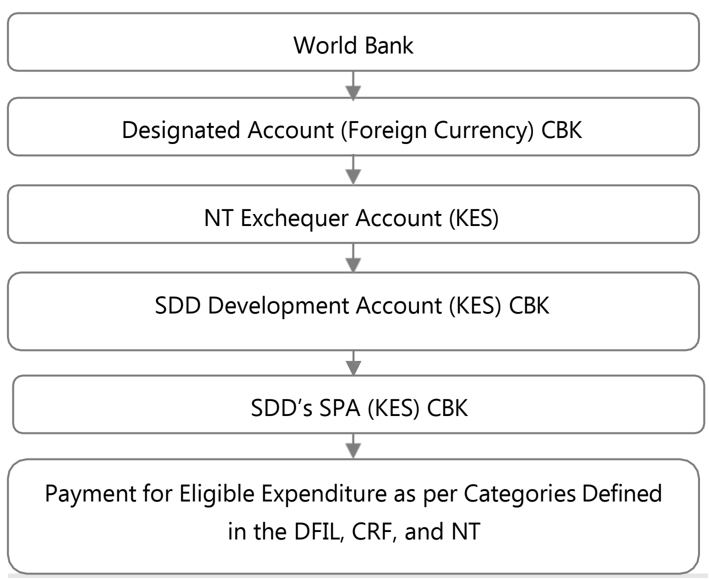
5.1. Planning and Budgeting

71. The formulation and preparation of the Program's budget follows the GoK's processes and procedures as contained in the Public Finance Management Act, 2012. At the SDD, the Program is captured under budget and itemized to facilitate budget tracking and monitoring at the national level. Similarly, at the counties, the Program is budgeted for as a separate budget line.

6.1.1 Funds Flow

72. Disbursement of funds under the PforR will be done upon achievement of the results (DLIs/Disbursement-Linked Results). A DLI Advances Account will be opened by the NT into which International Development Association (IDA) funds will be deposited. Fund flows for IPF will be done through the government exchequer procedures at the NT to the SDD. This will then be transferred to a special project account operated by the SDD. For conditional grants, funds will flow from the NT Exchequer Account to the SDD development account. The SDD will then move the funds to the SPA opened at CBK. It will transfer the funds to CRF within five working days and notify the respective counties. Separate bank accounts will be opened for the ISGs and Governance and Service Delivery Grants (GSDGs). The achievement of the results will be assessed by an IVA hired by the SDD for determining the accountability of World Bank funds. Funds may be disbursed on partial achievement of results as assessed by the IVA. The SDD will communicate the results of the APA to the World Bank upon which the Country Director will give notice on the achievement based on which disbursement will be made by the World Bank.

Figure 2: Funds flow chart



5.2. Project Funds Management and Procurement

73. At the subnational level and within their respective jurisdictions, county governments will be responsible for coordinating, undertaking institutional and capacity building, and overseeing the use of the grants. They will implement relevant institutional reforms and capacity development activities and be

responsible for fund management at the county level. They will be responsible for implementing activities and accountable for the use of program grants.

74. The KDSP II grants will be disbursed to county governments as a conditional grant, the use of which follows the GoK/NT financial and management regulations. The county governments are to plan and budget for the use of the grant. The Program funds management and procurement will be in accordance with the GoK provisions for expenditure and procurement by the National Government and county governments, that is, the same rules as apply for all county expenditure and procurement.

5.3. Implementation, Monitoring, and Supervision

6.3.1. Accounting

75. The Program accounting will be subject to the existing GoK FM regulations applicable at the national and county levels and will use the GoK accounting and financial reporting systems using IFMIS Program-identified codes in the Chart of Accounts at all levels.

6.3.2. Reporting

76. First, the county government will report on the use of the grant as part of its normal reporting to the county assembly and the Controller of Budget. Second, twice a year (that is, at the end of the second quarter and at the end of the financial year), each county that has received the grants will need to report to the NPCU on the use of the grant, the progress and improvements made, and the problems encountered (if any) together with an outlook on the activities for the next six months

77. The county governments will undergo capacity building of financial reporting to address challenges observed under KDSP such as inaccuracies, incomplete documentation, and delays in report submission.

78. The NPCU will use these reports to prepare a consolidated report for the World Bank. Counties are expected to present their reports to the NPCU within two months after the end of the reporting period (February 28 and August 31). The NPCU is expected to present the consolidated report to the World Bank by mid-March and mid-September. The consolidated reports will also be posted on the KDSP II designated web page. Counties are expected to post their reports on their websites.

79. On financial reporting, the NPCU will prepare and submit to the World Bank quarterly unaudited interim financial reports (IFRs) as per the agreed format attached to the DFIL. The IFRs will be submitted to the World Bank within 45 days after the end of the calendar quarter to which they relate. The SDD will also prepare and submit annual audited Program financial statements as per the agreed format. The financial statements will be prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The audited financial statements shall be submitted within six months after the end of the financial year to the World Bank. Counties will also include the Program in their annual financial statements that will also be shared with the World Bank.

6.3.3. Internal Control and Internal Audit

80. **Internal controls.** Measures will be put in place to address previously noted weaknesses in KDSP including delay in absorption of both ISG and GSDG funds, delay in opening SPAs, spending funds through the CRF Accounts, use of Program funds to make non-Program payments, risks of double dipping, poor

state of some infrastructure projects implemented leading to value-for-money concerns, irregular transfer of ISG funds either to GSDG accounts or other county accounts or in some cases to accounts not related at all with the counties to meet contractors' financial obligations, failure to provide documentations and explanations as requested to auditors, lack of segregation of duties, and unsupported utilization of bills of quantity items. Interventions to address the weaknesses would include capacity enhancement of the fiduciary agencies, including capacity building of county government and its agencies, and providing funding for OAG out of IPF funds to support their incremental costs for audit of county governments. The internal controls are documented in detail in the FM Procedures Manual of the Program

81. **Internal audit.** The risk-based annual fiduciary review will be coordinated between the NPCU and the counties and the report shared with the World Bank. The counties will also utilize the current internal audit teams in the counties as a shared service. The responsible audit oversight committees at the SDD and in the respective county governments will provide oversight. County internal audit units have weak capacity in terms of staff numbers and skills, and the Program funds will be used for training, and capacity enhancement of fiduciary oversight will be enhanced through setting up functioning audit committees as per the PFM requirements and supporting capacity development of the committees. The audit committees would follow up on any audit queries and ensure implementation of audit recommendations.

6.3.4. Auditing

82. External audit is carried out in line with the International Organization of Supreme Audit Institutions auditing standards supported by the legal and regulatory framework under Section 29 of the Public Audit Act 2015. The external audit of the Program will be conducted by the OAG. The scope of the audit will include Program activities at the decentralized level and at the SDD. The audit ToR will be prior reviewed and cleared by the World Bank and a letter of no-objection issued. The audit report and Management Letter will be submitted to the World Bank within six months after the end of the financial year.

6. MONITORING AND EVALUATION FRAMEWORK AND REPORTING

83. Monitoring, evaluation, and reporting will take place at both the national and subnational levels of government. The M&E will be spearheaded by the NPCU at the national level and by the CPIU at the county level.

84. The M&E officer at the CPIU will be responsible for consolidating data from the relevant county departments on a semiannual basis to report on Program implementation. In addition, she/he will also capture data on services delivered using Program funds. She/he will also facilitate access to key data required for the APAs, which will be a key source of information for tracking program indicators outlined in the results framework.

85. The CPIU will be required to prepare progress reports twice a year (a midyear report and an annual report) containing agreed data and transmit the same to NPCU.

86. Online reporting on the Geo-Enabled Monitoring and Supervision (GEMS) platform may be applied to complement the reports from the CPIUs. This will be guided accordingly by the NPCU during Program implementation.

87. The NPCU will consolidate the reports from the subnational levels into a single progress report for presentation to the NPTC, NPSC, and the World Bank for review and feedback.

88. The M&E lead at the NPCU will provide training and backstopping to support county M&E officers to ensure that reports are timely, comprehensive, and accurate. She/he will carry the overall responsibility for the project's M&E function, ensure that appropriate systems and processes are in place, analyze data received on project indicators, and communicate results to the NPCU. Additionally, she/he will be responsible for liaising with the project coordinator to ensure management by results.

6.1. Reporting

89. The NPCU will report twice a year to the World Bank on general progress and the use of the funds under each of the three KRAs.

90. Reports are due by mid-February (for the first semester) and by the end of mid-August (for the end of the financial year). Detailed guidance notes for these progress reports, which contain physical progress as well as a budget expenditure overview, are provided in annex 12.

6.2. Learning and Knowledge Management

91. KDSP II is expected to provide a rich harvest of new knowledge and learning. As such, the project will adopt a very proactive approach to developing knowledge products and learning processes. The NPCU will ensure that the learning from the Program is incorporated in the development of the M&E system. The lessons from the Program will be shared with the NPSC and CPSC to share the lessons from similar projects. At the level of implementation, the Program will feed the lessons to the key players in the sector, VMGs, CIGS, private sector firms, and technical service providers, through regular opportunities for exchange and interaction.

92. To facilitate learning, the Program will produce product profiles, case studies, and learning notes. KDSP II will provide the opportunity to produce special research and product profiles to introduce the new

innovations. These will be disseminated through special publication of reports and introduced through special workshops and seminars.

93. The ToR of each implementing partner will specify its responsibility with respect to the different knowledge products. Each implementing partner will be assigned specific responsibilities for information collection and reporting. The NPCU will be responsible for collating and analyzing this information through the management information system (MIS), which will help in the capturing, storage, processing, and circulation of project information to inform decision-making and improve the overall performance of the project management initiatives.

6.3. Half-Yearly Reports

94. Half-yearly reports should be prepared by implementing agencies and submitted to the NPCU. Once approved, the NPCU will transmit this report to the NPSC and make it available on the SDD website. The final compiled version including the financial and audit reports will be made available to the World Bank.

6.4. Annual Reports

95. Annual reports should be prepared by implementing agencies in the following manner. The NPCU will appoint a Project Review Team (PRT) that may include a representative or designate from the implementing agencies. The PRT would then prepare a report and submit it to the NPCU to submit to the NPTC for approval. The NPCU would then organize an annual workshop to discuss the report to be attended by the PRT and members of the NTPITs. Afterward, the NPCU will prepare the annual report and submit it to the NPSC.

6.5. Midterm Report

96. No later than 30 months after the Effective Date, a midterm review of KDSP II will be carried out, covering the progress achieved in the implementation of the KDSP II operation. The NPCU shall prepare ToR for approval by the NPSC. The midterm review report will integrate the results of the operation's M&E activities and the progress achieved in carrying out the KDSP II operation during the period preceding the date of such report and set out the measures recommended to ensure the efficient carrying out of KDSP II and the achievement of the PDO.

97. Following the midterm review, the NPCU shall act promptly and diligently undertake the recommended measures, to ensure the efficient completion of KDSP II and the achievement of the objective as well as any corrective action deemed necessary to remedy any shortcoming noted in the implementing of the Program.

6.6. Final Report

98. Not later than six months after the Closing Date, a completion report at the end of the Program shall bring out the results and achievements of the Program and its impact. The report will cover the scope on the execution of the Program, the implementation performance with respect to the respective obligations for all parties under the Legal Agreements, and the accomplishment of the purposes of the financing and a plan designed to ensure the sustainability of the Program achievements. The innovations in technology introduced as a result of the implementation of the Program should be highlighted. The report should also highlight important milestones achieved and success stories during the Program period.

The report should also indicate whether the Program outcomes have contributed to better decision-making in relation to the allocation of resources and service delivery to the citizens.

99. The report must be submitted within six months of the completion of the Program. All reports shall be examined for completeness, attachment of relevant documents in support of achievements/claims, and the Program expenditure plan. The implementing agencies may be asked to provide clarifications/explanations and make amendments/modifications.

7. PROCUREMENT AND CONTRACTING

100. Procurement under KDSP II will be carried out in accordance with the GoK laws and regulations (Public Procurement and Asset Disposal Act 2015 and Public Procurement and Asset Disposal Regulations 2020, as both may be amended from time to time), and the World Bank's 'Procurement Regulations for IPF Borrowers', dated July 2016 and revised September 2023 (Fifth Edition), hereafter referred to as 'Procurement Regulations'; the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, revised in January 2011 and July 1, 2016; and the other provisions stipulated in the FA will be applied for all procurement activities.

101. The Program will use Systematic Tracking of Exchanges in Procurement (STEP), a planning and tracking system, to record all procurement actions under IPF operations, including preparing, updating, and clearing its PP and seeking and receiving the World Bank's review and no-objection to procurement actions as required. STEP will hold data on procurement activities, establish benchmarks, monitor delays, and measure procurement performance.

7.1. Project Procurement Strategy for Development (PPSD) and Procurement Plan (PP)

102. A PPSD that provides detailed justification for the selection methods and market approaches for the envisaged procurement contracts in the project has been developed. In addition, an interagency technical team has prepared an initial PP covering the first 18 months of the project implementation at the national level (IPF). The PP and its updates will be published on the World Bank's external website and SDD website after issuance of the World Bank's no-objection.

103. With regard to the PP, the NPCU will ensure that

(a) All eligible procurable activities are included in the AWPB and the AWPB is appropriately reviewed and approved by the World Bank;

(b) The NPCU coordinates the preparation of the draft PP and submits all PPs through STEP to the World Bank for review and no-objection;

(c) All approved procurements are to be executed in full compliance with the approved PPs without variations from the procurement methods, market approaches, scope/quantities, location, and timelines, among others, during procurement implementation; and

(d) Prior World Bank no-objection is sought and obtained for any change(s) in respect of the approved PPs.

7.2. Procurement Results Indicators

104. The following is the proposed baseline for measuring the Procurement Results Indicators.

(a) **Selection of consultants.** This should not take more than six months for competitive selection methods from the publication of Requests for Expressions of Interest (REOIs) to signing of contract (Quality and Cost-Based Selection [QCBS], Selection of Based on Consultants' Qualifications [CQS], and Selection of Independent Consultants)

(b) **Procurement of works/goods/non-consulting services.** This should not take more than six months for international open procurement and not more than four months for national open procurement from publication of invitation to tender signing of contract, and 90 percent of contracts are awarded within the stipulated bid validity period without further extensions.

(c) **Contract management.** About 60 percent of the contracts are completed within the original stipulated time, 30 percent of the contracts are completed within six months extension of time, 10 percent of the contracts are completed beyond six months extension of time, and more than 90 percent of the contracts are completed within cost and scope.

7.3. Recommended Procurement Approach (Design of Procurement Approach and Recommendation)

105. This section summarizes the recommended procurement approach based on the project requirements and the market analysis to deliver the procurement objectives.

Table 8. Recommended Procurement Approach for Consulting Services

Attribute	Available Arrangement	Selected Arrangement	Justification Summary/Logic
Specifications	Conformance/performance	Performance	The specific technical teams outline the desired outcome and allow the market to process solutions to meet these needs, facilitating more market innovations. Few conformance specifications may be used.
Additional sustainability requirements	Yes/no	No	—
Contract type	(a) Traditional (b) Design and build (c) Design, build, operate, and maintain (d) Design and build - turnkey or prime contractor (e) Engineering, procurement, and construction and engineering, procurement, and construction management (f) Other: ________________________	Traditional	Standard conditions of contract for consulting services contracts in World Bank's Standard Procurement Documents (SPDs) and the Gok are adequate and will be adopted.
Pricing and costing mechanism	(a) Lump sum (b) Performance-based contracts (c) Schedule of rates/admeasurement (d) Time and materials (e) Cost plus	Lump sum and time Based	As appropriate, choice of either lump sum or time-based depending on the nature of the consulting services assignment
Supplier relationship	(a) Adversarial/collaborative	Adversarial	There are many capable consultants, suppliers, and contractors in the national and international market competing for few bidding opportunities.

Attribute	Available Arrangement	Selected Arrangement	Justification Summary/Logic
Price adjustments	(a) None, fixed price (b) Negotiated (c) Percentage	Fixed price for lump sum; Price adjustments provisions as per the contractual provisions	Price adjustment provision will be applicable for contracts having contract completion period 13 months and above and may be considered on price adjustment provisions based on prevailing levels of local inflation.
Form of contract (terms and conditions)	State any special conditions of contract	The standard conditions of contract included in the World Bank' SPDs and the GoK	The bidders are well accustomed to this form of contract. This form of contract, which is part of the SPDs, and Standard Tender Documentss have been well updated over the years to reflect cumulative experience. Risk allocation is to the party who is in a better position to manage the risks.
Selection method	(a) Requests for Proposals (RFPs) (b) Requests for Bids (RFBs) (c) Requests for Quotations (RFQs) (d) Direct Selection	RFPs and RFQs	The World Bank's standard RFP (firm selection) and the GoK's RFP will be used.
Selection arrangement	(a) Competitive dialogue (b) Public-private partnerships (c) Commercial practices (d) United Nations (UN) Agencies (e) e-Reverse auctions (f) Imports (g) Commodities (h) Community participation approach (i) Force accounts (j) Framework Agreements (k) Cross-project opportunities	Framework Agreement	FA will be used for procurements of formal consultancies.
Market approach	(a) Type of competition (i) Open (ii) Limited (iii) International (iv) National (v) No competition – Direct Selection (b) Number of envelopes/stages (i) Single envelope (ii) Two envelopes (iii) Single stage (iv) Multistage	Open, Limited, International, National, Direct Selection, and two envelopes (technical and financial) in case of QCBS. Single stage	The level of scope definitions, experience of the client, and the market situation in Kenya are appropriate for these approaches.

Attribute	Available Arrangement	Selected Arrangement	Justification Summary/Logic
	(c) Best and final offer (BAFO) (Yes/No) (d) Negotiations (Yes/No)	BAFO: Not applicable Negotiations: Not applicable.	 Negotiations on reimbursable expenses only in consulting services
Pre/Post Qualification	(a) Prequalification (b) Post qualification (c) Initial selection	Short-listing of consultants and post qualification	REOIs to be used in preparing the short list
Evaluation selection method	(a) QCBS (b) Selection Based on Fixed Budget (FBS) (c) Selection Based on Least Cost (LCS) (d) Quality-Based Selection (QBS) (e) CQS (f) Direct Selection	QCBS, FBS, CQS, and Direct Selection	CQS (firms) to be used for small assignments within applicable thresholds defined in the PP; QCBS for other consulting services (firms); FBS (firms) to be used for private sector selection in limited market approach
Evaluation of costs	(a) Adjusted bid price (b) Life cycle costs	Adjusted bid price	Arithmetic correction, discounts, and other adjustments to be considered in evaluation of costs as specified in the issued RFP document
Domestic preference	Yes/No	Yes	—
Rated criteria	List the type of criteria to be used (mandatory/desired)	Yes, mandatory	Technical evaluation based rated criteria on adequacy of methodology and work plan, relevant experience and qualifications of key staff, relevant experience of the firm, and financial score inversely proportional to prices

(a) **The World Bank's SPDs** shall be used for all contracts subject to international competitive procurement and those contracts as specified in the PP tables in STEP.

(b) **National Procurement Arrangements**

106. When the borrower uses its own national open competitive procurement arrangements as set forth in Part IX, Article 96 of the Public Procurement & Asset Disposal Act 2015 and the associated Regulations, such arrangements shall be subject to paragraph 5.4 of the Procurement Regulations and the following conditions shall apply:

(a) The procurement opportunity will be openly advertised at the national level.

(b) The RFBs/proposals document shall require that bidders/proposers submitting bids/proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's right to sanction and the World Bank's inspection and audit rights.

(c) Procurement documents include provisions, as agreed with the World Bank, intended to adequately mitigate against environmental, social (including SEA and GBV), health and safety (environmental, social, health and safety [ESHS]) risks and impacts.[12]

(d) The contracts will have an appropriate allocation of responsibilities, risks, and liabilities.

(e) Contract award information will be published.

(f) The World Bank will have the rights to review procurement documentation and activities.

(g) An effective complaints mechanism will be adopted.

(h) Records of the procurement process will be maintained.

107. Other national procurement arrangements (other than national open competitive procurement), which may be applied by the borrower (such as limited/restricted competitive bidding, RFQ/shopping [limited RFQ], and direct contracting), shall be consistent with the World Bank's Core Procurement Principles and ensure that the World Bank's Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply. In all cases, the national procurement procedures to be used shall give due attention to quality aspects.

(a) The bid evaluation will be carried out according to the agreed timeline in the Procurement Activity Schedule.

(b) Summary of the procurement packages will be planned during the first 18 months after project effectiveness.

(c) **Prior review.** The details of the procurement review/oversight are defined in Annex II of the Regulations for Borrowers. The following would be subject to prior review of the World Bank regardless of the method of selection:

Table 9.

Type of Procurement	World Bank's Prior-Review Threshold[13]
Works including supply and installation and turnkey contracts	All procurements estimated to cost greater than or equal to US$10 million
Goods including information and communication technology (ICT) and non-consulting services	All procurement estimated to cost greater than or equal to US$2 million
Services: consultant firm	All procurements estimated to cost greater than or equal US$1 million
Services: consultant individual	All procurement estimated to cost greater than or equal to US$300,000

Note: The prior review thresholds will be reviewed during the implementation of the project and modified based on the risk assessment.
a. These thresholds are for the initial PP for the first 18 months. The thresholds may be increased or decreased based on reassessment of risks. All contracts not subject to prior review will be post-reviewed.

[12] Included as per the Updated Procurement Regulations September 2023.
[13] For substantial risk.

108. **For contracts subject to prior review, the borrower shall seek the World Bank's no-objection before agreeing to**

(a) An extension of the stipulated time for execution of a contract that has an impact on the planned completion of the project;

(b) Any material modification of the scope of the works, goods, non-consulting services, or consulting services or other significant changes to the terms and conditions of the contract;

(c) Any variation order or contract amendment (except in cases of extreme urgency), including due to extension of time, that singly or combined with all previous variation orders or amendments increases the original contract amount by more than 15 percent; and

(d) Any proposed termination of the contract.

109. The borrower/SDD shall provide a copy of all amendments to the contract to the World Bank for its records.

8.3.1. Thresholds for the Method of Procurement:

Table 10. Goods, Works, and Non-Consulting Services

Approved Selection Methods[a]	Thresholds for Method (US$ Equivalent)
Open international (goods, IT systems, and non-consulting services)	≥US$3 million
Open national (goods, IT systems, and non-consulting services)	<US$3 million
Limited competition (RFQ: goods, IT systems, and non-consulting services)	<US$200,000
Open international (works)	≥US$20 million
Open national (works)	<US$20 million
Limited competition (RFQ: works)	<US$300,000
Framework Agreements (goods, works, and consulting services)	In accordance with Para 6.57–6.59 and 7.33 of Annex XV: Frameworks Agreements
Direct contracting (goods, works, and consulting services)	No threshold; meet requirements of World Bank's Procurement Regulations

Note: a. In addition to the above, other selection arrangements are available in the World Bank Procurement Regulations dated July 2016 and revised in September 2023 (Fifth Edition), which can be incorporated for use under the Program upon World Bank prior clearance.

8.3.2. Selection of Consultants

(a) **Selection methods of procurement of consultants' services (firms).** The approved selection methods as reflected in the Section VII of the Procurement Regulations:

Table 11. Selection methods of procurement of consultants' services (firms)

Approved Selection Methods	Thresholds for Methods
QCBS	As per requirements of para 7.3 of the Procurement Regulations
QBS	As per requirements of paras 7.8–7.10 of the Procurement Regulations
FBS	As per requirements of paras 7.4 and 7.5 of the Procurement Regulations
LCS	As per requirements of paras 7.6 and 7.7 of the Procurement Regulations

Approved Selection Methods	Thresholds for Methods
CQS	As per requirements of paras 7.11 and 7.12 of the Procurement Regulations (contracts estimated to cost equivalent of **US$300,000 or less per contract)**
Framework Agreements	All procurement that meets the requirements as per paras 6.57–6.59 of Procurement Regulations and with prior agreement in PP with the World Bank
Direct Selection	Must meet the requirements of paras 7.13–7.15 of the Procurement Regulations and with prior agreement in PP with the World Bank

Note: The short list may consist of all national consultants in case the estimated cost is less than US$300,000.

(b) **Procurement methods for Selection of Individual Consultants.** The approved selection methods as reflected in Section VII of the Procurement Regulations:

Table 12. Procurement methods for Selection of Individual Consultants

Approved Selection Methods	Thresholds for Methods[a]
Open competitive selection	As per requirements of paras 7.36 and 7.37 of the Procurement Regulations
Limited competitive selection	As per requirements of para 7.38 of the Procurement Regulations
Direct Selection	Must meet the requirements of para 7.39 of the Procurement Regulations and with prior agreement in PP with the World Bank

Note: ToR for all consultant contracts irrespective of value of the assignment shall be furnished to the World Bank for its prior review and no objection.
a. Shall meet the requirements as stated in the Procurement Regulations.

110. **Procurement risk management.** The World Bank carried out a procurement assessment of SDD, which revealed the key risks and identified potential risk mitigation measures that have been detailed in the PPSD.

7.4. Mitigation Measures to Be Taken

(a) Regular and targeted capacity building on procurement and contract management to SDD and other implementing agencies will be carried out, and the performance of fiduciary systems will be monitored for smooth Program implementation.

(b) The SDD will deploy additional experienced procurement staff to enhance its capacity, provide focused training on procurement and contract management, and streamline its internal procurement processes.

(c) The STEP platform will be effectively used for planning, records keeping, tracking, and monitoring of procurement transactions and performance.

(d) Focused training and capacity building will be provided to Program staff at the NPCU.

(e) The World Bank’s prescribed procurement framework for IPF Borrowers will be adhered to

(f) The national procurement procedures will be adhered to with allowable conditions prescribed in the first 18 months PP.

(g) Contract management plans will be used to monitor and manage to ensure compliance with contractual provisions.

(h) The verification and internal approval processes will be fast-tracked.

(i) Price adjustment provisions will be provided in bidding documents.

(j) Clear internal mechanism of management of corruption and fraud-related issues will be developed.

(k) Timely contract status report will be prepared and shared with the World Bank and the accounting officer of the SDD.

(l) The SDD will (i) set up the NPCU, (ii) designate staff with appropriate skill sets and recruit on exceptional basis to fill skills gaps, (iii) build staff capacity, and (iv) make resources available to conduct day-to-day functions.

(m) STEP will be used to record procurement transactions.

7.5. Hiring of Consultants

111. The steps for the hiring of a consultant are as follows:

(a) Preparation of the ToR

(b) Preparation of the cost estimate and the budget

(c) Advertising

(d) Preparation of the short list of consultants

(e) Preparation and issue of the RFPs)

  (i) Letter of invitation

  (ii) Information to consultants

  (iii) Proposed contract

(f) Receipt of proposals

(g) Evaluation of technical proposals: consideration of quality

(h) Evaluation of financial proposals

(i) Final evaluation of quality and cost

(j) Negotiations and award of contract to the selected firm.

112. **The preparation of the ToR for a consultant should include the following:**

(a) A precise statement of objectives of the consultancy

(b) An outline of the tasks to be carried out

(c) A schedule for completion of tasks

(d) The support/inputs provided by the client

(e) The final outputs that will be required of the consultant

(f) Composition of review committee (not more than three members) to monitor the consultant's works and procedures

(g) Midterm review and progress reports required from consultant

(h) Review of the final draft report.

Table 13. Procurement Approach for Goods and Non-Consulting Services

Attribute	Selected Arrangement	Justification Summary/Logic
1. Specifications	Conformance	Conformance as the requirements are standard and technical specifications are well established.
2. Sustainability requirements	Yes/No	Sustainable procurement is not envisaged. Warranty provided as specified in the bidding documents.
3. Contract type	Traditional	The Gok has standard documents.
4. Pricing and costing mechanism	Lump sum	Based on schedule of requirements
5. Supplier relationship	Collaborative	In all the categories of procurement under the Program, it would be necessary to attain collaborative relationship to ensure the success of the implementation and mutual benefit.
6. Price adjustments	None, fixed price	—
7. Form of contract (terms and conditions)	Any special conditions of contract	Not applicable
8. Selection method	(a) RFBs (b) RFQs	Dependent on thresholds for selection method
9. Selection arrangement	Not applicable	—
10. Market approach	(a) Type of competition (i) Open (ii) Limited (iii) International (iv) National (b) Number of envelopes/stages (i) Single envelope (c) BAFO (No) (d) Negotiations (No)	Market approach will follow the guidance in the threshold matrix and will be dependent on the planned value of goods being procured.
11. Pre/post qualification	Post qualification	
12. Evaluation selection method	Most advantageous bid	
13. Evaluation of costs	Life cycle costs	Most advantageous bids' price
14. Domestic preference	Yes	Only where specifically agreed with the World Bank
15. Rated criteria	Yes Desired, using guidance in the World Bank's SPDs and the Gok's bidding documents	No, unless for International Competitive Bidders contracts Effective September 1, 2023, the World Bank will require the use of rated criteria as the default approach for most international procurements. https://www.worldbank.org/en/news/feature/2023/03/08/rated-criteria-a-game-changer-for-promoting-value-in-world-bank-procurement

Table 14. Preferred Arrangement for Low-Value, Low-Risk Activities

Contract	Category	Estimated Cost	Procurement Approach and Method
Off-the-shelf goods and minor works	Works/goods	Varies for each transaction	Contracts to be procured through RFQ method within the threshold of the PP after update through STEP portal
Common user goods and non-consulting services	Goods/non-consulting services	Varies for each transaction	

113. As tabulated above, the recommended procurement method and market approach is RFQ since all the activities are in the group of low-value and low-risk activities. The project will develop a suppliers list from prequalification exercise for inviting for quotations and similar closed competition processes.

7.6. Operational Expenses

114. The project will also finance from the World Bank funds for costs associated with operational travel, accommodation (office rent), per diems, office consumables and maintenance, and motor vehicle maintenance. These expenditures will not be subject to procurement clearance and hence will not be reflected in the approved PP. Items under this category would be procured using the SDD's internal procurement and administrative procedures acceptable to the World Bank.

115. The work plan under this category will be submitted annually to the World Bank for no-objection and will be subject to national financial and procurement audit. Training/capacity development initiatives through the project are not procurement transactions unless a service provider is exclusively hired from market through agreed selection methods of consultant/non-consulting services as appropriate to render training or capacity development.

7.7. Cost Estimates or Budget

116. The cost estimates or budget should be based on the client's assessment of the resources needed to carry out the assignment, for example, staff time, logistical support, and physical inputs (namely, vehicles and ICT equipment).

7.8. Advertising (Seeking Expression of Interest) for Short-Listing

117. Advertisement is mandatory for all consultancies valued at US$200,000 equivalent and over in either of the following magazines/bulletins/newspaper:

(a) United Nations Development Business Online (UNDB Online) and dgMarket

(b) National newspapers.

7.9. Short-Listing of Consultants

118. The borrower is responsible for the preparation of the short list and shall give first consideration to those firms expressing interest that possess the relevant qualifications.

119. The short list can comprise entirely national consultants if the value of assignment is less than equivalent of US$500,000. However, if foreign firms have expressed interest, they shall not be excluded from consideration (in these cases payment can be in Kenya shillings).

7.10. Hiring of Government-Owned Enterprises

120. Government-owned enterprises in the country may participate only if they can establish that they are legally and financially autonomous and operate under prevalent commercial law. No dependent agency of the borrower or sub-borrower of the Program shall be permitted to submit or participate in a proposal for the provision of consulting services under the Program.

7.11. Hiring of Government Employees as Consultants

121. The revised guidelines allow the use of government officials and civil servants to be hired as consultants under the conditions of paragraph 1.11(d). Paragraph 1.6.3 of the new RFP has been modified to suit this as under:

> "No agency or current employees of the Client shall work as consultants under their own ministries, departments or agencies. Recruiting former government employees of the Client to work for their former ministries, departments or agencies are acceptable provided no conflict of interest exists. When the Consultant nominates any government employee as Personnel in their technical proposal, such Personnel must have written certification from their government or employer confirming that they are on leave without pay from their official position and allowed to work full-time outside of their previous official position. Such certification shall be provided to the Client by the Consultant as part of his technical proposal."

7.12. Compliance with Public Procurement Act 2015

122. The Public Procurement and Disposal Act, 2015, establishes procedures for efficient public procurement and for the disposal of unserviceable, obsolete, or surplus stores; assets; and equipment by public entities in Kenya. The act seeks to achieve the following objectives:

(a) Maximize economy and efficiency.

(b) Promote competition and ensure that competitors are treated fairly.

(c) Promote integrity and fairness of those procedures.

(d) Promote transparency and accountability in those procedures.

(e) Increase public confidence in those procedures.

(f) Facilitate the promotion of local industry and economic development.

123. The act establishes the Public Procurement Oversight Authority and the Public Procurement Oversight Advisory Board.

124. The Public Procurement Oversight Authority has the following statutory functions:

(a) Ensure that procurement procedures established under the act are complied with,

(b) Monitor the public procurement system and report on the overall functioning of the system,

(c) Assist in the implementation and operation of the public procurement system and in so doing

   (i) Prepare and distribute manuals and standard documents to be used in connection with procurement by public entities;

   (ii) Provide advice and assistance to procuring entities;

   (iii) Develop, promote, and support the training and professional development of persons involved in procurement;

   (iv) Issue written directions to public entities with respect to procurement including the conduct of procurement proceedings and the dissemination of information on procurements; and

   (v) Ensure that procuring entities engage procurement professionals in their procurement units

(d) Initiate public procurement policy and propose amendments to this act or to the regulations.

125. **The evaluation committees of KDSP II procurement activities shall consist of a minimum of the following:**

(a) Technical officers from the user MDAs (for system-related procurement, they should also include ICT/IT specialist)

(b) Technical Officer from the NPCU

(c) Procurement officer from the SDD

(d) The NPCU procurement specialist (secretary).

126. All procurement shall be within the approved budget and shall be planned by the procurement entity through an annual PP.

7.13. ToR for the Procurement Specialist

127. Reporting to the NPC, the procurement specialist will be responsible for overseeing the preparation and execution of the Program PPs to effectively support the Program operations, ensuring strict adherence to the GoK and World Bank procurement guidelines. The ToR for the procurement specialist are outlined in the annexes.

7.14. Project Procurement Strategy for Development (PPSD) and Procurement Plan (PP)

128. KDSP II has prepared a PPSD that provides detailed justification for the selection methods and market approaches for the envisaged procurement contracts in the Program. In addition, an initial PP covering the first 18 months of the Program implementation has been prepared. The initial PP for the first 18 months was approved in November 2023 during the loan negotiations. The PP and its updates will be published on the World Bank's external website and KDSP II's website after issuance of the World Bank's no-objection.

129. With regard to the PP, the NPCU will

(a) Ensure all procurable activities are included in the AWPB and the AWPB is appropriately reviewed and approved by the World Bank;

(b) Ensure no procurement activity in the PP is commenced before the receipt of specific World Bank no-objection to the PP;

(c) Prepare the draft PP and submit all PPs through STEP to the World Bank for review and no objection;

(d) Ensure all approved procurements are to be executed in full compliance with the approved PPs without variations from the procurement methods, market approaches, scope/quantities, location, and timelines, among others, during procurement implementation; and

(e) Ensure prior World Bank no-objection is sought and obtained for any change(s) in respect of the approved PPs.

7.15. Approved Selection Methods

130. The selection methods to be followed in the procurement of goods and non-consulting and consulting services are prescribed in the applicable Procurement Regulations which are made part of the FA by reference. Based on the prepared PPSD, the Procurement Regulations provide for the following selection methods and particular types of approved selection arrangements and market approaches:

Table 15. Procurement of Goods and Non-Consulting Services

Approved Selection Methods and Arrangements	Market Approach Options
(a) RFP	Open, limited, direct, international, national, and single stage
(b) RFB	Open, limited, direct, international, national, and single stage
(c) RFQ	Limited, direct, national, and single stage
(d) Direct Selection	Direct, single stage, and negotiations

Table 16. Procurement of Consulting Services

Approved Selection Methods and Arrangements	Market Approach Options
Selection Methods	
(a) QCBS	Open, international, national, and short list
(b) FBS	Open, international, national, and short list
(c) CQS	Open, limited, international, and national
(d) LCS	Open, international, national, and short list
(e) Direct Selection	Direct
(f) QBS	Open, international, national, and short list
Selection Arrangements	
(a) UN Agencies	As per paragraphs 7.27 and 7.28 of the Procurement Regulations
Selection methods for Individual Consultants	
(a) Selection of individual consultants	Open, limited, and direct

131. Selection and use of a certain procurement procedure will depend on the procurement category and nature.

7.16. Implementation Arrangements for Procurement

8.16.1. Publication of Procurement Opportunities

132. A General Procurement Notice (GPN) is required for all procurement financed by the World Bank that is expected to involve open international competitive procurement. The SDD shall prepare and submit to the World Bank a GPN before beginning any procurement activity under the project. The World Bank will arrange for the publication of the GPN in UNDB Online and on the World Bank's external website. The GPN shall contain the following minimum information:

(a) The name of the borrower (or prospective borrower)

(b) The purpose and amount of the financing

(c) The scope of procurement reflecting the PP

(d) The borrower's contact point

(e) If available, the address of a free-access website on which the subsequent Specific Procurement Notice/s (SPNs) will be posted

(f) If known, an indication of the scheduled dates for the specific procurement opportunities.

133. The SDD shall advertise the SPNs

(a) On its free-access website and

(b) In at least one newspaper of national circulation in the borrower's country.

134. For open international competitive procurement,

(a) The borrower shall also publish the SPN in UNDB Online and, if possible, in an international newspaper of wide circulation and

(b) The World Bank arranges for the simultaneous publication of the SPN on its external website.

7.17. Applicable Standard Procurement Documents (SPDs)

135. For international competitive procurement, the borrower shall use the SPDs, available on the Bank's external website at www.worldbank.org/procurement/standarddocuments. For Procurement involving national competitive Procurement, the borrower may use its own procurement documents, acceptable to the World Bank.

136. **Communication and records.** Communications between the SDD and applicants/bidders/proposers/consultants during the different stages of the procurement process shall be in writing with proof of receipt. The SDD shall keep a written record of meetings, such as early market engagement, competitive dialogue, and exploratory/clarification meetings.

137. The SDD shall keep records of all proceedings of the procurement process in accordance with the requirements of the Legal Agreement.

138. The NPCU will be responsible for maintaining of the procurement files/records. All records should be kept in the online system STEP. Separate files should be maintained for each contract by the NPCU. All the procurement documents (including bids and technical and financial proposals of consulting services) shall be kept to the end of the project and then transferred to the government archives. The originals of various valuable documents (such as bid security, performance guarantee, and advance guarantee) shall be kept in the safe by the NPCU's FM specialist and shall be returned duly to the bidders in a timely manner.

7.18. Procurement Prior Review

139. The prior-/post-review thresholds will follow the World Bank's Procedure on Procurement in IPF and Other Operational Procurement Matters issued on November 24, 2020, and as prescribed in the PP.

7.19. Basic Management Phases and Actions for the Consulting Services Contract

140. Contract management of consulting services contracts will be conducted according to specific provisions of the signed contract and Contract Management Guidance dated September 19, 2018.

7.20. Supervision

141. The NPCU is responsible for supervising the World Bank-financed consulting assignments. The NPCU will monitor the progress of work, the timely completion of deliverables, the staff months, and funds expended (for time-based contracts) and determine where, within the contract, changes in the scope of work might be appropriate.

7.21. Contract Management

142. The NPCU must ensure that sufficient time is spent planning the implementation of the contract. Some of the internal arrangements that the NPCU needs to make include the following:

- Assign specific and detailed contract management tasks to the individuals or the team responsible for contract implementation. The tasks assigned will need to be precise and realistic (considering the specific experience, expertise, and workload of each individual).
- Ensure that counterpart staff are made available, in a timely manner, in accordance with the contract.
- Ensure that facilities to be provided by the NPCU are made available, in a timely manner, in accordance with the contract.
- Establish sufficient internal procedures (hierarchy, communication, levels of authority, flow of documents, reporting, verification and acceptance procedures, payment procedures, internal audit, and so on).
- Monitor and evaluate contract implementation risks and ensure effective management and mitigation measures are taken, including assigning responsibility for their enforcement.

- Coordinate arrangements with third parties (end users, beneficiaries, and so on), especially when the consulting services are contracted on behalf of end users (for example, training).

7.22. Kick-off Meeting

143. A kick-off meeting with the consultant is critical at the start of the consulting assignment. The NPCU's contract manager and other staff involved in the supervision of the consulting assignment will need to be present. It is also good practice to involve end users of the assignment, if any, at this stage.

144. The kick-off meeting at least covers the following:

- Introducing the parties and their roles and responsibilities
- Establishing the communication and reporting procedures
- Reviewing contract documents to ensure everyone understands the key provisions, the priority and inter-correlation of contract documents, conditions of contract, ToR, payment schedules and covenants, and implementation milestones (deliverables, reports, and so on)
- Reviewing the consultant's quality plan, if required
- Reviewing applicable legislation and any obligations deriving in connection to the execution of the contract in the client's country (for example, applicable tax regime; reporting obligations, if any, to other agencies; and so on)
- Defining escalation procedures to resolve critical situations or bottlenecks (delays in performance or in obtaining permits and approvals, abuses of power from the NPCU's coordinator, nonperformance of consultants, and so on)
- Establishing clear reporting procedures (level, frequency, templates, minimum information, and so on)
- Ensuring that all parties involved in the contract implementation share the same understanding of their obligations, roles, and responsibilities derived from the contract, as well as each other's expectations of the time frame and any particular constraints in the implementation.

145. One of the features of consulting contracts is that the consultant does not provide a performance security. Given the intellectual nature of the deliverables, it is a challenge to associate consulting services with a performance security. In the absence of performance security, the main remedy (short of suspending payments and termination) available to the NPCU is the nonacceptance of the deliverables and/or reports submitted by the consultant, the latter when the deliverables fail to meet the requirements of the contract.

7.23. Unsatisfactory Performance

146. Poor performance involves one or more staff of the consultants' team or the whole team. Based on the provisions of the contract, the NPCU will need to advise the consultants to take the necessary measures to rectify the poor performance.

147. Poor performance should not be tolerated, and the consultants are expected to act quickly to comply with a reasonable request to improve the performance of the team or to replace any staff member

who is not performing adequately. If the consultant fails to take adequate corrective actions, the Program Implementation Unit must take appropriate further remedial actions in accordance with the contract.

7.24. Approving Payments

148. Lump-sum contracts are paid on the basis of acceptance of deliverables, with no actual verification of the inputs used by the consultants. Conversely, payments under time-based contracts are made after due verification of all supporting documents (reports, timesheets, invoices, receipts, and so on).

149. The following aspects are important in the verification of payment applications:

- Establish internal control mechanisms for the verification and approval of payment applications, such as internal audits and double checking.
- Verify professional rates, actual time spent (for remuneration and per diems), unit prices, and quantities (for reimbursable expenditures).
- Verify supporting documents in time-based contracts (timesheets, reports, invoices, receipts, and so on).
- Ensure that the appropriate recovery of the advance payment has been deducted from the payment (in time-based contracts).
- Check that the requested amounts have not been already paid.
- Verify invoices.
- Check if the payment request fits the payment schedule/milestones in the contract.

7.25. Time Control

150. The NPCU should monitor implementation against the agreed schedule of work. The following time control checks should be made:

- Check compliance with the contract milestone dates (submission of deliverables, reports, and so on).
- Consider actions to speed up progress and ensure compliance with contractual time for completion of the assignment.

7.26. Key Risks

151. There are some specific risks associated with consulting contracts. The following aspects should be considered:

- Consultants usually work on multiple assignments for different clients, so they might end up with more work than they can handle.
- Frequent requests for replacement of staff.
- Some consultants take excessive time to fully understand the needs of the NPCU, the scope of assignment, and the constraints.

- The consultants do not actually transfer knowledge and capacity building as required by the contract.

7.27. Anti-Corruption Measures

152. The application of, and compliance with, the Anti-Corruption Guidelines, 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,' dated October 15, 2006, and revised in January 2011 and July 2016, including without limitation the World Bank's right to sanction and the World Bank's inspection and audit rights shall be applicable.

8.27.1 Complaints Review Mechanism in Procurement of Goods, Works, and Consulting Services

153. The complaints review mechanism will be conducted according to Annex III. Procurement-related Complaints of the World Bank's Procurement Regulations for IPF Borrowers – Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services, dated July 2016, revised September 2023.

154. All complaints and relevant documents should be filled in STEP in a timely manner. Table 17 provides the business standards for procurement-related complaints (where the procurement is subject to prior and post review).

Table 17. Business Standards for Procurement-Related Complaints

Process Step	Responsible Entity	Time Frame
Complaints challenging the terms of prequalification/initial selection documents, RFBs/RFP documents, or any other borrower document requesting bids/proposals or applications	Potential bidders/proposers /consultants	Complaints shall be submitted to the NPCU at least 10 business days before the deadline for submission of applications/bids/proposals. The borrower NPCU shall respond not later than 7 business days from the date of receipt of complaint.
Notify applicant/bidder/proposer/consultant of the basis for exclusion from consideration for a contract, rejection of bid submitted, or intention to award.	NPCU	The time frame will be specified in the respective documents governing the procurement process. As a general matter, notification should take place promptly after the NPCU has made the relevant determination. Upon receipt of a complaint challenging the above determination, the NPCU shall respond to the complainant not later than 7 business days after the receipt of complaint.
Complaints following transmission of the notification of the intention to award the contract shall be submitted to the borrower within the standstill period.	Bidder/proposer/consultant	Complaints should be submitted within the standstill period. The NPCU shall respond not later than 15 business days from the date of receipt of the complaint.
Request for debriefing	Bidder/proposer/consultant	Within 3 business days from the receipt of the NPCU's notification of the intention to award the contract
Conduct debriefing when requested in a timely manner.	NPCU	The NPCU shall hold the debriefing within 5 business days of receipt of the request. For all other requests for debriefing, the NPCU shall hold debriefing not later than 15 business days from the date of

Process Step	Responsible Entity	Time Frame
		publication of the public notice of the award of contract.
Acknowledge receipt of complaint	NPCU	Within 3 business days from the date of receipt of the complaint
Forward complaint to the NPCU, if complaint is submitted only to the World Bank.	World Bank	Within 3 business days from the date of receipt of the complaint
Forward complaint to the World Bank, along with all relevant information and documentation.	NPCU	As soon as possible after receipt of complaint

8. ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY SAFEGUARD ARRANGEMENTS

155. KDSP II will be financed through a hybrid of the IPF (for Component 1) and PforR instruments (for Components 2 and 3). As part of the Program preparation, an ESSA was undertaken with the aim to review the national and county system capacity and adequacy of existing government systems to plan and implement effective measures for ESHS impact management associated with the ISGs and GSDGs investment menus. This was to determine whether any measures would be required to strengthen them as per the requirement of the PforR financing Policy. A comprehensive review of relevant government policies, legislation, institutional roles and capacities, and program procedures was conducted along with an assessment of the available capacity in 47 counties of the Republic of Kenya to implement the existing systems consistent with the World Bank PforR Financing Policy.

156. The ESSA was to ensure consistency with the six 'core principles' outlined in paragraph 8 of the World Bank's PforR Financing Policy to effectively manage Program risks and promote sustainable development. The six principles are as follows:

(a) **Core Principle 1: General Principle of Environmental and Social Management.** Promote E&S sustainability in the Program design; avoid, minimize, or mitigate adverse impacts; and promote informed decision-making relating to the Program's E&S effects.

(b) **Core Principle 2: Natural Habitats and Physical Cultural Resources.** Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program.

(c) **Core Principle 3: Public and Worker Safety.** Protect public and worker safety against the potential risks associated with (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

(d) **Core Principle 4: Land Acquisition.** Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards.

(e) **Core Principle 5: Indigenous Peoples and Vulnerable Groups.** Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups.

(f) **Core Principle 6: Social Conflict.** Avoid exacerbating social conflict, especially in fragile states, postconflict areas, or areas subject to territorial disputes.

157. In analyzing programs for consistency with the sustainability principles in the PforR Financing Policy, the ESSA was intended to ensure that projects supported by PforR operations are designed and implemented in a manner that maximizes potential ESHS benefits while avoiding, minimizing, or otherwise mitigating environmental, social, health, and safety harm.

158. **According to the ESSA report, the overall risk rating for KDSP II is considered as Substantial.** The World Bank's guidance provides that activities with a Substantial risk rating suggest the likelihood that the Program activities could lead to adverse ESHS risks and impacts. The risks and impacts that are anticipated

in this Program are likely to have low to moderate ESHS risks and impacts. The impacts will vary depending on the context and investment choices of each county, based on the type, scope, and scale of works. Although most of the potential ESHS risks can be identified and mitigated, because of the significant geographic dispersion of the participating counties, and constraints around oversight and other risks identified in the ESSA, the overall risk of the Program is rated as Substantial.

159. An ESHSRIM Manual has been developed to ensure the ESHS risks, impacts, and liabilities that may be associated with the implementation of KDSP II are identified and mitigated.

160. The ESHSRIM Manual shall provide

(a) Robust risk identification and quantification so as to avoid investments with adverse ESHS risks and impacts;

(b) A framework for managing environmental, social, and climatic risks;

(c) Generic ESHS due diligence checklists to guide the NPCU in carrying out ES Due Diligence throughout the program implementation; and

(d) Guidelines for integrating the ESHS risks into the program's overall DLIs.

161. Activities financed under the IPF component of the program will be subject to compliance with the relevant ESS as outlined in the World Bank Environmental and Social Framework (ESF), ESHSRIM Manual, Labor Management Procedures, and the Stakeholder Engagement Plan. The Environmental and Social Commitment Plan has been prepared and disclosed, which will be useful in implementing and monitoring the ESHS commitments under the IPF component.

8.1. Public Participation and Stakeholder Consultation

162. Public participation and stakeholder consultation has been strengthened through the devolution process under the Kenya Constitution, which has put in place robust requirements for citizen participation in the Program and budget development process. Public participation and stakeholder consultation shall be part of the Program identification, ESIA, and Resettlement Action Plan (RAP) processes and shall be undertaken in accordance with the requirements of the Kenyan Constitution and provisions of EMCA 1999 (amended 2015) and Public Participation Policy 2023. The program shall use the published public participation and civic education guidelines that have been developed under KDSP. This notwithstanding, all projects implemented under the Program shall be expected to undergo at least three public participation sessions (at identification, at preparation or design, and during implementation phase).

8.2. Grievances Management System

163. The GRMs that were established in KDSP will be strengthened and enhanced under KDSP II to allow for a transparent, timely, and efficient redress process. The Program shall carry out dissemination and awareness-raising activities among the SDD, counties, and the implementing agencies on the GRM systems and procedures. The procedures shall be harmonized across implementing agencies and linked to the national system to be established at the NPCU and e-GRM on the website of the SDD.

8.3. Contractual Obligations

164. Before tendering for subprojects, the implementing agency must ensure that contractual obligations to safeguard environmental, social, safety, and health issues are included in the tendering and contract documents. Contract and bidding documents for civil works shall include the ESHS clauses[14], Environmental and Social Management Plan with budget allocation, and the NEMA license with approval conditions. The key areas to be covered in the pre and post-tender documentation include

(a) Compliance with key environmental, social, and labor management (working hours; facilities for workers; and prohibition of forced, compulsory, or child labor) obligations;

(b) Contractor's capacity to implement E&S safeguards requirements;

(c) Gender equality and prevention of GBV/SEA/SH); and

(d) Compliance with occupational safety and health and the community health and safety.

8.4. Monitoring, Recording, and Reporting

165. At the end of every quarter, each county that has received the Level 2 Grant will need to report to the SDD on the ESHS safeguards performance for all their respective infrastructure investments. This will include reporting on progress of Environmental and Social Management Plan (ESMP) implementation, Abbreviated Resettlement Action Plan implementation for the various subprojects where applicable, site accidents and incidents and their nature, problems encountered (if any) together with suggestions on how to resolve these, emerging issues, and grievances received and the status of their resolution on various subprojects. A number of recording and reporting templates are provided for in the ESHSRIM Manual. The reports will be prepared by the respective E&S safeguards persons of the county's CPIU. These quarterly reports are expected to be submitted to the NPCU within 15 days after the end of the reporting period.

166. The NPCU will use these reports to compile a consolidated ESHS safeguards performance report for the World Bank. It is expected to present the consolidated report to the World Bank within one month after the end of the reporting period.

[14] As provided in the ESHRIM and LMP

9. CAPACITY-BUILDING PROCEDURES

167. Training and capacity-building activities under KDSP II will include the activities aimed at achieving Program results. All activities will be based on needs assessments and may be delivered through classroom-type training, mentoring, peer-to-peer learning and provision of TA, workshops, study tours, seminars, conferences, and on-the-job training.

168. All training and workshop activities would be procured under local shopping and carried out on the basis of approved annual programs that would identify the general framework of training activities for the year, including

(a) Type of training or workshop;

(b) Personnel to be trained;

(c) Selection methods of institutions or individuals conducting such training;

(d) Institutions which or individuals who would conduct the training;

(e) Justification for the training, how it would lead to effective performance and implementation of the program and/or sector;

(f) Duration of the proposed training;

(g) Costs estimate of the training; and

(h) Report by the trainee upon completion of training.

169. Capacity building will also entail enhancement of capacities of government entities to deliver services to counties to achieve Program results. The NPCU will prepare a training plan that will include actions to improve the National Government's provision of resources, information, and capacity building to counties, as well as TA to counties to institutionalize Program results. The development of the NPCU training plan and its implementation status will be continuously monitored as part of the Program's M&E system.

170. Training plans will be developed on an annual basis by implementing agencies (MDAs) and submitted to the NPCU coordinator for review, consolidation, and subsequent submission to the Principal Secretary, SDD, and the World Bank for further review and approval.

171. Planned institutional strengthening and capacity-building activities must be in line with the respective MDA's mandate and role in the Program and be strategically aligned with the overall KDSP II Program objective and DLIs. Training needs shall be identified for the Program.

172. The respective department/unit's heads must approve participation in the planned capacity-building activities. Where the training to be undertaken is during work time, training duration shall be limited to not more than four consecutive weeks. The Principal Secretary SDD, upon justification, may make exceptional approval for longer duration.

173. Similar group training programs (including study visits) for respective beneficiaries requiring participants to travel outside the country will be consolidated and optimal resourcing considered.

174. Beneficiaries shall provide realistic budgets in their training plans to avoid request for budget overruns. This will also enable the NPCU's budget planning. On a quarterly basis, beneficiaries will confirm upcoming training for the next quarter including validation of the budget to allow review by the NPCU and facilitate clearance by the World Bank where changes exist. Training benefits must be demonstrated and acquired knowledge and skills tapped immediately. The trained staff are required to share their acquired expertise with other colleagues.

175. Officers must attend the training they commit to attend. If due to unavoidable circumstances, an officer withdraws from training, she/he must inform, in writing, the Program Coordinator within reasonable time. As much as possible, Program beneficiaries who will be officially selected by department/unit heads shall substitute personnel in the same job category in good time to ensure that the budget remains unchanged as may be occasioned by upward difference in per diems, and thus approved budget.

176. Staff members who fail to attend training and do not communicate their unavailability will be suspended from future training for at least 12 months. A record of nonattendance will be presented to the Program Coordinator and maintained by the NPCU. Each beneficiary will submit their proposed training plan to the NPCU for review at least a month before approval of the annual work plan by the NPSC and the World Bank. Request for ad hoc training not captured in the annual training plan must be accompanied by the accounting officer's approval stating justification and submitted to the NPCU for review and onward submission to the World Bank for review and approval. Ad hoc requests must however be kept to the minimum.

177. Training activities will be evaluated in respect of their effectiveness from both organizational and individual perspectives and the resulting reports (back-to-office report and training appraisal) submitted to the NPCU/CPIU in soft and hard copies within 48 hours after the training. This will help the NPCU/CPIU determine suitability of the courses and institutions.

178. Annual training plans shall be implemented during the same financial year. For training that is not implemented within the year, for whatever reason, the World Bank will need to give a no-objection for the date to change to the next financial year. For this reason, respective beneficiaries will inform the NPCU which training(s), with justification, is/are being rolled over to the following year.

179. **Training documentation.** To facilitate approval and ensure the selection process is officially sanctioned, the trainees are required to submit the listed documents before and after training:

(a) Checklist for documentation when requesting for training (BEFORE)

- Forwarding/nomination letter to the Program Coordinator
- Original invoice
- Invitation letter from the trainer
- Travel itinerary
- No objection (extract from Training Plan highlighting the training in question)
- Personal information:
    - Employment number and job group
    - Individual bank details – signed by trainee

- Copy of ID
- Submission in hard copies, 3–4 weeks in advance to allow ample time for processing of payments
- Travel clearance

(b) Checklist for training documentation (AFTER)

- Forwarding letter to Program Coordinator
- Back-to-office report/evaluation report
- Receipt for the tuition fee payment
- Original boarding passes (departures and arrivals)
- Copy of passport – highlighting departure and arrival dates
- A copy of travel clearance
- Program for workshop
- A copy of training certificate
- Cash refund/banking slip – as applicable
- Receipts to claim reimbursable expenditures
- Surrender of imprest to be done 48 hours after the activity.

10. PROGRAM ACTION PLAN

180. The PAP identifies the cross-cutting actions to be undertaken (some with the World Bank's support) by the NPCU, implementing agencies, partners, counties, and other actors involved in the Program implementation, to address the overall Program risks through undertaking adequate and timely mitigation measures that could otherwise have negative impact on the achievement of the overall program objectives and desirable outcomes. The actions support the implementation of the Program (both the PforR and IPF components) by addressing issues identified in the technical, fiduciary, and E&S assessments carried out during the Program preparation.

181. While different stakeholders may carry the responsibility to ensure that the agreed actions are met in a timely and satisfactory manner to the World Bank, it is ultimately the NPCU's responsibility to monitor progress against each of the actions, capturing the latest progress status in the semiannual and annual progress reports, to be shared with the various stakeholders (including the World Bank and the NPSC).

182. The PAP is a living document that will need to be updated during the Program implementation. The current version of the PAP is in the PAD. In accordance with the signed FA, all changes to the PAP (that is, adding/eliminating/modifying specific actions, responsible agencies, defined timelines, and so on) must be discussed and agreed upon with the World Bank. The NPCU should coordinate proposed revisions and updates to the PAP among the different stakeholders.

11. GRIEVANCE REDRESS AND COMPLAINTS HANDLING MECHANISM

183. The NPCU and the CPIU (or focal persons at the county level) have joint responsibility to, within six months from the Program effectiveness and with the support of the NPCU's GRM specialist, create awareness for the use of the Program's grievance redress and complaints-handling mechanism described in this section, to be accountable for the use of the allocated funds and protect the interests and basic human rights of people potentially affected by KDSP II. The NPCU should inform the World Bank whether this requirement has been met within the stipulated timeline.

184. All complaints from the counties and implementing agencies should be submitted to the NPCU by e-mail, phone, and any other means of communication that is to be made available by the NPCU. These shall be received by the NPCU's grievance redress specialist, on behalf of the Program Coordinator, promptly acknowledging the receipt of the complaint to the complainant using the contact details provided.

185. All complaints received must be treated with the highest level of confidentiality until such a time when resolved and approved for disclosure.

186. The grievance redress specialist shall assess whether the complaint received

- Is related to fraud and corruption, environmental and/or social safeguards, or any other issue and
- It can be dealt with internally (that is, related to administrative/systems issues, service provision, and so on) or needs to be forwarded to other relevant institutions with a mandate to handle the type of such complaint.

187. All complaints from affected citizens, communities, and other project beneficiaries (different than those involved in Program implementation) related to issues arising from Program implementation can be reported to one (or all) of the following:

- Directly to the responsible government agency
- The NPCU's Program Coordinator who will then report all such cases to the World Bank KDSP II task team leaders (TTLs) and to the responsible government agency, no later than 30 days after the receipt of the subject complaint(s)
- The World Bank KDSP II TTLs, who will then report all such cases to the Integrity Vice Presidency (INT), the Inspection Panel, and/or the NPCU's Program Coordinator, as applicable
- INT, which is an independent unit within the World Bank Group (WBG) whose core function is investigating fraud, corruption, collusion, coercion, obstruction, and pursuing sanctions related to these sanctionable offenses in WBG-financed activities (Complaints are submitted by filling an online form.)
- World Bank's Grievance Redress Service (GRS) and World Bank's Inspection Panel. Communities and individuals who believe that they are adversely affected because of a Bank-supported PforR operation, as defined by the applicable policy and procedures, may also submit complaints to the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent

concerns. Affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

188. Every six months, the NPCU's GRM specialist shall compile into one consolidated report and forward (through the NPCU Program Coordinator) to the Program Steering Committee and the World Bank's TTLs all complaints that have been received (with update on the complaint type, actions taken, latest status, and so on), as well as inform the counties' focal persons, implementing agencies, and partners of complaints under investigation by the World Bank or the responsible government agency. If the complainant is not satisfied with the outcomes of the results or action taken, she/he can report the issue directly to the Ombudsman.

Annex 1: Results Framework Matrix and M&E Plan

Program Development Objective(s): To strengthen performance and governance of devolved institutions for improved service delivery

Program Development Objective Indicators by Objectives/Outcomes

Baseline	Period 1	Period 2	Period 3	Closing Period
Sustainable Financing and Expenditure Management				
Participating counties that have increased their OSR by at least 5% annually, over and above the rate of inflation (Number) DLI				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
n/a	0	21	30	30
Intergovernmental Coordination, Institutional Performance, and Human Resource Management				
Participating counties that have put in place core governance arrangements to manage public funds (Number)				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
n/a	21	30	45	45
Oversight, Participation and Accountability				
Participating counties that have established public investment management (PIM) dashboards with citizen feedback mechanisms (Number) DLI				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
n/a	0	25	30	30

Intermediate Results Indicator (IRI) by Results Areas

Baseline	Period 1	Period 2	Period 3	Closing Period
Sustainable Financing and Expenditure Management				
Participating counties whose taxpayer registers and cadasters have been cleaned and updated into an automated revenue management system (Number)				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
n/a	3	15	25	25
Participating counties that have prepared and are implementing action plans to reduce the stock of pending bills and maintain it at minimal levels (Number) DLI				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
0	0	20	25	25
Average number of days it takes for NT, OCoB and CBK to process a county exchequer requisition once submitted (Days) DLI				
Jun/2024	Jul/2024	Jul/2025	Jul/2026	Dec/2027
0	35	30	20	20
Intergovernmental Coordination, Institutional Performance, and Human Resource Management				
Annual inter-governmental summit report submitted to Parliament and County Assemblies within 90 days of the end of the FY (Yes/No)				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
No	Yes	Yes	Yes	Yes

Participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS (Number) DLI				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
0	0	15	25	25
Participating counties that are enhancing accountability for results through an integrated performance management framework (Number) DLI				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
n/a	0	15	25	25
Participating counties that have undertaken training of gender officers aligned with approved training programs and budget (Number)				
Jun/2023	Jul/2024	Jul/2024	Jul/2024	Dec/2027
0	10	25	35	35
Oversight, Participation and Accountability				
Participating counties with project management committees established at ward level (Number)				
Jun/2023	Jul/2024	Jul/2025	Jul/2026	Dec/2027
n/a	15	30	40	40

Disbursement Linked Indicators (DLI)

Period	Period Definition	Timeline
Period 1	July 2024- June 2025	01-Jul-2024 to 30-Jun-2025
Period 2	July 2025- June 2026	01-Jul-2025 to 30-Jun-2026
Period 3	July 2026- June 2027	01-Jul-2026 to 30-Jun-2027
Period 4	July 2027- June 2028	01-Jul-2027 to 30-Jun-2028

Baseline	Period 1	Period 2	Period 3	Period 4
2 : Participating counties that have put in place core governance arrangements to manage public funds (Number)				
0	21	30	45	45
0.00	5,250,000.00	7,500,000.00	11,250,000.00	0.00
DLI allocation		24,000,000.00	As a % of Total Financing Amount	17.0%
3 : Participating counties that have increased their OSR by at least 5% annually, over and above the rate of inflation (Number)				
n/a	0	21	30	30

0.00	0.00	10,500,000.00	15,000,000.00	0.00
DLI allocation		25,500,000.00	As a % of Total Financing Amount	18.5%
4 : Participating counties that have prepared and are implementing action plans to reduce the stock of pending bills and maintain it at minimal levels (Number)				
0	0	20	25	25
0.00	0.00	10,000,000.00	12,500,000.00	0.00
DLI allocation		22,500,000.00	As a % of Total Financing Amount	18.5%
5 : Participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS (Number)				
0	0	15	25	25
0.00	0.00	9,750,000.00	16,250,000.00	0.00
DLI allocation		26,000,000.00	As a % of Total Financing Amount	18.5%
6 : Participating counties that are enhancing accountability for results through an integrated performance management framework (Number)				
n/a	0	15	25	25
0.00	0.00	4,500,000.00	7,500,000.00	0.00
DLI allocation		12,000,000.00	As a % of Total Financing Amount	8.8%
7 : Participating counties that have established public investment management (PIM) dashboards with citizen feedback mechanisms (Number)				
n/a	0	25	30	30
0.00	0.00	10,000,000.00	12,000,000.00	0.00
DLI allocation		22,000,000.00	As a % of Total Financing Amount	15.5%
1 : Average number of days it takes for NT, OCoB and CBK to process a county exchequer requisition once submitted (Days)				
0	50	30	20	20
50.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
DLI allocation		3,000,000.00	As a % of Total Financing Amount	2.2%

Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

Sustainable Financing and Expenditure Management	
Participating counties that have increased their OSR by at least 5 percent annually, over and above the rate of inflation (Number)	
Description	The indicator measures the number of counties that have increased own-source revenue collected by at least 5 percent in a year over and above the rate of inflation.
Frequency	Annually
Data source	Controller of Budget
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU

Intergovernmental Coordination, Institutional Performance, and Human Resource Management	
Participating counties that have put in place core governance arrangements to manage public funds(Number)	
Description	This indicator measures the number of participating counties that have met minimum conditions for the level 1 grant as per the APA
Frequency	Semiannually
Data source	IVA report
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU

Oversight, Participation and Accountability	
Participating counties that have established public investment management dashboards with citizen feedback mechanisms (Number)	
Description	This indicator measures the number of counties with public investment dashboards with citizen feedback mechanisms.
Frequency	Semiannually
Data source	Implementing agency
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU

Monitoring & Evaluation Plan: Intermediate Results Indicators by Results Areas

Sustainable Financing and Expenditure Management	
Participating counties whose taxpayer registers and cadasters have been cleaned and updated into an automated revenue management system (Number)	
Description	Measures the number of counties that have cleaned and updated their taxypayer registers and cadasters and uploaded them into an automated revenue management system
Frequency	Annually
Data source	IVA report
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU
Participating counties that have prepared and are implementing action plans to reduce their stock of pending bills and maintain it at minimal levels (Number)	
Description	The indicator measures the number of counties that are implementing their pending bills action plans as defined in the APA and POM.
Frequency	Annually
Data source	County websites
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU
Participating Intergovernmental Coordination, Institutional Performance, and Human Resource Management	
Annual inter-governmental summit report submitted to Parliament and County Assemblies submitted within 90 days of the end of the FY	
Description	Measures the submision of annual inter-governmental Summit report to Parliament and County Assemblies
Frequency	Annually
Data source	IGRTC progress reports
Methodology for Data Collection	IGRTC reports annually to NPCU based on methodology specified in the POM.
Responsibility for Data Collection	NPCU
Participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS (Number)	
Description	Measures the number of counties that have integrated their HR records, authorized staff establishment, and payroll data, and have uploaded them in the automated payroll system
Frequency	Annually
Data source	OAG, county websites, IVA report
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU
Participating counties that are enhancing accountability for results through an integrated performance management framework (Number)	
Description	Measures the number of counties that are implementing a performance management framework that links budgets, M&E, performance contracting, and individual staff performance appraisal
Frequency	Annually

Data source	APA
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU
Participating counties that have undertaken training of gender officers aligned with approved training programs and budget (Number)	
Description	The indicator measures the number of counties that have assigned budget for training gender offices and undertaken the training.
Frequency	Annually
Data source	IVA report
Methodology for Data Collection	Firm will carry out the APA
Responsibility for Data Collection	IVA
Oversight, Participation and Accountability	
Participating counties with community-led project management committees established at ward level (Number)	
Description	The indicator measures the number of counties that have set up community-led project management committees that are overseeing project identification, implementation, and monitoring.
Frequency	Annually
Data source	IVA reports, county website
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU

Annex 2: Disbursement-Linked Indicators

	KRA 1: Sustainable Financing and Expenditure Management	KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management	KRA 3: Oversight, Participation and Accountability	Amount (US$, millions)
DLI	**DLI 1:** Average number of days it takes for NT, OCoB and CBK to process a county exchequer requisition once submitted			3.0
	DLI 2: Participating counties that have put in place core governance arrangements to manage public funds[15]			24.0
	DLI 3: Participating counties that have increased their own-source revenue by at least 5 percent annually, over and above the rate of inflation			25.5
	DLI 4: Participating counties that have prepared and are implementing action plans to reduce their stock of pending bills and maintain it at minimal levels			22.5
		DLI 5: Participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS		26.0
		DLI 6: Participating counties that are enhancing accountability for results through an integrated performance management framework		12.0
			DLI 7: Participating counties that have established public investment management dashboards with citizen feedback mechanisms	22.0
Total				**135.0**

[15] In the first year, counties will: (a) sign a participation agreement and disclose it on the county website; and (b) prepare approved work plans, cash plans, and budgets consistent with the agreed methodology and standards. In subsequent years, these results will also include: (a) qualified or unqualified audit opinions (with action plans for addressing qualifications); (b) reports on implementation progress and use of Program funds; and (c) timely releases of KDSP II funds from the CRF to the SPA.

Annex 3.0: Verification Protocols

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
DLI 1[17]: Average Number of Days it Takes for NT, OcoB and CBK to Process a County Exchequer Requisition Once Submitted (days)	**Formula:** The GoK will receive US$1,000,000 per year if the average number of days to process county exchequer requests is at or below the annual target and to the extent that these processes are fully automated. **Target:** To reduce the number of days it takes for NT, OCoB, and CBK to process a county exchequer requisition once submitted. Program end target is 20. **Description:** This DLI will be met if the average number of days to process county exchequer requests is	n.a.	• Review and validation of exchequer requests by OcoB (both for the equitable share and conditional grants) • Approval of exchequer release requests • Communication with CBK to release money from the CRF accounts • CBK releases money from the CRF account to the spending accounts APA 1: The above steps are taken within 50 days: **(Y/N)** APA 2: The above steps are taken within 30 days: **(Y/N)** APA 3 and 4: The above steps are taken within 20 days: **(Y/N)**	*See Annex 3.1*

[16] For each DLI (DLIs 3–7), 50 percent of the envelope will be divided among counties that met that respective DLI result using the CRA formula (that is, the equitable shares). The other 50 percent is allocated based on the scores against the performance measures pertaining to each respective DLI result area, weighted with the CRA formula.
[17] This is a national government DLI that brings together the NT, CBK, and the OCoB.

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
	at or below the target and to the extent that these processes are fully automated.			
DLI 2: Participating that have put in place core governance arrangements to manage public funds	**Formula:** For each year, US$250,000 X No. of Participating Counties that meet minimum conditions. **Target:** End of Program target is 45 counties. **Description:** Counties that meet the minimum conditions for level 1 and 2 grants	<u>Level 1 Grant Year 1:</u> • Participation agreements signed. • Approved work plans, cash plans, and budgets <u>Level 1 Grant from Y2 onward:</u> • Qualified or unqualified audit opinion • Proper use and timely reporting on grants • Timely release of KDSP II funds from CRF to SPAs <u>Level 2 Grant from Year 2 Onwards</u> • SPMU structure approved • Training program for Gender Officers implemented • Work plan and budget for use of Level 2 Grant <u>Level 2 Grant from Y3 onward:</u> • SPMU established	APA 1**:** • Signing of Participation agreements **(Y/N)** • Establishment of Program management structures **(Y/N)** • Annual work plans and budgets for level 1 prepared and approved **(Y/N)** In addition to areas covered under APA 1, APA 2 will include the following indicators: • Annual work plans and budgets prepared and approved for Level 2 Grants **(Y/N)** • County has obtained a qualified or unqualified audit opinion in the last financial audit **(Y/N)** • Reports on implementation progress and use of Program funds **(Y/N)** • Timely releases of KDSP II funds from the CRF to the SPA. **(Y/N)** • SPMU structure approved **(Y/N)** • Training program for gender officers **(Y/N)** In addition to areas covered	APA 1 confirm the following: • Participation agreement has been signed between the County Governor and the Principal Secretary responsible for devolution, in the format prescribed in the POM and published on the county website. • That the following approved/final budget documents have been disclosed on the county websites for the year being assessed: (i) annual development plan, (ii) county fiscal strategy paper, (iii) approved program-based budget, (iv) County Finance Act, (v) county budget review and outlook paper, and (vi) quarterly budget implementation reports (Q1 to Q4). • CPSC, CPTC, and CPIU have been established with members formally nominated/appointed. • Annual work plans, cash plans, and budgets have been prepared and approved by CPSC for the use of Level 1 Grants for the following year (format prescribed in the POM). • KDSP II budget is included in the annual budget estimates for the following financial year. In addition to areas assessed under APA 1, APA 2 will confirm the following: • Audit report opinion for the previous year is unqualified or qualified and is published on the county website. • Quarterly reports on KDSP II implementation progress and use of Program funds approved by CPSC and forwarded to the NPCU in accordance

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
			under APA 1 and APA 2, APA 3 will include the following indicator: • SPMU established **(Y/N)**	with the timelines and format set out in the POM. • Release of KDSP II funds from the CRF to the SPA within 20 working days and is calculated from the time a county department makes a requisition to issuance of grant of credit by the OCoB and finally funds being moved from the CRF to the SPA. • SPMU organizational structure and job descriptions has been approved by the County Public Service Board. • Training program for gender officers developed and approved by the responsible department and funds allocated for training of gender officers in the approved budget estimates for that year. In addition to areas assessed under APA 1 and APA 2, APAs 3 and 4 will confirm the following: • SPMU staff deployed to the SPMU as per their competencies in line with the approved organizational structure, optimal staffing, appropriate skills mix, and job description • Gender officers' training reports
DLI 3: Counties that have increased OSR collected by at least 5% annually over and above the rate of inflation (Number)	**Formula:** For each year, US$500,000 X No. of participating counties that have increased their OSR by 5% over and above the rate of inflation, over 12 months **Target:** Progressive No. Of counties with a percentage increase of	Disclosure on website of OSR collected (disaggregated by revenue stream) in previous year	APA 2: • County website with total OSR collected disaggregated by revenue stream **(Y/N)** • Automated county revenue collection system in place with more than 70% of county revenues collected using the automated system **(score: 30)** • Monthly revenue reporting through county revenue system **(score: 20)**	APA 2 will review and confirm the following: • OSR collected is at 5% of or above the annual inflation rate (as evidenced by the monthly revenue reports uploaded on the county website). • County website updated with all revenue streams and amounts collected per each revenue stream. • % of county revenues collected using the automated county revenue management system (at least 70%).

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
	OSR by at least 5% (above inflation rate). The end Program target is 30 counties. **Description:** No. of participating counties that have increased their OSR by at least 5% over and above the rate of inflation		• Regular updating of revenue register(s) **(score: 10)** In addition to areas covered under APA 1, APAs 2 and APA 3 will include the below indicator: • CoG has OSR Revenue Policies (Tariffs and Pricing Policy), County Revenue Mobilization Strategy and at least 5 revenue laws (County Rating Act, Trade Licensing Act, Liquor Licensing, Cess Act, County Revenue Administration Act, Building Approvals legislation). **(score: 30)** • CoG has updated county valuation rolls **(score: 10)** **(Total Score for DLI 3 = 100)**	• Annual revenue mapping report that discloses all county revenue streams. • Statement of the receivers of revenue and alignment with revenue mapping reports, monthly revenue reports. • Updated revenue registers are aligned with revenue mapping reports and monthly revenue reports. • Revenue raising measures contained in the annual finance act align with revenues collected. • Implementation of any recommendations from internal audit revenue reports In addition to areas assessed under APAs 1 and APA 2, APA 3 will review and confirm the following: • Alignment of the revenue management systems with the national standards of an integrated revenue management system.
DLI 4: Counties that are implementing pending bills action plans (Number)[18]	**Formula:** For each year, US$500,000 X No. of participating counties that are implementing a pending bills action plan to reduce their stock of pending bills as well as pay commitments on time as per the APA.	Disclosure on website of verified stock of commitments and pending bills	APAs 2 and 3: • Updated stock of verified pending bills have been uploaded in the county website **(Y/N)** • County has no pending bill **(score: 40)** • Report of pending bills verification committee **(score: 10)**	APAs 2 and 3 will review and confirm the following: • Pending bills action plan • Information on stock of pending bills for the previous financial year (disaggregated by the year in which they were incurred) is provided on the county website • Any variances in pending bill reports in relation to disclosures on the county website • Approved budget with provision to pay pending bills • Report of pending bills verification committee

[18] A pending bills action plan is a payment plan to settle eligible unpaid financial obligations that are eligible for payment by a county at the end of the financial year. Eligible pending bills are pending bills that have been verified and approved by a pending bills verification committee. A pending bills verification committee is established to verify pending bills as per guidelines issued by the Intergovernmental Budget and Economic Council (IBEC).

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
	Target: Reduction of verified pending bills stock in the annual action plan by at least 60%. The end Program target is that 25 counties would have achieved this. **Description:** No. of participating counties that are implementing a pending bills action plan to reduce their stock of pending bills as well as pay commitments on time.		• Report on status of pending bills (updated at least on a quarterly basis) **(score: 20)** • Evidence of payment of verified pending bills as per pending bills action plan and by at least 20 % year on year **(score: 30)** **(Total Score for DLI 4 = 100)**	• Reduction of verified pending bills stock in the annual action plan according to the pending bills action plan and by at least 20% year on year • Annual pending bills action plans and subsequent payments of pending bills prioritize payment of pending bill according to age
DLI 5: Counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the UHRMIS (Number)	**Formula:** For each year, US$650,000 X No. of participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS **Target**: End of Program target is that 25	Counties have developed implementation plans for HR and payroll audit and organizational review recommendations and approved staff establishments	**APAs 2 and 3:** • CoG has conducted HR and payroll audits and organizational reviews and developed authorized staff establishments. **(Y/N)** • CoG has uploaded the approved authorized staff establishment in the HRMIS. **(score: 25)** • All staff including advisers and casuals are assigned unified payroll numbers, with no	**APAs 2 and 3 will review and confirm the following:** • Consistency across HR records, approved staff establishment, and payroll data in the HRMIS[19] • Approved authorized staff establishment for all county functional areas • County reports on implementation of recommendations of the HR and skills audit • Staff redeployment plans • County reports on implementation of recommendations of the special payroll audits

[19] **HR Records***:* Information relating to each person in an organization. It captures recruitment procedure, personal profile information (gender, ethnicity), job group, how staff are distributed, actual place of deployment, qualifications, terms of engagement, competencies, payroll data, remuneration, training, promotions, re-designation. *HR Records*: is information relating to each person in an organization. It captures recruitment procedure, personal profile information (gender, ethnicity), job group, how staff are distributed, actual place of deployment, qualifications, terms of engagement, competencies, payroll data, remuneration, training, promotions, re-designation.
Authorized staff establishment: Optimal staffing level approved by the County Public Service Board against the approved functional organizational structure.
Payroll: Refers to records of how officers in the public service in different job groups are paid.

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
	counties would have achieved this. **Description:** No. of participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS.		manual payment of salaries. **(score: 30)** • Cleaned payrolls are uploaded in the HRMIS **(40)** In addition to areas assessed under APA 2, APA 3 will confirm that • CoG has updated its skills database in HRMIS. **(score: 5)** **(Total Score for DLI 5 = 100)**	• County reports on implementation of recommendations made in SRC M&E reports • HR and payroll records • HRMIS walkthrough and system reports
DLI 6: Counties that are enhancing accountability for results through an integrated performance management framework (Number)	**Formula:** For each year, US$300,000 X No. of participating counties that have adopted and are implementing an integrated performance management framework. **Target:** End of Program target is that 25 counties would have achieved this. **Description:** This DLI will be met if participating counties have adopted and are implementing an integrated performance management framework.	n.a.	APA 2: • Alignment of performance contracts with priorities in the CIDP, ADP, and other relevant policy documents **(score: 40)** • CoG implements a change management plan on integrated performance management **(score: 30)** In addition to areas covered APA 2, APA 3 will include the following indicator: • Performance management reports are generated through the county-integrated performance management system **(score: 30)** **(Total score for DLI 6 = 100)**	APA 2 will review and confirm the following: • Evidence of adoption of the integrated performance management framework • Signed performance contracts between CECMs and Governor, CECMs and Chief Officers, and Chief Officers and Directors • Performance contracting targets are drawn from the CIDP, ADP, and other relevant policy documents. • Staff performance targets are drawn from the PC targets and annual work plan. • Progress reports on implementation of change management plan on integrated performance management. In addition to areas assessed under APA 2, APA 3 will review and confirm the following: • Full functionality of the system providing a walkthrough of the modules • Performance management reports are fully generated from the system

DLI	Formula, Target, and Description	Minimum Conditions	Indicator and Scoring[16]	Assessment Procedure
DLI 7: Counties with public investment management dashboards with citizen feedback mechanisms (Number)	**Formula:** For each year, US$400,000 × No. of participating counties have established PIM dashboards with citizen feedback mechanisms **Target:** End Program target is 30 counties **Description:** No. of participating counties that have established PIM dashboards with citizen feedback mechanisms	Screening of proposed infrastructure investments (which will also include conducting feasibility studies, climate change, and environmental and social screening)	**APA 2:** • County processes established/operationalized for screening of proposed infrastructure investments, which includes feasibility studies, climate change, and environmental and social screening and is aligned with PIM regulations **(Y/N)** • A detailed stock-take of all projects (completed, ongoing, new, and stalled) with implementation plan for key recommendations developed **(score: 50)** In addition to areas covered under APA 2, APA 3 will include the following indicators: • PIM framework is operationalized including project concept notes for pipeline projects prepared and feasibility reports for all major projects approved in the last 12 months (aligned with the PIM framework and regulations) **(score: 50)** **(Total score for DLI 7 = 100)**	APA 2 will review and confirm the following: • Technical specifications (and business processes) of the county public investment dashboard approved • An online database providing updated and interactive data on county projects is publicly available • The online database generates citizen feedback reports from relevant project management committees and the public as well as county responses • Feasibility reports, climate change, and environmental and social screening reports for all major projects aligned with PIM framework/regulations • Minutes of project management committee meetings

Annex 3.1: DLI 1 Assessment checklist

Steps	Documentation (What Is Required)	Evidence
Exchequer registration	• Exchequer requisition checklist • Supporting documents • Exchequer requisition is registered in exchequer register	• Exchequer requisition checklists and supporting documents were reviewed by OCOB • The date the exchequer is received and stamped • Exchequer request is registered in the exchequer movement register including the date • List of documents submitted to OCOB at the beginning of the year and schedules accompanying the requisition form A
2. Fiscal analysis	• Forwarding letter by the fiscal analyst to approver 2 • Form B	• Forwarding letter by the fiscal analyst to approver 2 including the forwarding date • Form B prepared by the analyst
3. Review and recommendations	• Forwarding review and recommendation to COB or designate	• Approver 2 recommending processing of the exchequer including the date
4. Grant of credit	• Approved exchequer requisition • Form B	• Approval letter signed by COB or designate • Extract of updated request for exchequer ledger • Form B has been submitted and received by CBK (stamp with date) • Evidence that Form B has been collected by the county treasury staff
CENTRAL BANK OF KENYA (CBK)		
1. CBK receives form B	Form B from COB granting credit and forwarding letter	Acknowledgement of receipt form B (stamped with a date)
2. CBK receives Form C from counties	Form C from CECM Finance and forwarding letter	Acknowledgement of receipt Form C (stamped with a date)
3. Release of funds	Bank statement	Bank statement for confirmation

Annex 4: County Participation Agreement Template

Participation Agreement
Template

This is a template for the Participation Agreement to be signed by counties indicating their interest to join the Second Kenya Devolution Support Program and their readiness to abide by the provisions of the Program Operations Manual.

The county having signed a Participation Agreement is a minimum condition for accessing the County Institutional Strengthening Grant (Level 1 Grant).

REPUBLIC OF KENYA

PARTICIPATION AGREEMENT

ON THE SECOND KENYA DEVOLUTION SUPPORT PROGRAM (KDSP II)

BETWEEN

THE NATIONAL GOVERNMENT OF THE REPUBLIC OF KENYA

AND

COUNTY GOVERNMENT OF

…………………………………………………………………………………

[INSERT COUNTY SYMBOL]

This Participation Agreement (hereinafter referred to as "the Agreement") is made this… .... day of........................2024 between the National Government of the Republic of Kenya acting through the State Department for Devolution (SDD) (hereinafter referred to as "the National Government") on the one part, and the County Government of... (hereinafter referred to as "the

County Government") of the other part (the National Government and the County Government are hereinafter collectively referred to as "the Parties" and each "a Party").

INTRODUCTION

[A] **WHEREAS** the Government of the Republic of Kenya developed the Devolution Sector Plan (2024–2028) aimed at accelerating the achievement of the objects of devolution as defined in Article 174 of the Constitution, principal among them the social and economic transformation of communities; improved access by communities to decentralized services; measures to address diversity, marginalization, and exclusion; and ensuring of effective participation by communities in their own governance and socioeconomic development.

[B] **WHEREAS** the Cabinet of the Republic of Kenya duly approved the Devolution Sector Plan (2024–2028) in 2024 intended to enhance and further institutionalize the benefits of devolution that have been experienced in the last decade.

[C] **WHEREAS** the SDD focuses on the coordination of devolution affairs to fast-track the achievement of the objects of devolution and enhance the coordination of intergovernmental relations.

[D] **WHEREAS** Article 6 of the Constitution provides that the governments at the national and county levels are distinct and interdependent and shall conduct their mutual relations based on consultation and cooperation.

[E] **WHEREAS** Article 189 of the Constitution requires that Government at either level shall

(a) Perform its functions and exercise its powers in a manner that respects the functional and institutional integrity of government at the other level and respects the constitutional status and institutions of government at the other level and, in the case of county government, within the county level;

(b) Assist, support, and consult and, as appropriate, implement the legislation of the other level of government; and

(c) Liaise with the government at the other level for exchanging information, coordinating policies and administration, and enhancing capacity.

[F] **WHEREAS** the World Bank during the period 2016–2021 undertook the Kenya Devolution Support Program ("KDSP") whereby it partially supported the National Capacity-Building Framework (NCBF) by providing grants to eligible county governments, access to which was conditional on the performance of the counties, measured through the Annual Performance Assessment ("APA") and other details as per the requirements of KDSP.

[G] **WHEREAS** the SDD, through the support of the World Bank, wishes to undertake the Second Kenya Devolution Support Program ("KDSP II" or "Program") to build on the foundations of KDSP and support the implementation of the Devolution Sector Plan with the cooperation of the county governments.

WHEREAS by an agreement (Credit No. IDA-7447-KE) between the Republic of Kenya and the International Development Association (World Bank) (the "Financing Agreement") dated {month, date, year), the World Bank has agreed to extend to the Republic of Kenya, credits in the total sum of EUR 140,700,000 to finance activities under KDSP II for the period 2023–2027.

[M] **WHEREAS** the SDD undertakes to establish activities that support

(a) Enhancing financing and expenditure management by counties;

(b) National and County Governments initiatives toward strengthening intergovernmental coordination, institutional performance, and human resource management; and

(c) Improvements in oversight, participation, and accountability for county resources.

NOW PARTIES HEREUNTO enter into this Participation Agreement to define their roles and obligations to facilitate eligibility to KDSP II and make the following undertakings:

A. OBLIGATIONS OF THE NATIONAL GOVERNMENT

1. The National Government undertakes to develop

(a) Frameworks and guidelines for county revenue mobilization;

(b) Policies to support financing for service delivery units;

(c) Structures and tools to support counties' institutionalization of shared project management functions, that is, the county Single Project Management Unit;

(d) Policy and administrative procedures for the operationalization of intergovernmental, intercity, and inter-municipality forums;

(e) Guidelines including on county HR and skills audits, model organization structures for customization by counties, and performance management;

(f) A framework to support the management and administration of county finances;

(g) Guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets); and

(h) The rollout of the county PIM framework.

2. The National Government will also

(a) Provide support to the County Government for the establishment and operation of county institutional arrangements and for the initial preparation of county infrastructure investments through

i. Providing Institutional Strengthening Grants (Level 1) and the Service Delivery Investment Grants (Level 2) to the County Government and

ii. Specifying the minimum conditions for accessing the Level 1 and Level 2 Grants,

(b) Provide capacity building and technical assistance to counties for the achievement of Program results, and

(c) Ensure sound Program management and provide support as may be required for the proper implementation of KDSP II.

3. The Cabinet Secretary responsible for devolution (or his or her designate), on the advice of the Program Steering Committee, and in consultation with the World Bank, may suspend and/or terminate the right to the County Government to use or benefit from the Level 1 or Level 2 Grants upon failure by the County Government to comply with the Program requirements as captured in the Financing Agreement, Program Appraisal Document, and Program Operations Manual (POM)

B. OBLIGATIONS OF THE COUNTY GOVERNMENT

4. The County Government undertakes to

(a) Carry out its activities under the Program with due diligence and efficiency and in adherence to the KDSP II Financing Agreement, Program Appraisal Document, POM;

(b) Establish county Program implementation arrangements with composition, terms of reference, and resources as detailed in the Financing Agreements and the POM;

(c) Ensure adherence to the minimum conditions and performance standards of the Level 1 and Level 2 Grants;

(d) Use the funds within the eligible expenditure areas and maintain adequate records in accordance with sound accounting practices and KDSP II guidelines and properly code the revenues and expenditure of the Program resources;

(e) Report on the utilization of the Program funds to the National Government and ensure accountability for the use of funds to the SDD, the National Treasury, and the Office of the Auditor General (OAG);

(f) Ensure transparency and disclosure of the use of all county funds including publishing of budget and expenditure data. Counties will disclose the following documents on their county website on an annual basis:

i) Annual Development Plan

ii) County fiscal strategy paper

iii) Approved program-based budget

iv) County Finance Act

v) County budget review and outlook paper

vi) Quarterly budget implementation reports (Q1 to Q4);

(g) Disclose the County Integrated Development Plans on the county website;

(h) Ensure that the goods, works, and services financed from the proceeds of the Program shall be procured in accordance with the procurement procedures as provided by the laws of Republic of Kenya;

(i) Ensure that the SDD, World Bank, and Independent Verification Agent (IVA) performance assessment and OAG teams shall have the right to obtain all information as they shall reasonably request regarding the administration, operation, and financial management of the Program;

(j) Adhere with environmental and social management system and safeguard practices;

(k) Ensure proper compilation of complaints on issues of environmental and social safeguards, procurement, fraud, and corruption; and

(l) Submit any complaints or evidence of fraud involving Program expenditures to the Ethics and Anti-Corruption Commission.

C. DISPUTE RESOLUTION AND GOVERNING LAW

5. Any dispute between the Parties shall be resolved in accordance with Part IV of the Intergovernmental Relations Act.

6. This Agreement shall be governed and construed in accordance with the Laws of Kenya.

D. VALIDITY

7. This Agreement shall be valid from the date of the last signature by the Parties below to the end of the Program period as stated in the Financing Agreement, or such a later date as may be modified by the National Government and the World Bank.

8. This Agreement will become invalid in the event of cancellation of the Financing Agreement by the World Bank before the end of the Program.

9. This Agreement may be terminated by either Party through a three-month's written notice.

E. TERM

10. This Agreement shall be in force for the duration of the Program unless otherwise terminated by either Party by giving a written notice.

IN WITNESS WHEREOF the Parties hereto through their duly authorized representatives have caused this Agreement to be signed the day and year first herein before written.

FOR AND ON BEHALF OF THE COUNTY GOVERNMENT OF ……… OFFICIAL SEAL

NAME OF THE GOVERNOR: ……………………………………………………………

SIGNATURE: …..……………………………………………….……………

DATE: …………………………………..……………………………….

FOR AND ON BEHALF OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF KENYA

PRINCIPAL SECRETARY STATE DEPARTMENT FOR DEVOLUTION OFFICIAL STAMP

NAME OF PRINCIPAL SECRETARY: …………………………………………………………………….

SIGNATURE: …………………………………………………………………

DATE: ....

Annex 5: Terms of Reference: National-Level Implementation Bodies

A. Terms of Reference for the National Program Steering Committee (NPSC)

Background

The Government of Kenya (GoK) has received an International Development Association (IDA) Credit in the amount of EUR 140.7 million (US$150 million equivalent) from the World Bank Group (WBG) for implementing the second phase of Kenya Devolution Support Program (KDSP II) (NARIGP) (Credit Number IDA-7447-KE) over a four-year period, starting December 7, 2023.

To achieve the Program Development Objective (PDO), the Program is expected to significantly improve outcomes in the counties participating in the Program under each of the three key results areas (KRAs). The Program supports a series of key interventions (at the input and output levels) that contribute to intermediate outcomes, which in turn contribute to outcomes. The Program is structured around three KRAs to achieve the development objectives, as follows:

- **KRA 1: Sustainable Financing and Expenditure Management.** This KRA will support efforts toward enhancing financing to and expenditure management by counties. In this KRA, the national-level activities entail the development of frameworks and guidelines for county revenue mobilization, policy to support financing for service delivery units, and structures and tools to support counties' institutionalization of shared project management functions, that is, the county Single Project Management Unit (SPMU). The expected outcomes will include improved revenue mobilization agenda (for example, increased revenue collection, enhanced accuracy of fiscal forecasting, and expansion of revenue base), timely communication on releases of conditional grants, automation of the county exchequer requests, and implementation of pending bills action plans.
- **KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management.** KRA 2 will support the National Government and county governments initiatives toward strengthening intergovernmental coordination, institutional performance, and human resource management (HRM). The national-level activities financed through Investment Project Finance (IPF) will support the development of policy and administrative procedures for the operationalization of intergovernmental, intercity, and inter-municipality forums. The IPF will also support the development of guidelines including on county HR and skills audits, model organization structures for customization by counties, and performance management. Disbursement-Linked Indicators (DLIs) under this KRA will target counties implementing recommendations of HR, skills, and payroll audits; aligning county staffing with departmental functions in select sectors; and improving credibility of the payroll.
- **KRA 3: Oversight, Participation and Accountability**. KRA 3 will support improvements in oversight, participation, and accountability. The IPF component will support the development of guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets). It will also support the rollout of the county Public Investment Management (PIM) framework. The expected outcomes include the establishment of Program management committees, county compliance with the PIM framework, and the development and operationalization of a county investment dashboard with a citizen feedback interface (which is used to improve public investments). Additionally, it is expected that county assemblies will establish a fiscal bureau to strengthen the role of the legislatures in budget scrutiny and oversight

The implementation arrangements for KDSP II will reflect lessons learned under KDSP and will be consistent with the existing intergovernmental architecture to ensure more efficiency, better coordination, and ownership. At the national level, arrangements will include the following organs:

- The National Project Steering Committee (NPSC) is responsible for providing policy guidance and oversight for the Program.
- The Program Technical Committee (PTC) will be responsible for handling technical and operational issues and deliberating and preparing items for decision-making by the Project Steering Committee, reviewing the operation implementation progress and financial accountability reports, reviewing and verifying APA reports, identifying and addressing technical issues during implementation, and advising the PSC on strategic matters.
- the National Project Coordinating Unit (NPCU), which shall be responsible for the day-to-day operations, including procurement, financial management (FM), and monitoring and evaluation (M&E).

To support KDSP II operations on policy guidance and strategic decision-making, a top organ is needed. The NPSC is the top decision-making organ for the Program and is in charge of the policy setting and overall guidance on the delivery of the Program; overall supervision of the program; and support for the NPCU and the National Program Technical Committee (NPTC) in terms of the overall Program delivery. The committee will be chaired by the Principal Secretary, State Department for Devolution (SDD). The CoG will represent counties within the NPSC. Members have been strategically selected, and each agency has a cross-cutting mandate on the Program KRAs, relevant technical capacity for the program, experience with program for results (PforR) operations, and strong convening power to deliver on the Program results.

(a) Membership of the NPSC

The NPSC shall comprise the following members:

(i) Principal Secretary, SDD

(ii) Principal Secretary, National Treasury (NT)

(iii) Principal Secretary, State Department for Public Service

(iv) Principal Secretary, State Department for Delivery and Performance Management

(v) CEO, Council of County Governors (CoG)

(vi) CEO, Intergovernmental Relations Technical Committee (IGRTC)

(vii) CEO, Public Service Commission

(viii) The National Program Coordinator (NPC) (ex officio) - Secretary.

(b) Functions of the NPSC

(i) The NPSC will be constituted by the Principal Secretary, SDD through formal written invitations to members. The committee will stand constituted once at least half the members formally accept membership.

(ii) Provide overall policy guidance, oversight, and strategic direction including interagency coordination.

(iii) Approve the Program Operations Manual (POM) and Program annual work plans and budgets (AWPBs).

(iv) Endorse the Annual Performance Assessment (APA) results for the World Bank confirmation.

(v) Review the progress in the implementation of the Program, that is, achievement of DLIs in aggregate.

(vi) Review the status of delivery of the capacity-building program across counties by the implementing agencies and partners.

(vii) Endorse project semiannual and annual progress reports.

(viii) Review and approve any changes in KDSP II procedures governing implementation of the Program.

(ix) Review the status of the NPCU's M&E, communication, and outreach activities.

(x) Provide guidance on any other matter related to the Program that may be brought to the committee by the NPCU or any member for deliberations.

(xi) Engage in dispute and conflict resolution through arbitration or other alternative dispute resolution mechanisms.

(c) Meetings of the NPSC

(i) The meetings of the NPSC will be convened by the Principal Secretary, SDD giving at least 10 calendar days to the day of the meeting.

(ii) The agenda will be provided by the NPCU or any other member of the committee.

(iii) All documents to be considered by the committee, including minutes of the previous meeting, shall be circulated to members at least 5 calendar days before the day of the meeting.

(iv) The committee will be expected to meet at least twice each year.

(v) The deliberations of the committee will be minuted and shared with the World Bank TTLs within 21 days.

(vi) The quorum for meetings for the NPSC will be at least four members.

(vii) The decisions of the NPSC shall be by consensus.

(viii) To maintain institutional memory and continuity, members of the committee will, to the extent possible, personally participate in committee meetings or have only one alternate member from their respective institutions. Nominated alternate members shall be senior officers of at least Director level.

B. Terms of References for The National Program Technical Committee (NPTC)

Background

The GoK has received an International Development Association (IDA) Credit in the amount of EUR 140.7 million (US$150 million equivalent) from the WBG for implementing KDSP II (NARIGP) (Credit Number IDA-7447-KE) over a four-year period, starting December 7, 2023.

To achieve the PDO, the Program is expected to significantly improve outcomes in the counties participating in the Program under each of the three KRAs. The Program supports a series of key interventions (at the input and output levels) that contribute to intermediate outcomes, and which in turn contribute to outcomes. The Program is structured around three KRAs to achieve the development objectives, as follows:

- **KRA 1: Sustainable Financing and Expenditure Management.** This KRA will support efforts toward enhancing financing to and expenditure management by counties. In this KRA, the national-level activities entail the development of frameworks and guidelines for county revenue mobilization, policy to support financing for service delivery units, and structures and tools to support counties' institutionalization of shared project management functions, that is, the county SPMU. The expected outcomes will include improved revenue mobilization agenda (for example, increased revenue collection, enhanced accuracy of fiscal forecasting, and expansion of revenue base), timely communication on releases of conditional grants, automation of the county exchequer requests, and implementation of pending bills action plans.
- **KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management.** KRA 2 will support the National Government and county governments initiatives toward strengthening intergovernmental coordination, institutional performance, and HRM. The national-level activities financed through IPF will support the development of policy and administrative procedures for the operationalization of intergovernmental, intercity, and inter-municipality forums. The IPF will also support the development of guidelines including on county HR and skills audits, model organization structures for customization by counties, and performance management. DLIs under this KRA will target counties implementing recommendations of HR, skills, and payroll audits; aligning county staffing with departmental functions in select sectors; and improving credibility of the payroll.
- **KRA 3: Oversight, Participation and Accountability.** KRA 3 will support improvements in oversight, participation, and accountability. The IPF component will support the development of guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets). It will also support the rollout of the county PIM framework. The expected outcomes include the establishment of Program management committees, county compliance with the PIM framework, and the development and operationalization of a county investment dashboard with a citizen feedback interface (which is used to improve public investments). Additionally, it is expected that county assemblies will establish fiscal bureau to strengthen the role of the legislatures in budget scrutiny and oversight.

The implementation arrangements for KDSP II will reflect lessons learned under KDSP and will be consistent with the existing intergovernmental architecture to ensure more efficiency, better coordination, and ownership. At the national level, arrangements will include the following organs:

- The NPSC is responsible for providing policy guidance and oversight for the Program.
- The PTC will be responsible for handling technical and operational issues and deliberating and preparing items for decision-making by the Project Steering Committee, reviewing the operation implementation progress, reviewing and verifying APA reports, identifying and addressing technical issues during implementation, and advising the PSC on strategic matters.
- The NPCU, which shall be responsible for day-to-day operations, including procurement, FM, and M&E.

Specific Terms of Reference for the Committee

The National Program Technical Committee (NPTC) is the advisory and for some aspects the decision-making arm of the Program and is expected to provide technical guidance to the Program and technical decisions.

(a) Membership of the NPTC

Members of the NPTC shall be senior officers from at least the following MDAs:

(i) The SDD

(ii) The NT

(iii) The CoG

(iv) State Department for Public Service

(v) State Department for Performance Management and Service Delivery

(vi) The IGRTC

(vii) The Public Service Commission

(viii) The Office of the Controller of Budget (OCoB)

(ix) The Office of the Auditor General (OAG)

(x) The Salaries and Remuneration Board (SRC)

(xi) The Commission for Revenue Allocation (CRA).

(b) Functions of the NPTC

(i) Handle technical-specific issues.

(ii) Deliberate and prepare items for decision-making by the NPSC.

(iii) Review Program implementation progress reports.

(iv) Review and verify APA reports.

(v) Identify and address emerging technical issues and challenges in the implementation of the Program.

(vi) Advise the NPSC on strategic matters as requested, among other responsibilities.

(c) Meetings of the NPTC

(i) The committee will meet quarterly and any other time on a need basis.

(ii) The decisions of the committee will be by consensus, and on failure to reach consensus, it will escalate to the NPSC.

The NPCU will provide operational support to the committee and will be in charge of keeping the records and communicating the decisions of the committee.

Terms of Reference for National Technical Implementing Partner Teams (NTIPTs)

Within the NPTC, the NTIPTs will be formed to support the implementation of the Program KRAs. Agency representatives in the NTIPTs will be selected according to their technical capacity and institutional mandates and will be organized and coordinated into dedicated results teams for each KRA to drive collaboration and achieve holistic results. The partner teams will be chaired by the respective KRA managers and co-chaired by results team leads nominated by the respective NTIPTs. The composition of the NTIPTs is flexible, and additional agencies may be co-opted into the Program as the need arises.

The NTIPTs will perform the following functions:

(a) Design the specifications and technical aspects of the Program activities related to their inputs to the Program.

(b) Participate in evaluation and contract negotiations.

(c) Ensure environmental and safeguards management in their implementation of the Program.

(d) Develop the work plans and Procurement Plans (PPs).

(e) Participate in contract supervision of contracts including accepting deliverables from the consultants.

(f) Provide technical input to county work plans.

(g) Provide technical assistance (TA) to the counties.

(h) Provide progress update reports to the NPCU and IVA.

(i) Meet on a regular basis to discuss operational matters with the NPCU for efficient implementation post effectiveness.

(j) Provide technical focal points/champions for the Program.

(k) Provide links between the NPCU and the line ministries, departments, and agencies (MDAs).

C. Terms of Reference for the National Program Coordination Unit (NPCU)

Background

The GoK has received an IDA Credit in the amount of EUR 140.7 million (US$150 million equivalent) from the WBG for implementing KDSP II (NARIGP) (Credit Number IDA-7447-KE) over a four-year period, starting December 7, 2023.

To achieve the PDO, the Program is expected to significantly improve outcomes in the counties participating in the Program under each of the three KRAs. The Program supports a series of key interventions (at the input and output levels) that contribute to intermediate outcomes, which in turn contribute to outcomes. The Program is structured around three KRAs to achieve the development objectives, as follows:

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- **KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management.** KRA 2 will support the National Government and county governments initiatives toward strengthening intergovernmental coordination, institutional performance, and HRM. The national-level activities financed through IPF will support the development of policy and administrative procedures for the operationalization of intergovernmental, intercity, and inter-municipality forums. The IPF will also support the development of guidelines including on county HR and skills audits, model organization structures for customization by counties, and performance management. DLIs under this KRA will target counties implementing recommendations of HR, skills, and payroll audits; aligning county staffing with departmental functions in select sectors; and improving credibility of the payroll.
- **KRA 3: Oversight, Participation and Accountability**. KRA 3 will support improvements in oversight, participation, and accountability. The IPF component will support the development of guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets). It will also support the rollout of the county PIM framework. The expected outcomes include the establishment of Program management committees, county compliance with the PIM framework, and the development and operationalization of a county investment dashboard with a citizen feedback interface (which is used to improve public investments). Additionally, it is expected that county assemblies will establish a fiscal bureau to strengthen the role of the legislatures in budget scrutiny and oversight.

To coordinate KDSP II, an NPCU will be established under the SDD. It will be an important element in the institutional arrangement for the Program and will be supporting the SDD in the overall coordination of the implementation of the Program activities. It will report to the Principal Secretary, SDD, and will be guided by the NPSC and the NPTC.

Responsibilities of NPCU

KDSP II will have an NPCU established under the SDD, with its main role being the day-to-day coordination and management of the Program activities. The NPCU will additionally support the NPSC and bring to its attention policy and oversight matters for decision-making. The NPCU will comprise at the minimum an NPC, FM specialist, procurement specialist, M&E specialist, environmental specialist, social specialist, occupational health and safety specialist, communications and knowledge management specialist, and GBV expert. Other additional expertise required will be defined in the POM. The NPCU will also be supported in technical areas, for example, civil works from relevant MDAs.

The specific roles of the NPCU will include

(a) The overall and day-to-day management of the project, ensuring timely implementation of project activities. The NPCU will provide monthly written briefings to the NPSC and will provide additional briefings, as requested by the Principal Secretary. The staff of the NPCU (including long- and short-term consultants) will report to the NPC for all matters related to the project;

(b) Capacity development of the County Program Coordination Units (CPCUs);

(c) Processing of funds to counties as per the approved project guidelines;

(d) Coordination with the SDD on acquiring of adequate office space, facilities, and other resources to ensure the efficient operation of the NPCU and fulfilment of responsibilities;

(e) Development and oversight of the implementation of standardized administrative and operating procedures for the NPCU including, but not limited to, record-keeping and filing systems - with necessary support staff, reporting formats for financial transactions under the project (loan and counterpart fund accounts) - with the project accountant, procurement and contract tracking system - with the Procurement officer, and so on;

(f) According to World Bank Guidelines, provision of assistance as needed to NTIPTs in defining technical specifications and negotiation of contracts with service providers and other entities related to the Program;

(g) Preparation of reporting formats for M&E reports from NTIPTs and counties, and consolidation of progress reports from the National Government and county governments;

(h) Monitoring of the status of the Program activities (through the preparation and updating of implementation plans and schedules, operations manuals, disbursement projections, and so on), including preparation and transmission of comprehensive progress reports as required under the conditions of the Loan Agreement, and any other reporting requirements under the Program;

(i) Preparation and submission of periodic reports as required to the World Bank and the SDD; and

(j) Any other appropriate tasks determined by the World Bank, the NPSC, or the SDD.

The NPCU will be fully constituted within the first three months after the signing of the Financing Agreement (FA). The main mechanism for filling positions of the NPCU will be competitive secondment of staff based on terms of reference (ToR) agreed between the Government and the World Bank. For positions requiring technical expertise from other ministries, the SDD will coordinate with the relevant ministries and government agencies to competitively nominate staff to be seconded to the NPCU. Recruitment of NPCU staff (on a consultancy) from the market will be done only where internal capacity is inadequate. The NPCU will serve as the secretariat to both the NPSC and the PTC.

D. Terms of Reference for the National Program Coordinator

Reporting to the Principal Secretary, SDD or a senior official designated by the Principal Secretary on his/her behalf, the NPC will be the head of the NPCU and shall be responsible for the overall coordination and management of the KDSP II activities, including provision of strategic guidance on the day-to-day implementation of activities in accordance with the World Bank's guidelines stipulated in the FA and the GoK's fiduciary requirements. She/he will be the Secretary to the NPSC.

Responsibilities

- Provide effective leadership to the NPCU.
- Coordinate and facilitate the preparation and signing of Participation Agreements between the SDD and Governors of all participating counties and subsequent implementation of KDSP II in the respective counties in line with the Participation Agreements.
- Coordinate and facilitate the TA and capacity-building program to be delivered by the NTIPTs to counties for the achievement of relevant DLIs and implement the PAP.
- Act as a liaison between the World Bank TTLs and the SDD and facilitate communication with all the program implementing agencies and CPCUs.
- Lead the preparation of the National Program AWPBs and coordinate notification to counties for the preparation and submission of annual county work plans and other relevant documentation including progress reports.
- Lead the preparation of the annual PP by the NTIPTs.
- Ensure the effective utilization of the Program funds and other resources according to the FA, PAD, AWPB, and PP. This will include supervision of staff of the NPCU.
- Ensure that progress, audit, and other reports are produced and submitted to the appropriate parties on time.
- Ensure compliance of the Program with all GoK and World Bank guidelines including fiduciary (procurement and FM), environmental, and social safeguards.
- Ensure the timely dissemination of the Program experience and results to relevant stakeholders.
- Ensure adequate coordination, synergies, and networking with all NTIPTs. This will also include synergy with the relevant MDAs, nongovernmental organizations (NGOs), development partners, and other relevant stakeholders as well as other World Bank-funded projects.
- Ensure that an effective communication channel with all participating counties is established.
- Represent the Program at relevant functions and meetings.
- Act as Secretary to the NPSC.
- Implement the decisions of the NPSC and the NPTC.

- Undertake Program completion and finance closing activities when due.
- Perform any other duties relevant to the Program as may be assigned by the Principal Secretary or her/his designated representative.

Qualifications and Experience

This is a senior management position that requires a mature person with excellent leadership and interpersonal skills, capable of leading an interdisciplinary team of professionals and interacting at senior levels of the National Government and county governments and other stakeholder institutions. The right candidate will have the following qualifications:

- Master's degree or higher in public policy/administration, business administration, project management, education, communication, leadership, governance, or other relevant fields
- At least seven years' experience working on devolution in Kenya with
  - Demonstrated ability in working with the National Government and county government institutions and collaborating with international organizations
  - Experience with working on donor-funded projects (preferably the World Bank)
  - Knowledge of the World Bank project cycle, the World Bank Financial and Procurement Management guidelines, the World Bank Environmental and Social Safeguards, and their related reporting procedures which will be an added advantage
- Good understanding of devolved sector policies, strategies, and regulatory framework
- Ready for flexible working hours and extensive workload as well as frequent domestic travel to support the CPIUs embedded in the county governments
- Strong computer and communications skills (oral, written, and presentation) with proficient working knowledge of MS Office, MS Project, and other relevant software for technical analysis and reporting
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and level of stakeholders (Government, NGOs, and research institutions)
- Fluency in written and oral English and Kiswahili.

E. Terms of Reference for the Key Result Areas Managers

Reporting to the NPC, the KRA managers (three) will be responsible for the operational and technical coordination of the activities and results for each of the three Program KRAs.

Responsibilities

- Provide effective leadership and guidance to the Program staff, NTIPTs, and other partners involved in the implementation of activities related to their respective KRA.
- Take a lead in the planning and preparation of AWPBs for activities under their KRA, at both the county and national levels.
- In collaboration with the NPC, oversee the coordination and delivery of capacity-building activities under their respective KRA including providing technical inputs.

- Co-chair the NTIPTs for their respective KRAs and convene and contribute to technical discussions on the design and implementation of activities under the KRA.
- Monitor the progress of activities under their KRA and ensure that they are on track.
- Ensure adequate synergies between activities under their KRA and activities in the rest of the Program.
- Monitor the development of innovative model, solutions, and policy lessons under their respective KRA and, in collaboration with the communication officer and the planning, monitoring, and evaluation coordinator, ensure that related knowledge management is appropriately captured in the Program Learning System.
- Contribute to the preparation of periodic progress reports.
- Support the NPC in the overall management and coordination of the Program.
- Undertake any other duties assigned by the NPC.

Qualifications and Experience

This is a senior management position that requires a mature person with excellent leadership and interpersonal skills, capable of leading an interdisciplinary team of professionals and interact at the senior levels of the National Government and county governments and other stakeholder institutions. The right candidate will have the following qualifications:

- Bachelor's degree or its equivalent in public policy/administration, business administration, finance, accounts, project management, education, communication, leadership, governance, or other relevant fields from a recognized institution
- At least five years' experience working on devolution in Kenya with
  - Demonstrated ability in working with the National Government and county government institutions and collaborating with international organizations
  - Experience with working on donor-funded projects (preferably the World Bank)
  - Knowledge of the World Bank project cycle, the World Bank Financial and Procurement Management guidelines, the World Bank Environmental and Social Safeguards, and their related reporting procedures which will be an added advantage.
- Good understanding of devolved sector policies, strategies, and regulatory framework
- Ready for flexible working hours and extensive workload as well as frequent domestic travel to support the CPIUs embedded in the county governments
- Strong computer and communications skills (oral, written, and presentation) with proficient working knowledge of MS Office, MS Project, and other relevant software for technical analysis and reporting
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and level of stakeholders (Government, NGOs, and research institutions)
- Fluency in written and oral English and Kiswahili.

F. Terms of Reference for the Program Financial Management Specialist

Reporting to the NPC, the Program FM specialist will be responsible for managing the Program finances in accordance with the requirements of the FA and related documents (POM, Procurement and Financial Management Manual, Disbursement Letter, and so on) including verifying the availability of funds against approved AWPBs and all expenditure requests before payments are made. She/he provides leadership on financial issues to the NPCU, to which she/he is a member, and the NPSC.

Responsibilities

The roles and responsibilities of the FM specialist include but are not limited to the following:

- Develop and put into operation a Program FM system.
- Process accurately and promptly all financial and accounting transactions including Program payments for planned activities, operating expenses, travel, consultant/vendor payments, and other office running expenses that are related to the Program.
- Prepare timely periodic statement of expenditure (SOE) reports and fund replenishment (withdrawal application) requests, carefully checking and inspecting all supporting documents.
- Prepare, implement, and review the funding of budgeted and actual annual cash flows and ensure adequate follow-up on matters needing clarification.
- In collaboration with the counties' Program accountants/FM specialists and relevant MDAs' Program implementing teams, prepare quarterly and annual financial reports in agreed formats in line with the Procurement and Financial Management Manual.
- Maintain accounts reconciled at any given point in the Program period and avail them including supporting documentation for auditing.
- Support the NPCU and CPCUs in the facilitation of external financial audits, for example, the World Bank, the OAG, and the Internal Audit Department.
- Oversee the proper maintenance of the Program finance and accounting system in accordance with the PFM Act and regulations and procedures of the World Bank and the NT.
- Contribute to the planning and preparation of AWPBs as well as monitoring of the budgeted expenses.
- Ensure that Program annual work plans are budgeted and included in the SDD overall budget before submission to the NT.
- Ensure government internal control procedures are adhered to.
- Support county Program accountants/FM specialists in all the participating counties on FM reporting to the NPCU.
- Provide advice to the NPSC and the NPTC on the Program FM, accounting, and administration matters.
- Perform other duties as may be assigned by the NPC.

Qualifications and Experience

This is a senior position requiring a strong FM professional of unquestionable integrity. The right candidate will be a team player with the following qualifications:

- Bachelor's degree or higher in accounting, finance, business administration, economics, or related field from a recognized university plus professional accounting qualification (CPA-K)
- Seven years' working experience in accounting and finance
- Familiarity with FM/accounting in a government ministry/department and donor-funded projects, as well as familiarity with the World Bank Accounting Guidelines which will be an added advantage
- Knowledge of computerized accounting systems such as TOMPRO, PASTEL, and SUN
- Good working knowledge of accounting, financial control, banking, procurement, and personnel policies and procedures
- Strong computer and communications skills (oral, written, and presentation) with proficient working knowledge of MS Office, MS Project, and accounting and other relevant software for technical analysis and reporting
- High level of personal and professional integrity with strong analytical skills and ability to function well in a multicultural and interdisciplinary environment
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and level of stakeholders (Government, private sector, NGOs, and community organizations)
- Ready for flexible working hours and extensive workload as well as frequent domestic travel to support the CPIUs embedded in the county governments
- Fluency in written and oral English and Kiswahili.

G. Terms of Reference for the Program Procurement Specialist

Reporting to the NPC the procurement specialist will be responsible for overseeing the preparation and execution of the project PPs to effectively support the Program operations, ensuring strict adherence to the GoK and World Bank procurement guidelines.

Responsibilities

- Finalization of the PPSD and subsequent training of other procurement staff and NTIPTs on World Bank procurement guidelines and their role in fast-tracking procurement under the Program
- Coordination of procurement of Program goods and services at the national level
- Ensuring of proper use and conservation of program assets
- Preparation of annual PPs in collaboration with the NTIPTs and through the NPC submitting the same for approval by the NPSC and the World Bank along with the AWPB
- Ensuring of the preparation and advertisement of ToR and tender and contract documents for specific procurements according to the approved PP as well as the GoK and World Bank guidelines

- Participation in relevant tender committee meetings by the respective NTIPTs and assisting with the preparation of committee reports
- Review and advise on tender evaluation reports prepared by the NTIPTs and making necessary follow-ups
- Maintaining of high-quality procurement files and contract registers for review by supervision missions and auditors
- Preparation of regular procurement progress reports
- Any other duties assigned by the NPC.

Qualifications and Experience

- Bachelor's degree in commerce, economics, supply chain management, purchasing and supplies management, public administration, law, accounting, or any other related field from a recognized university plus professional qualification in procurement/supplies management, with a postgraduate qualification which will be an added advantage
- Six years' experience with procurement of goods and services for the GoK. Experience with donor-funded projects is an added advantage
- Experience in preparing tender and contract documents for national and international competitive bidding which will be an added advantage
- Comprehensive knowledge of Public Procurement Laws and Regulations, as well as procurement guidelines of the World Bank or other donors
- Strong computer and communications skills (oral, written, and presentation)
- Fluency in English and Kiswahili.

H. Terms of Reference for the Program Accountant

Reporting to the NPC, the Program Accountant will be responsible for managing project finances in accordance with the requirements of the FA and related documents (Program Implementation Manual, Procurement and Financial Management Manual, and so on) including verifying the availability of funds against approved AWPBs and all expenditure requests before payments are made.

Responsibilities

- Process accurately and promptly all accounting transactions including Program payments for planned activities, operating expenses, travel, consultant/vendor payments, and other office running expenses.
- Prepare timely periodic SOE reports and fund replenishment (withdrawal application) requests, carefully checking and inspecting all supporting documents.
- Prepare, implement, and review the funding of budgeted and actual annual cash flows and ensure adequate follow-up on matters needing clarification.

- In collaboration with the counties' project accountants and implementing project teams, prepare quarterly and annual financial reports in agreed formats in line with the Financial Management Manual.
- Maintain accounts reconciled at any given point in the Program period and avail them including supporting documentation for auditing.
- Support the NPCU and CPCUs in the facilitation of external financial audits, for example, the World Bank, the OAG, or the IVA.
- In consultation with the Program FM specialist, the head of the accounting unit at the SDD, and the NPC, oversee the proper maintenance of the project finance and accounting system in accordance with the PFM and financial regulations and procedures of the World Bank and the NT.
- Contribute to the planning and preparation of AWPBs as well as monitoring of the budgeted expenses.
- Ensure that Program annual work plans are budgeted and included in the SDD overall budget before submission to the NT.
- Ensure government internal control procedures are adhered to.
- Support county project accountants in all the participating counties.
- Provide advice to the Program management on accounting and administration matters.
- Perform other duties as may be assigned by the NPC.

Qualifications and Experience

This is a senior management position requiring a strong FM professional of unquestionable integrity. The right candidate will be a team player with the following qualifications:

- Bachelor's degree or higher in accounting, finance, business administration, economics, or related field from a recognized university plus professional accounting qualification (CPA-K)
- 7 years' working experience in accounting and finance, with experience in a senior management position being an added advantage
- Familiarity with FM/accounting in a government ministry/department and donor-funded projects, as well as familiarity with the World Bank accounting guidelines which will be an added advantage
- Knowledge of computerized accounting systems such as TOMPRO, PASTEL, and SUN
- Good working knowledge of accounting, financial control, banking, procurement, and personnel policies and procedures
- Strong computer and communications skills (oral, written, and presentation) with proficient working knowledge of MS Office, MS Project, and accounting and other relevant software for technical analysis and reporting
- High level of personal and professional integrity with strong analytical skills and ability to function well in a multicultural and interdisciplinary environment
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and level of stakeholders (Government, private sector, NGOs, and community organizations)

- Ready for flexible working hours and extensive workload as well as frequent domestic travel to support the CPCUs embedded in the county governments
- Fluency in written and oral English and Kiswahili.

I. Terms of Reference for the Program Devolution and Intergovernmental Relations Specialist

Reporting to the NPC, the devolution and intergovernmental relations specialist shall be responsible for, within KDSP II, the overall management of intergovernmental relations. This includes strengthening of institutions, structures, and processes related to intergovernmental relations affairs toward their operationalizing for more efficient coordination of institutional mandates and functions, for effective service delivery.

Responsibilities

- Design and coordination of implementation on intergovernmental and intra-governmental relations building initiatives for the benefit of the IGRTC, CoG, the Senate, independent commissions, and national and county governments institutions
- Technical support toward development of technical papers and synthesis reports for the annual summit and monitoring of implementation of summit resolutions
- TA toward development of frameworks, guidelines, and mechanisms to strengthen vertical and horizontal intergovernmental relations, including the following:
  - Development of a framework for intra-governmental relations between county executives and assemblies
  - Support with the development and implementation of a framework for monitoring and implementation of intergovernmental resolutions
  - Support with the development of a framework for monitoring the implementation of intercounty agreements and projects
  - TA with the development of frameworks and operationalization of intergovernmental sectoral, intercity, and inter-municipality forums
- TA with the review of devolution and intergovernmental legal frameworks
- Technical support for the DSWG
  - Development and operationalization of the DSWG
  - Development of a Mutual Accountability Framework to govern the management of development partners and support the devolution sector
- Provision of legislative and policy advice on the establishment of regional economic blocs
- TA with coordination and oversight of intergovernmental fiscal relations and ensuring of harmony in PFM
- Support with the preparation of the Framework for Administration of Conditional Grants and the CGAAB.

Qualifications and Experience

This is a senior management position that requires professional qualifications in the fields of devolution, intergovernmental relations, and public policy. Additionally, the position requires seasoned leadership skills, strong communication and interpersonal skills, and the ability to engage with high-level government officials and development partners.

The right candidate will have the following qualifications:

- Master's degree or higher in any of the fields in public policy, public administration, social studies, governance, or another relevant field.
- At least 7 years of relevant experience working on devolution in Kenya or working in a context of devolved system of government
- Over 7 years of experience in policy development and implementation
- Good understanding of devolved sector policies, strategies, and regulatory framework
- Specific experience working for or with intergovernmental relations institutions in Kenya
- Demonstrated ability in working with the National Government and county government institutions and collaborating with international organizations
- Demonstrated ability in research and analysis to conduct information gathering and operational research and synthesize evidence from the data
- Demonstrated ability of managing policy reforms and advocacy
- Experience working with or for development partners on donor-funded projects (preferably the World Bank)
- Strong leadership capabilities and a demonstrated record of successful leadership of multidisciplinary teams
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and level of stakeholders (Government, NGOs, and research institutions)
- Strong computer and communications skills (oral, written, and presentation) with proficient working knowledge of MS Office, MS Project, and other relevant software for technical analysis and reporting
- Fluency in written and oral English and Kiswahili.

J. Terms of Reference for the Program Lead Monitoring and Evaluation Specialist

Reporting to the NPC, the Program M&E lead will coordinate the establishment and operation of an integrated Program Learning System for KDSP II; will be in charge of ensuring learning and adaptation for continuous improvement of performance, innovation and experimentation, and information management; and will provide feedback and advice to the NPC on the effectiveness of Program implementation and the steps needed to achieve anticipated Program outputs and outcomes.

Responsibilities

- Oversee the development and implementation of the KDSP II planning, monitoring, and evaluation system. This will include taking a lead in the preparation of the Program M&E Manual and subsequent training of the NPCU and CPIU staff and other key stakeholders on its implementation.
- Take a lead in the planning and preparation of the AWPBs for the Program, ensuring bottom-up planning by participating counties and national implementing partner teams before consolidation into an overall AWPB for the project.
- Coordinate inclusion of KDSP II AWPB into the SDD annual budget at the national level.
- Monitor the status and progress of Program implementation at the national and county levels and take a lead in the timely preparation of quarterly and annual progress reports, appropriately consolidated from individual reports prepared by participating counties and agencies.
- Support advocacy efforts through providing evidence of project impacts gathered through the M&E system.
- Organize and facilitate M&E supervision missions.
- Coordinate the development and implementation of M&E capacity-building programs for the NPCU staff, the counties, and implementing agencies, including coaching and mentoring M&E officers in the CPIUs in the areas of planning, monitoring, and evaluation.
- Coordinate surveys and case studies to establish baseline and assess achievements and outcomes of KDSP II activities, including baseline, midterm, and completion surveys.
- Foster partnerships for broader knowledge sharing and learning.
- Provide advice to the NPSC and the NPTC on Program planning and M&E matters.
- Perform other duties as may be assigned by the NPC.

Qualifications and Experience

This is a senior management position requiring a person with strong analytical skills and commitment to results-based planning and management of projects. The right candidate will be a team player with the following qualifications:

- Master’s degree in project M&E, planning, economics, public administration, statistics, communications, or other relevant field from a recognized university, plus specialized training in M&E
- Eight years of hands-on experience in planning, monitoring, and evaluation of development programs, three of which should be at senior management, facilitating learning processes, with experience working with World Bank-funded projects which will be an added advantage
- Proficiency in the use of databases, modern ICT in development, and other computer applications
- Demonstrated skills in quantitative and qualitative analysis and data management

- Demonstrated experience in designing and implementing successful communication and knowledge management strategies for sustainable development or in planning and implementing strategies at the management level
- Ability to write reports, articles, and/or pamphlets depicting project interventions and results
- Strong computer and communications skills (oral, written, and presentation)
- Ready for flexible working hours and extensive workload as well as frequent domestic travel to support the CPIUs embedded in the county governments
- Fluency in written and oral English and Kiswahili.

K. Terms of Reference for the Program Monitoring and Evaluation Officer

Reporting to the NPC, the Program M&E officer will support the M&E lead to effectively develop and implement the KDSP II planning, monitoring, and evaluation system.

Responsibilities

- Coordinate the capacity building of technical staff on the application of the Program M&E system.
- Develop and run an M&E system and associated MIS for managing data and information for overall monitoring and for the collection and analysis of data on project achievements and impact, in line with the Program results framework and stakeholders' information needs.
- Organize and supervise baseline, impact, and other surveys set out in the Program M&E framework.
- Coordinate the preparation and monitoring of the implementation of the AWPB.
- Ensure that all participating counties and national technical partner implementation teams keep records on their activities and feed this information into the Program Learning System.
- Develop a simple reporting system for the monitoring of Program activities and prepare regular reports on implementation progress, performance, and impact of operations in line with the Program M&E Manual.
- Provide technical backstopping to implementing agencies (counties and national technical partner implementation teams) in preparation of their AWPBs and for compliance with reporting requirements.
- Undertake any other duties assigned by the NPC.

Qualifications and Experience

- Bachelor's degree in statistics, economics, planning, or a related field from a recognized university plus specialized training in M&E, with a post graduate diploma/certificate in MIS/M&E which will be an added advantage
- Five years' relevant working experience, at least three of which must be in M&E of the GoK or donor-funded projects
- Ability to use advanced computer packages for quantitative and qualitative analysis and database management

- Good knowledge and experience on the project cycle-related activities and developments in devolved governance in Kenya
- Strong computer and communications skills (oral, written, and presentation)
- Fluency in English and Kiswahili.

L. Terms of Reference for the Program Officer

Reporting to the Program Coordinator, the Program Officer will provide overall technical support for the planning, implementation, and monitoring of the Program activities.

Responsibilities

- Support in the preparation of AWPBs including providing technical inputs to the same.
- Draft, edit, and review relevant Program documents including manuals and other technical outputs.
- Prepare technical inputs for Program reports and support the coordination and development of Program reports.
- Support KRA managers in the coordination of TA and capacity-building activities provided by the NTIPTs.
- In coordination with KRA managers, support in the development of ToR for relevant Program consultancies and in the supervision of consultants.
- Manage day-to-day activities to ensure effective implementation of the Program and that Program milestones and deadlines are met including tracking timelines and action points and ensuring knowledge and document management.
- Conduct technical research on Program result areas, where necessary.
- Support the Program Coordinator in ensuring compliance of the Program to all laid down GoK and World Bank guidelines including fiduciary (procurement and FM), and environmental and social safeguards.
- Support the Program Coordinator in stakeholder communication and engagement including with the World Bank TTLs and other Program partners.

Qualifications and Experience

- Bachelor’s degree in law, economics, international relations, or any other relevant field
- Five years of professional experience, with at least two years of experience working on devolved sector projects in Kenya
- Familiarity with World Bank Program financial instruments implementation processes and guidelines
- Strong computer and communications skills (oral, written, and presentation) with proficient working knowledge of MS Office

- High level of personal and professional integrity with strong analytical skills and ability to function well in a multicultural and interdisciplinary environment
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and level of stakeholders (Government, private sector, NGOs, and community organizations)
- Fluency in written and oral English and Kiswahili.

M. Terms of Reference for the Program Communications Specialist

Reporting to the NPC, the Program communications specialist will be responsible for the planning and execution of the Program communications strategy for maintaining healthy internal and external relations.

Responsibilities

- Take lead in the preparation of Program communications strategy and subsequent awareness creation among Program staff, counties, communities, and other partner institutions for adherence.
- Take lead in the preparation of information, education, and communication materials, including branding and awareness/sensitization materials.
- Support and maintain internal and external communications with project collaborators, implementing agencies, and service providers.
- Provide quality control and assurance of Program reports and other materials communicating Program operations, guidelines, and progress.
- Assist in coordinating communication activities and events of the Program and partners.
- Assist in conducting awareness-raising campaigns, events, and information dissemination workshops for target groups, including the project launch at the national and county levels.
- Participate in donor visits for showcasing the Program progress and achievements.
- Oversee the design and editorial content of the Program website and intranet, ensuring that content is regularly updated and promoted and that the websites remain relevant in consultation with the M&E and ICT officers.
- Provide support and training in communication for KDSP II staff at the national and county levels.
- Draft press releases, statements, and news summaries and ensure print and electronic media coverage for the Program events and regular or ad hoc briefings, public information events, and press conferences.
- Ensure documentation and dissemination of the Program success stories.
- Maintain the project in-house information resource center (library) of relevant project documents/publications, including any externally acquired documents/materials.
- Monitor national, regional, and international media and regularly update NPC of any media coverage relevant to KDSP II work.
- Perform any other duties as may be assigned from time to time by the NPC.

Qualification and Experience

- Bachelor's degree in public relations, communication, media, journalism, or other related field from a recognized university, with tertiary professional qualification in journalism which will be an added advantage
- At least five years of professional experience in a similar position
- Experience in copywriting and proofreading within a public relations, journalism, or communications role
- Demonstrated work experience in media relations and a track record in securing media coverage
- Good mastery of English and Swahili (both verbal and written).

N. Terms of Reference for the Program Social Safeguards Specialist

Reporting to the NPC, the Program social safeguards specialist provides expertise to the NPCU and the CPIUs to ensure that all KDSP II activities are implemented in accordance with country systems and the ESF laid out for the Program.

Responsibilities

- Ensure quality and timely implementation of KDSP II Program safeguard plans, and ensure compliance to environmental and social safeguards standards at all times.
- Implement a safeguards management system/approach including reviewing and updating screening checklists, proposal formats, and reporting systems in relation to safeguards where necessary to improve the project implementation process in consultation with the relevant stakeholders.
- Lead responsibility for the identification of potential social risks and impacts of the proposed KDSP II and recommend measures for avoiding, reducing, mitigating, compensating, or offsetting the potential risks and impacts. The specialist will work closely with the environment specialist and review E&S documents submitted by the county governments to look out for the depth of coverage of social risks and impacts in the documents and the World Bank's social policies (OP 4.10 and OP 4.12), as well as directives and guidance notes on social inclusion, GBV, and labor influx.
- Work closely with the environmental safeguards specialist to ensure that counties have in place effective and fit-for-purpose E&S management systems and fully integrate ESHS risk assessment, management, and mitigation measures into the technical preparation of KDSP II activities and projects in line with relevant Kenyan laws and regulations and World Bank's ESF.
- The specialist will work closely with the environment specialist and review E&S documents submitted by the county governments to look out for the depth of coverage of social risks and impacts in the documents and the country systems and the World Bank's ESF.
- Supervise and monitor safeguards supervision and monitoring at KDSP II operational sites. Provide oversight and support in terms of monitoring the implementation of the social safeguards instruments at KDSP II operational sites during the pre-construction and construction phases, ensuring that adequate documentation is maintained by the NPCU and the counties.

- Ensure quality and timely follow-up and resolution of safeguard incidents.
- Develop the project's strategy and process for community consultations and community mobilization, ensuring inclusion and transparency and that elite capture is mitigated.
- Ensure that all benefiting counties set up a functional and social risk management system that is appropriate per individual county, bearing in mind that counties have different structures, departments, resources, and HR.
- Support the counties in the development of Stakeholder Engagement Plan for the Program that is adequately financed. The county-specific Stakeholder Engagement Plans will include all the vulnerable groups as well as the VMGs.
- As guided by the ESSA and ESS 5, support the county in developing systems and procedures for the development of RAPs to manage the risks and impacts associated with land acquisition and resettlement.
- Ensure that the NPCU and counties prepare the social aspects of the ESHS documents in accordance with the requirements of the Environment, Management and Coordination Act, the Environment and Social Systems Assessment, the World Bank's Program-for-Results Guidance, and the ESSA.
- Ensure that all county governments working under the Program meet the requirements of the ESSA and the World Bank ESS.
- Ensure that all the VMGs are mapped and consulted on and that free, prior, and informed consent is achieved as guided by the ESSA.
- Provide ongoing technical support to all the county social specialists
- Ensure that the costs of social risk management are adequately accounted for in the bidding process and incorporated in the proposal evaluation. This will include the social staff in the contractors (that will include community liaison officers, labor officers, and grievance redress officer), cost for community consultations (this will include stakeholder mapping process along with mapping of VMGs, cost of hiring meeting venues, and transport allowance), and the cost of the GRM (including cost of transport reimbursement).
- Provide adequate information to contractors so as to enable them to submit proposals that consider social aspects, taking care to ensure that social risks whose management are the responsibility of the contractors, such as stakeholder engagement; functioning GRM; and GBV factors, especially SEA, SH, and labor influx risks, are considered and valued.
- Prepare and submit quarterly and annual reports on E&S safeguards to the NPC in consultation with the implementing partners.
- Undertake any other duties assigned by the NPC.

Qualifications and Experience

- Master's degree in relevant social sciences field from a recognized university
- At least seven years' working experience in social safeguards management, with at least three at a senior position

- Good understanding of E&S safeguards guidelines of the GoK and the World Bank, having demonstrated experience in successfully preparing ESIAs, ESMPs, and RAPs, with working experience in E&S safeguards of the World Bank-funded projects which will be an added advantage
- Working knowledge of Kenyan social, land, and resettlement laws and regulations and World Bank ESF and ESS
- Experience in development and implementation of VMGs plans.
- Experience with designing and delivering capacity-building programs on gender and social safeguards
- Familiarity with social, gender, and economic conditions prevailing in Kenya
- Excellent analytical and administrative skills as well as solid writing and communication abilities
- Demonstrated interpersonal skills and ability to work in a team environment
- Fluency in English and Kiswahili.

O. Terms of Reference for the Program Environmental Safeguards Specialist

Reporting to the NPC, the Program environmental safeguards specialist supports and provides expertise to the NPCU and the CPIUs to ensure that the Program is properly prepared and implemented in accordance with the applicable national laws on environmental aspects and the World Bank Principles on PforR.

Responsibilities

- Work closely with the social safeguards specialist in providing oversight on the compliance with applicable national environmental, health, and safety laws and World Bank principles. The specialist will oversee operationalization of the PAP as provided in the ESSA prepared for the Program.
- Work closely with the social safeguards specialist to ensure that counties have in place effective and fit-for-purpose E&S management systems and fully integrate E&S risk assessment, management, and mitigation measures into the technical preparation of KDSP II activities and projects in line with relevant Kenyan laws and regulations and the World Bank's ESF.
- Based on the ESSA's PAP recommendations, prepare and implement Capacity-Building Plan for both counties and other implementing agencies on environmental, health and safety risk management in collaboration with NEMA and the Directorate of Occupational Safety and Health Services (DOSHS), and so on.
- Review and update screening checklists, proposal formats, and reporting systems in relation to natural resources and environment management where necessary to improve the project implementation process in consultation with the relevant stakeholders.
- Coordinate environmental impact assessments and make appropriate recommendations.
- Ensure that costs and conditions/requirements for E&S risk management are adequately integrated and accounted for in the bidding process and incorporated in the Program proposal evaluation.

- Periodically participate in Implementation Support Missions to review and assess the effectiveness of the activities implemented and their outcomes and impacts as well as compliance with applicable national laws and World Bank safeguards principles and ensure that remedial action plans are prepared and implemented on time.
- Prepare quarterly and annual environment reports that highlight challenges concerning compliance with the applicable national laws and regulations and World Banks ESS, recommending the course of action to ensure compliance.
- Provide recommendations, advice, and guidance to the CPIUs on measures to enhance the effectiveness of the Program's implementation and achievement of the objectives of the Program through appropriately addressing the environmental risks.
- Distill lessons learned and good practices learned on the Program implementation, suggest improvements to the Environmental, Social, Health and Safety Risks and Impacts Management Manual (ESHSRIM) processes of the NPCU, and ensure the same is disseminated to the respective counties and relevant stakeholders as appropriate.
- Undertake any other duties assigned by the NPC.

Qualifications and Experience

- Master's degree in environmental sciences, environmental engineering, natural sciences, natural resources management, or any other related course from a recognized university
- At least seven years' working experience in environmental safeguards management, with at least three at a senior position
- Be a registered member of a relevant professional body
- Competence in information technology and knowledge in multi-sectoral community natural resources and environment planning and geographic information system as well as current policy on natural resource and environmental management policy issues, which is a mandatory requirement
- Good understanding of environmental safeguards guidelines of the GoK and the World Bank and demonstrated experience in successfully preparing ESIAs, ESMPs, and RAPs with working experience in environmental safeguards of World Bank-funded projects which will be an added advantage
- Experience in designing and delivering capacity-building programs on environmental safeguards
- Familiarity with environmental and economic conditions prevailing in Kenya
- Excellent analytical and administrative skills as well as solid writing and communication abilities
- Demonstrated interpersonal skills and ability to work in a team environment
- Fluency in English and Kiswahili

P. Terms of Reference for the Program Gender Specialist (Part-Time Basis)

Reporting to the NPC, the Program gender specialist will be responsible for the implementation of the GBV/SEA/SH prevention and response plan for the project to ensure safe working conditions, address GBV risks, and provide capacity building and sensitization for project stakeholders, including direct project staff, civil servants, and contractors, about GBV risk mitigation, management, and monitoring. The gender specialist will work with the E&S safeguards specialist to implement the KDSP II Environmental and Social Management Framework, including a Stakeholder Engagement Plan and Labor Management Procedures to promote E&S risk management mainstreaming across the Program life cycle.

Responsibilities

- Oversee the implementation of the SEA/SH prevention and response plan and SEA/SH elements of the Labor Management Procedures and Environmental and Social Management Framework and update those instruments as necessary.
- Ensure the development of mechanisms, modalities, and timelines for the timely implementation of the SEA/SH prevention and response action plan including for the Program components and contractors.
- Develop and conduct capacity-building programs about SEA/SH prevention and response for Program stakeholders including the NPCU staff, NTIPTs, and social officers at the CPIU.
- Ensure all GBV/SEA/SH risks associated with the Program are identified and monitored, and regularly update the risk mitigation measures.
- Ensure SEA/SH mainstreaming into all project processes, life cycles, and documents, including contracts.
- Oversee the functioning of a dedicated GBV/SEA/SH GRM channels for registering, recording, and handling incidents in a safe and confidential manner, and facilitate necessary support through referrals while ensuring careful handling of sensitive incidents.
- Ensure all aspects of the Program are gender-responsive and accessible to all vulnerable and marginalized groups, and promote survivor centricity, safety, confidentiality, and nondiscrimination of participants.
- Analyze key gaps between achievements and targets and make appropriate recommendations to adjust Program activities to prevent and manage GBV risks and the appropriate measures to ensure their proper execution.
- Contribute to the evaluation of the providers' bidding documents to ensure that the effectiveness of the contractor's GBV/SEA/SH plans is evaluated and contribute to the final evaluation.
- Receive and review regular monitoring reports from contractors on SEA/SH prevention and response plan implementation and conduct due diligence assessments or audits, as necessary.
- Provide reports to the Program Coordinator on implementing the SEA/SH prevention and response plan and the functioning of the dedicated grievance mechanism for GBV including for workers and produce a summary of its functioning for World Bank reports, as necessary.
- Keep abreast of good practices and lessons learned on GBV/SEA/SH.
- Undertake any other assignment as instructed by the NPC.

Qualifications and Experience

- A degree in sociology, anthropology or community development, or gender
- At least five years of experience in supervising GBV prevention and response activities

- At least five years' experience in conducting awareness campaigns on women's rights, gender equality, GBV, and/or reproductive health which is considered an asset
- Excellent knowledge of the guiding and ethical principles that govern work with survivors of GBV and good practices in implementing activities to prevent and address GBV
- Community development experience in different regions of Kenya, including at least some experience of each of promoting gender and VMGs inclusion, conflict mitigation, labor management, participatory approaches, and feedback mechanisms
- Excellent understanding and commitment to social inclusion, conflict mitigation, labor management, gender and GBV, stakeholder engagement, and participatory development
- Familiarity with the World Bank's ESF and commitment and passion for developing own and others' skills in social risk management
- Experience in training and capacity building of others in the above fields
- Excellent English and Kiswahili written and verbal skills.

Annex 6: Indicative List of National Technical Implementing Partner Teams (NTIPTs)

Result Area	NTIPTs
Sustainable Financing and Expenditure Management	• 7 technical representatives from NT (Inter-Governmental Fiscal Relations Department, IFMIS, Financial Reporting, Budget, Exchequer Department, PFMR, PIM Unit) • CBK • State Department for Devolution • Office of the Auditor General • The CRA • The Controller of Budget • SRC • CoG
Intergovernmental Coordination, Institutional Performance, and Human Resource Management	• Public Service Commission • State Department for Public Service • State Department for Performance and Delivery Management • SRC • State Department for Planning • Kenya National Bureau of Statistics • Office of the Auditor General • State Department for Devolution • CoG • IGRTC • Kenya Law Reform Commission • State Law Office • Select sector line Ministries and agencies where functions have been devolved (for example, education, health, agriculture)

Result Area	NTIPTs
Oversight, Participation and Accountability	• State Department for Devolution • CoG • Society of Clerks at the Table • County Assemblies Forum • State Department for Gender • National Anti-Corruption Campaign Steering Committee • Ethics and Anti-Corruption Commission • Commission on Administrative Justice (Ombudsman) • Public Service Commission • The Senate • Office of the Auditor General • Kenya Law Reform Commission • Centre for Parliamentary Studies and Training • NEMA • DOSHS and SRIM unit at Ministry of Labor and Social Protection • Civil society organizations

Annex 7: Terms of Reference: County Implementation Arrangements

A. Terms of Reference for the County Program Steering Committee

The County Program Steering Committee (CPSC) shall be established in each county participating in KDSP II and will provide overall direction for the achievement of Program results at the county level.

(a) Membership of the CPSC

The CPSC shall comprise at least the following members:

(i) County Governor - Chair or their delegate

(ii) Relevant CECMs (responsible for achieving Program results and DLIs)

(iii) The Chair of the County Public Service Board

(iv) The Speaker of the County Assembly

(v) The County Secretary

(vi) The County Program Coordinator - Secretary

(b) Functions of the CPSC

The CPSC will be constituted by the County Governor through formal written invitations to members. The committee will stand constituted once at least half the members formally accept membership.

(i) Provide overall policy guidance, oversight, and strategic direction including interagency coordination.

(ii) Approve the county AWPBs.

(iii) Ensure that KDSP II activities are incorporated in the county planning framework including CIDPs and CADPs.

(iv) Review the progress in the implementation of the Program, that is, achievement of DLIs for their county.

(v) Review APA results and recommendations by the IVA and take remedial actions to improve the county’s performance.

(vi) Review the status of delivery of capacity-building programs in the county.

(vii) Endorse project semiannual and annual progress reports.

(viii) Review the status of CPIU M&E, communication, and outreach activities.

(ix) Engage in dispute and conflict resolution at the county level through arbitration or other alternative dispute resolution mechanisms.

(x) Provide guidance on any other matter related to the Program that may be brought to the Committee by the CPIU or any member for deliberations.

(c) Meetings of the CPSC

- The meetings of the CPSC will be convened by the County Governor giving at least 10 calendar days to the day of the meeting.
- The agenda will be provided by the CPIU or any other member of the committee.
- All documents to be considered by the committee, including minutes of the previous meeting, shall be circulated to members at least 5 calendar days before the day of the meeting.
- The committee will be expected to meet at least twice each year.
- The quorum for meetings will be at least half of the membership of the CPSC.
- The decisions of the CPSC shall by consensus.

B. Terms of Reference for the County Program Technical Committee

The County Program Technical Committee (CPTC) is responsible for providing technical advisory support on overall Program implementation.

(a) Membership of the CPTC

- The CPTC shall comprise at least the following members:
  - (i) County Secretary – Chair
  - (ii) Chief Officer, Department responsible for Devolution
  - (iii) Chief Officer, Finance
  - (iv) Chief Officer, Department responsible for County Public Service
  - (v) Chief Officer, Department responsible for public participation and citizen engagement
  - (vi) Chief Officer, Department responsible for Economic Planning
  - (vii) Chief Officer, Department responsible for Environment
  - (viii) Chief Officer, Department responsible for Social Services
  - (ix) Chief Officer, Department responsible for Public Investments
  - (x) CEO, County Public Service Board
  - (xi) Clerk, County Assembly
  - (xii) County Program Coordinator - Secretary

(b) Functions of the CPTC

(i) Handle technical specific issues.

(ii) Deliberate and prepare items for decision-making by the CPSC.

(iii) Review Program implementation progress and financial accountability reports.

(iv) Review county APA results and develop actions plans for improvement and inclusion in work plans.

(v) Identify and address emerging technical issues and challenges in the implementation of the Program.

(vi) Advise the CPSC on strategic matters as requested.

(vii) Perform any other responsibilities as may be assigned by the CPSC.

(c) Meetings of the CPTC

(i) The committee will meet quarterly and any other time on a need basis.

(ii) The decisions of the committee will be by consensus, failure to which it will escalate to the CPSC.

(iii) The CPIU will provide operational support to the committee and will be in charge of keeping the records and communicating the decisions of the committee.

County Technical Implementing Partner Teams

The County Technical Implementing Partner Teams (CTIPTs) will comprise representatives from the relevant county departments. The composition of the CTIPTs is flexible and additional departments may be co-opted into the Program as the need arises.

C. Terms of Reference for the County Program Implementation Unit

The County Program Implementation Unit (CPIU) will be responsible for the overall Program coordination and stakeholder management and oversee day-to-day Program operations and management at the county level.

(a) Membership of the CPIU

- The CPIU will comprise at least the following members:
  (i) County Program Coordinator (Director level)
  (ii) Technical focal persons on the three Program KRAs
  (iii) Focal persons from the SPMU (on procurement and FM)
  (iv) Environmental safeguards specialist and social safeguards specialist (these will be existing KDSP, Kenya Urban Support Program (KUSP), and Financing Locally-Led Climate Actions (FLLoCA) specialists who will be co-shared across World Bank-funded programs in the county)
  (v) M&E specialist
  (vi) GRM specialist
  (vii) Social risk management specialist.
- Officers deployed to the CPIU can be shared with other existing World Bank projects.

(b) Functions of the CPCU

(i) Coordinate the development of the work plan, budget, and PPs and submit to the CPSC for approval including ensuring that county resources are budgeted for.

(ii) Coordinate the provision of capacity-building programs at the county.

(iii) Lead M&E and reporting activities at the county.

(iv) Coordinate the APA process at the county.

(v) Prepare accounting and financial reports for the Program for submission to the NPCU, including facilitating timely audit of Program county accounts.

(vi) Report on Program performance to the CPSC and NPCU.

(vii) Coordinate and facilitate Program communications and outreach activities at the county including to the public. This includes developing and implementing a Program communication action plan.

(viii) Ensure adherence to and implementation of ESS.

(ix) Act as the interface for KDSP II implementation support missions.

(x) Act as the Secretariat for the CPSC and CPTC.

(xi) Oversee procurement for the Program at the county level.

(xii) Mediate on disputes between implementing departments, not involving the CPIU, and inform the NPCU of such disputes. Where the dispute involves the CPIU, the CPSC will mediate.

(xiii) Manage the complaints handling mechanism for the Program at the county level.

(xiv) Perform any other role as may be assigned by the CPSC.

D. Terms of Reference for the County Program Coordinator

Reporting to the County Chief Officer responsible for devolution, the County Program Coordinator will be the head of the CPIU and shall be responsible for the overall coordination and management of the KDSP II activities at the county level. They will be the Secretary to the CPSC. The County Program Coordinator will also maintain a direct reporting line to the NPC.

Responsibilities

- Provide effective leadership to the CPIU.
- Act as a liaison between the county government, the National Government, and other national-level project executing agencies on matters related to implementation of the Program within the county.
- With the NPC, coordinate and facilitate the TA and capacity-building program to be delivered by the NTIPTs to counties for the achievement of relevant DLIs and implement the PAP.
- Coordinate and facilitate the TA and capacity-building program to be delivered by the CPTC.
- Lead the preparation of county-level project AWPBs and associated PPs for timely submission to the NPCU for consolidation.
- Ensure the effective utilization of project funds and other resources within the county according to the approved AWPB and PP through supervision and monitoring. This will include supervision of staff of the CPIU, including conducting annual performance reviews.

- Coordinate timely preparation and submission of county progress, financial, and other reports to the NPCU.
- Ensure compliance of the Program within the county to all laid-down World Bank/GoK guidelines including fiduciary (procurement and FM), environmental, and social safeguards (environmental assessment, natural habitat, pest management, resettlement policy, and indigenous peoples).
- Ensure the timely dissemination of Program experience and results to relevant stakeholders within the learning community within the county.
- Ensure adequate liaison, synergies, and networking with other agencies either working in the project area or potentially concerned with project activities within the county. This will include synergy with relevant departments in the county, NGOs, donors, and other relevant stakeholders as well as other World Bank-funded projects.
- Ensure that an effective communication channel with the National Government, other participating counties (where such coordination/collaboration is applicable), county stakeholders, and participating beneficiary communities is established.
- Represent the Program at relevant functions and meetings within the county.
- Act as Secretary to the CPSC.
- Implement the decisions of the CPSC within the county.
- Undertake project completion and financing closing activities within the county when due.
- Perform any other duties relevant to the Program as may be assigned by the CPSC.

Qualifications and Experience

- Bachelor's degree or higher in public policy/administration, economics, business administration, project management, education, communication, leadership, governance, or another relevant field
- At least 5 years of management experience including the following:
    - Demonstrated ability in working with county and county government institutions and collaborating with intercounty organizations.
    - Experience in donor-funded project coordination and management, preferably the World Bank or other development partners, will be an added advantage
- Good understanding of devolved sector policies, strategies, and regulatory framework
- Strong computer and communications skills (oral, written, presentation) with proficient working knowledge of MS Office, MS Project, and other relevant software for technical analysis and reporting
- Strong interpersonal skills with evidence of ability to productively interact with a wide range and levels of stakeholders (Government, private sector, NGOs)
- Fluency in written and oral English and Kiswahili

E. Terms of Reference for the County Program Accountant/Financial Management Specialist

Reporting to the County Project Coordinator, the county Program accountant/FM specialist will be responsible for managing county project finances in accordance with the requirements of the FA and related documents (Project Implementation Manual, Procurement and Financial Management Manual, and so on) including verifying the availability of funds against approved county AWPBs and all expenditure requests before payments are made.

Responsibilities

The roles and responsibilities of the accountant include, but are not limited to, the following:

- In close liaison with the national FM specialist and County Finance Departments, develop and put into operation the project financial and procurement system within the county.
- Contribute to the planning and preparation of county AWPBs as well as monitoring of the budgeted expenses.
- Process accurately and promptly all county accounting transactions including project payments for planned activities, operating expenses, travel, consultant/vendor payments, and other office running expenses.
- Prepare timely periodic county SOE reports and fund replenishment requests, carefully checking and inspecting all supporting documents.
- Prepare, implement, and review county funding of budgeted and actual annual cash flows and ensure adequate follow-up on matters needing clarification.
- Prepare quarterly and annual county financial reports in agreed formats in line with the POM, Financial Management Manual, or any other guidelines.
- Maintain county accounts reconciled at any given point in the project period and avail them including supporting documentation for auditing.
- Facilitate external financial audits of the project in the county, for example, OAG or the World Bank.
- Ensure that internal control procedures are adhered to in management of the project in the county.
- Perform other duties as may be assigned by the County Project Coordinator.

Qualifications and Experience

- Bachelor’s degree in accounting, finance, business administration, economics, or related field from a recognized university plus professional accounting qualification (CPA II).
- 5 years of working experience in accounting and finance.
- Familiarity with FM/accounting in a government ministry/department and donor-funded projects. Familiarity with the World Bank Accounting Guidelines will be an added advantage.
- Good working knowledge of accounting, financial control, banking, procurement, and personnel policies and procedures.

- Strong computer and communications skills (oral, written, presentation) with proficient working knowledge of MS Office, MS Project, accounting, and other relevant software for technical analysis and reporting.
- Ready for flexible working hours and extensive workload.
- Fluency in written and oral English and Kiswahili.

F. Terms of Reference for the County Procurement Officer

Reporting to the County Program Coordinator (NPC), the Procurement Officer will be a member of the CPIU finance team responsible for overseeing the preparation and execution of the project county PPs to effectively support project operations, ensuring strict adherence to World Bank and GoK procurement guidelines.

Responsibilities

- Preparation of annual county project PPs in collaboration with other members of the CPIU and other partners within the county in accordance with the Program Procurement Manual
- Support in guidance and capacity building of partner institutions within the county on procurement policies and procedures of the Program
- Procurement of project works goods and services at the county level
- Preparation and advertisement of ToR, tender, and contract documents for county specific procurements according to GoK and World Bank guidelines
- Participation in relevant county tender committee meetings and assisting with the preparation of committee reports
- Maintenance of high-quality county procurement files and contract registers for review by supervision missions and auditors
- Preparation of regular county procurement progress and contracts management reports
- Undertake any other duties assigned by the County Project Coordinator or the National Procurement Specialist

Qualifications and Experience:

- Diploma or higher in supplies management or any other procurement-related field from a recognized learning institution plus professional qualification/accreditation in procurement/supplies management (Institute of Supplies Management)
- 3 years' experience with procurement of goods and services for GoK/donor-funded projects
- Experience in preparing tender and contract documents for county and national competitive bidding will be an added advantage
- Comprehensive knowledge of Public Procurement Laws and Regulations
- Strong computer and communications skills (oral, written, presentational)
- Fluency in English and Kiswahili

G. Terms of Reference for the County Monitoring and Evaluation Officer

Reporting to the County Project Coordinator on administrative matters and functionally to the National Planning, Monitoring, and Evaluation Lead, the County M&E Officer will coordinate the establishment and operation of an integrated Program M&E system in the county. She/he will provide feedback and advice to the County Project Coordinator on the effectiveness of project implementation in the county and steps needed to achieve anticipated project outputs and outcome.

Responsibilities

- Coordinate establishment and operation of an effective M&E system in the county, including training and capacity building of relevant county project staff and other stakeholders on the use of the project M&E system.
- Organize and supervise baseline, impact, and other surveys at the county level as set out in the project M&E framework.
- Coordinate the preparation of the county AWPB.
- Coordinate the inclusion of KDSP II project activities in the CIDPs and annual/biannual development plans.
- Ensure that all related records on their activities and feed this information into the project M&E system.
- Prepare regular county reports on implementation progress, performance, and impact of operations
- Undertake any other duties assigned by the County Project Coordinator or the National Planning, Monitoring, and Evaluation Lead

Qualifications and Experience

- Bachelor's degree in statistics, economics, planning, or a related field from a recognized university plus specialized training in M&E
- Three years of relevant working experience, at least one year of which must be in M&E of GoK or donor-funded projects
- Ability to use advanced computer packages for quantitative and qualitative analysis and database management
- Good knowledge and experience in the project cycle-related activities and developments in devolved governance in Kenya
- Strong computer and communications skills (oral, written, presentation)
- Fluency in English and Kiswahili

H. Terms of Reference for the County Social Safeguards Officer

Reporting to the County Program Coordinator and the National Social Safeguards Specialist, the County Social Safeguards Officer ensures that all KDSP II activities are implemented in accordance with the Environmental and Social Safeguard Frameworks laid out for the Program and the World Bank's environmental and social safeguards policies.

Responsibilities

- Ensure quality and timely implementation of KDSP II Program safeguard plans and ensure compliance to environmental and social safeguards standards at all times.
- In collaboration with the National Social Safeguards Specialist, supervise and monitor implementation of safeguards at KDSP II operational sites in their county.
- Follow up and resolve safeguard incidents at the county and report the same to the National Social Safeguards Specialist.
- Implement the Program's strategy and process for community consultations, community mobilization, ensuring inclusion and transparency and that elite capture is mitigated.
- Lead the setup of a functional social risk management system that is appropriate for their individual county, bearing in mind the county's structures, departments, resources, and manpower.
- With the guidance of the National Social Safeguards Specialist, develop a stakeholder engagement plan for the Program that includes all the vulnerable groups as well as the vulnerable and marginalized groups and that is adequately financed.
- With the guidance of the National Social Safeguards Specialist, develop systems and procedures for development of Resettlement Action Plans to manage the risks and impacts associated with land acquisition and resettlement.
- Prepare and submit quarterly and annual reports on environmental and social safeguards to the National Social Safeguards Specialist.
- Undertake any other duties assigned by the County Program Coordinator.

Qualifications and Experience

- Bachelor's degree in relevant social sciences field from a recognized university. At least 4 years of working experience in social safeguards management
- Be a registered member of a relevant professional body
- Good understanding of environmental and social safeguards guidelines of the GoK and the World Bank
- Working knowledge of Kenyan social, land, and resettlement laws and regulations and World Bank ESF and ESS
- Experience in development and implementation of Vulnerable and Marginalized Groups Plans
- Have experience with designing and delivering capacity-building programs on gender and social safeguards

- Excellent analytical and administrative skills as well as solid writing and communication abilities
- Demonstrated interpersonal skills and ability to work in a team environment
- Fluency in English and Kiswahili.

I. Terms of Reference for the County Environmental Safeguards Officer

Reporting to the County Program Coordinator and the National Environmental Safeguards Specialist, the County Environmental Safeguards Officer ensures that KDSP II activities are properly prepared and implemented in accordance with applicable national law on environmental aspects and World Bank Principles on PforR.

Responsibilities

- Under the guidance of the National Environmental Safeguards Specialist, put in place effective and fit-for-purpose environmental and social management systems and fully integrate E&S risk assessment, management, and mitigation measures into the technical preparation of KDSP II activities and projects in line with relevant Kenyan laws, regulations, and World Bank safeguards policies.
- Coordinate environmental impact assessments at the county level and make appropriate recommendations.
- Prepare quarterly and annual environment reports that highlight challenges concerning compliance with the applicable national laws, regulations, and World Bank social and environmental standards.
- Implement recommendations, advice, and guidance from the National Environmental Safeguards Specialist on measures to enhance the effectiveness of the Program's implementation and achievement of the Program objectives.
- Undertake any other duties assigned by the County Program Coordinator.

Qualifications and Experience

- Bachelor's degree in environmental sciences, environmental engineering, natural sciences, natural resources management, or environmental science or any other related course from a recognized university
- At least 4 years of working experience in environmental safeguards management
- Be a registered member of a relevant professional body
- Good understanding of environmental safeguards guidelines of the GoK and the World Bank and have demonstrated experience in successfully preparing ESIAs, ESMPs, and RAPs. Working experience in environmental safeguards of World Bank-funded projects will be an added advantage
- Be familiar with environmental and economic conditions prevailing in Kenya
- Excellent analytical and administrative skills as well as solid writing and communication abilities
- Demonstrated interpersonal skills and ability to work in a team environment
- Fluency in English and Kiswahili

Annex 8: Indicative List of CTIPTs

Result Area	CTIPTs

Sustainable financing and expenditure management	This will include the following:
	• Chief Officer in charge of finance and economic planning, Chief Officer in charge of county public investment
	• Technical representatives from:
	  ○ County Treasury (Budget, internal audit, county exchequer/financial reporting, revenue officer, IFMIS)
	  ○ County Economic Planning Unit
	  ○ County M&E Unit
	  ○ County assembly clerk
	  ○ CEO County Public Service Board (pension)

Intergovernmental coordination, institutional performance, and human resource management	This will include the following: • CEO, County Public Service Board • Clerk, County Assembly, and their technical teams • Chief Officer in charge of finance and their technical teams • Chief Officer in charge of Economic Planning and their technical teams • Chief Officer in charge of Devolution and their technical teams • Chief Officer, Public Service and their technical teams including County HR Director, County Payroll Officer, and County HR Officer • Director, County M&E, and their technical teams
Oversight, participation, and accountability	This will include the following: • Clerk, County Assembly, and their technical teams • Chief Officer in charge of county public investment and their technical teams • Internal Auditor and their technical teams • Chief Officer in charge of public participation and civic education and their technical teams • Gender focal point/officer

Annex 9: Template for County Annual Institutional Development Plan and Budget for the Institutional Strengthening Grant (Level 1 Grant)

Introduction

The Annual Institutional Development Plan and Budget is the justification for use of the KDSP II Institutional Strengthening (Level 1) Grant in a particular financial year. The Level 1 Grant is available for the first three years of the Program (FY2024/25, FY2025/26, and FY2026/2027). The Level 1 Grant is intended for institutional and capacity building.

The Annual County Institutional Development Plan and Budget is part of the county's budget for next financial year and will need to be approved by the county assembly. It should be made public by posting it on the county's website. It is not expected to be more than two to three pages in length.

The template for the Annual Institutional Development Plan and Budget is provided below.

[County seal]

County Institutional Development Plan and Budget - FY20____/_____

1. **Introduction**
   - *Indicate who prepared/wrote the plan*
   - *Briefly indicate how the plan was made and who were consulted/involved*
2. **Context**
   - *Summary of the objectives and strategy*
   - *For years 2 and 3: Summary of the activities undertaken so far and indication of what remains to be done*
   - *Mention and explain any deviation from the original strategy*
3. **Brief description of proposed activities for FY.../....**
   - *Highlight the priorities for the year*
   - *Briefly describe the various proposed activities and provide justification*
   - *Indicate the expected outcomes by end of the year*
4. **Level 1 Grant Budget FY20../ 20...**
   - *Brief indication of the budget, supported by a table listing the different intended activities and the corresponding budget*
   - *The total available budget per county is US$250,000 for the first three years*

Table: Budget Level 1 Grant FY20... /20...				
#	***Activity***	***Responsible party for implementation***	***Timing from - to*** *(months)*	***Budget*** *(in KES)*
1.				
2.				
3.				
		Total:		

5. **Implementation arrangements**

- *Describe who will be responsible for implementation of the proposed activities and who will manage the budget (requisition officer) and expenditure (authorizing officer).*

Annex 10: Template for County Annual Investment Plan and Budget for the Service Delivery and Investment Grant (Level 2 Grant)

The County Annual Investment Plan and Budget is the more specific annual justification for investments in a particular year. Apart from other sources, it would also include the KDSP II Service Delivery and Investment Grant (Level 2) for the next financial year. This plan will also indicate investments planned to be made under other existing World Bank projects, including the Kenya Urban Support Program II.

The County Annual Investment Plan and Budget is part of the county's budget and will, as part of the overall budget discussion, need to be approved by the county assembly. Its budget needs to be within the budget ceiling provided by the county government.

The County Annual Investment Plan and Budget should be made public by posting it on the county's website. It is not expected to be more than three to five pages in length, exclusive of the annexes with pre-feasibility study report(s) and the results of the social and environmental impact screening.

The template for the County Annual Investment Plan and Budget is provided below.

[County Seal]

County Annual Investment Plan and Budget - FY20____/____

1. **Introduction**
2. **Context**
   - *Summary of the main objectives as identified in the County Annual Development Plan (CADP) and County Integrated Development Plan (CIDP)*
   - *[except for year 1] Provide a brief overview of the activities already undertaken in the context of the CADP and CIDP*
   - *Describe changes, if any, to the CADP and provide a description of the rationale and considerations for such changes*
3. **Investment prioritization**
   - *Summarize priorities raised by the county government (assembly and executive)*
   - *Summarize priorities and issues raised during citizen forums*
   - *Describe consensus reached—priorities as retained*
4. **County Investment Plan and Budget FY20../ 20...**
   - *Present in table format (see Table below) the proposed list of projects and the tentative estimate of costs*
   - *Describe under this heading each of the projects in brief and provide the rationale and justification for their inclusion in the plan*
   - *At least as far as KDSP II Level 2 Grant-funded projects are concerned, show that the projects suggested meet all KDSP II Level 2 Grant criteria, in terms of eligibility and the social, environmental, and climate change screenings*

- *Attach as annexes detailed pre-feasibility study report(s) that include a social and environmental impact screening (see POM, Vol II, Annex 18)*
- *Make in the table a distinction between detailed design and other preparatory work and actual implementation in terms of timing and budget (that is, treat these as two separate projects)*
- *Add a Gantt chart (as shown below)*

5. Expected outcomes

- *Describe the expected outcomes of the projects and indicate how they relate to the priorities as expressed by citizens and the county government (as discussed under Section 3 above)*

6. Implementation modalities and time frame

- *Describe who will be responsible for implementation of the proposed activities*
- *Indicate how procurement will be organized*
- *Make a realistic assessment of what can be completed in the FY and what need to be scheduled for the subsequent FY. Reflect this in the Gantt chart*

Annexes: Pre-feasibility study report for each proposed project, including the social and environmental checklist (see Environmental, Social, Health and Safety Management (ESHSM) Manual)

Table 1: County Investment Budget FY20… /20...				
No.	**Activity***	**Time frame**		**Budget**
		Start date	**End date**	
1				
2				
3				
4				
5				
	Total			

Note: *Separate detailed design and other preparatory work from actual project implementation (treat in the table as two separate projects).

Table 2: Gantt Chart County Investment Budget FY20.../20...													
No.	**Activity**	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
1													
2													
3													
4													
5													

Annex 11: Indicative List of Eligible and Ineligible Expenditures for KDSP II Grants

Eligible and Ineligible Activities for the Level 1 Grant

No.	Area	Indicative List of Eligible Expenditures
1	Policy/regulatory	Facilitating dialogue and provision of consultancy services for review, development, and implementation of policies relating to KDSP II results areas (RAs)
2	Guidelines and regulations	Developing and/or reviewing existing guidelines, regulations, and operational procedures relating to the KDSP RAs
3	Management Information Systems Development and Rollout	Improvements in the existing management information systems and the development of new systems
4	Training[20]	Training by certified subject matter experts from an accredited pool and workshops for detailed technical knowledge support (relevant to the KRAs and the achievement of performance measures under the Program). The accreditation list to be verified and confirmed by the NPSC.
5	Technical Assistance	Technical Assistance from an accredited pool. The accreditation list to be provided by the technical RAs teams and verified by the NPSC
6	Learning and knowledge exchange platform	Peer-to-peer learning with other counties related to the performance under the Program
7	Equipment	Office and training equipment to enhance efficiency of the working of county governments to achieve Program results
8	Program-related technical committee meetings and consultations	Facilitation of committee meetings and consultations related to the achievement of Program results
9	Program coordination meetings and consultations	Facilitation of Program coordination meetings and consultations
10	Program preparation activities	Preparatory activities related to potential project investments including feasibility assessments, ESIAs, and so on

Eligible and Ineligible Activities for the Level 2 Grant

Examples of Eligible Expenditures (Indicative Infrastructure Investments)

• **Agriculture:** Construction, rehabilitation, and equipping of Agri processing plants, dairy production parks, and fisheries
• **County health:**
  ○ Construction, rehabilitation/upgrading, and equipping of county hospitals, dispensaries, and other health facilities
  ○ Purchase of ambulances and mobile clinics (within a maximum limit/threshold defined in the POM)
• **Cultural activities, public entertainment, and public amenities:** Construction, rehabilitation, beautification, and equipping of county libraries, museums, sports, cultural activities, parks, beaches, and recreation facilities
• **County transport:** Construction and rehabilitation/upgrading of roads and bridges
• **Trade development:** Construction, rehabilitation/upgrading, and equipping of markets
• **Education:** Construction, rehabilitation/upgrading, and equipping Early Child Development and Education (ECDEs), village polytechnics, and childcare facilities

[20] Training must take place in-country and by qualified training providers verified by the NPSC.

• **County public works:** Construction and rehabilitation/upgrading of piping, drainage, toilets, gutters, and so on
• **Firefighting and disaster management:**
  ○ Construction, rehabilitation/upgrading, and equipping of county fire stations
  ○ Purchase of fire engines (within a maximum limit/threshold defined in the POM)

Examples of Ineligible Expenditures
• Activities on the negative list of the ESSA • Investments in loans, other micro-credit schemes, and other securities • Investments made outside the CIDPs and annual development plans • Recurrent expenditures, such as salaries, utility costs (for example, electricity and water), and rent • School bursaries and scholarships • Foreign study tours • Expenditures for infrastructure funded by other development partner programs/grants • Any projects that may involve forced displacement or resettlement (the proposed project will not be eligible for financing if it is likely to result in the relocation of more than 200 people) • Any proposed project that requires the preparation of a full Environmental Impact Assessment and an Environmental Management Plan before NEMA awarding an environmental license to the project

Annex 12: M&E Tools and Reports Templates

Annex 12.1: M&E Plan: PDO Indicators by PDO Outcomes

Sustainable Financing and Expenditure Management	
Participating counties that have increased their OSR by at least 5 percent annually, over and above the rate of inflation (Number)	
Description	The indicator measures the number of counties that have increased OSR collected by at least 5 percent in a year over and above the rate of inflation.
Frequency	Annually
Data source	Controller of Budget Statement of Receiver of Revenue prepared quarterly and annually, CRA reports
Methodology for Data Collection	Document review
Responsibility for Data Collection	NPCU

Intergovernmental Coordination, Institutional Performance, and Human Resource Management	
Participating counties that have put in place core governance arrangements to manage public funds (Number)	
Description	This indicator measures the number of participating counties that have met minimum conditions for the Level 1 Grant as per the APA
Frequency	Semiannually
Data source	IVA report
Methodology for Data Collection	Document review
Responsibility for Data Collection	NPCU

Oversight, Participation and Accountability	
Participating counties that have established public investment management dashboards with citizen feedback mechanisms (Number)	
Description	This indicator measures the number of counties with public investment dashboards with citizen feedback mechanisms.
Frequency	Semiannually
Data source	County governments
Methodology for Data Collection	Firm will carry out the APA. Document review
Responsibility for Data Collection	NPCU

Annex 12.2: M&E Plan: Intermediate Results Indicators by Results Areas

Sustainable Financing and Expenditure Management	
Participating counties whose taxpayer registers and cadasters have been cleaned and updated into an automated revenue management system (Number)	
Description	Measures the number of counties that have cleaned and updated their taxpayer registers and cadasters and uploaded them into an automated revenue management system
Frequency	Annually
Data source	IVA report
Methodology for Data Collection	Document review
Responsibility for Data Collection	NPCU
Participating counties that have prepared and are implementing action plans to reduce their stock of pending bills and maintain it at minimal levels (Number)	
Description	The indicator measures the number of counties that are implementing their pending bills action plans as defined in the APA and POM.
Frequency	Annually
Data source	County websites
Methodology for Data Collection	Document review
Responsibility for Data Collection	NPCU
Participating Intergovernmental Coordination, Institutional Performance, and Human Resource Management	
Annual intergovernmental summit report submitted to Parliament and County Assemblies submitted within 90 days of the end of the FY	
Description	Measures the submission of annual intergovernmental summit report to Parliament and County Assemblies
Frequency	Annually
Data source	National Assembly/Parliament/County Assemblies records
Methodology for Data Collection	IGRTC reports annually to NPCU based on methodology specified in the POM NPCU verifies the summit report has been submitted to the National Assembly, Parliament and County Assemblies.
Responsibility for Data Collection	NPCU
Participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS (Number)	
Description	Measures the number of counties that have integrated their HR records, authorized staff establishment and payroll data, and have uploaded them in the automated payroll system
Frequency	Annually
Data source	OAG, county websites, IVA report, HR and skills audit report
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU

Participating counties that are enhancing accountability for results through an integrated performance management framework (Number)	
Description	Measures the number of counties that are implementing a performance management framework that links budgets, M&E, performance contracting, and individual staff performance appraisal
Frequency	Annually
Data source	Annual Performance Progress Report
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU
Participating counties that have undertaken training of gender officers aligned with approved training programs and budget (Number)	
Description	The indicator measures the number of counties that have assigned budget for training gender offices and undertaken the training.
Frequency	Annually
Data source	County Training Reports
Methodology for Data Collection	Firm will carry out the APA Document Review
Responsibility for Data Collection	NPCU
Oversight, Participation and Accountability	
Participating counties with community-led project management committees established at ward level (Number)	
Description	The indicator measures the number of counties that have set up community-led project management committees that are overseeing project identification, implementation, and monitoring.
Frequency	Annually
Data source	county website, mobile platforms, project reports
Methodology for Data Collection	Firm will carry out the APA.
Responsibility for Data Collection	NPCU

Annex 13: Formats for Program Reports

KDSP II Program Reports will contain, at the minimum, the following sections and information**:**

1. STATUS OF PROJECT IMPLEMENTATION
   a. Overall Achievement of Program Objectives
   b. Implementation Issues at the Program Level
   c. Implementation Issues by non-DLI Result Areas
   d. Achievement by DLI and IRIs
   e. Program Expenditures
   f. Achievements of Program Action Plan
   g. Technical Assistance
   h. Monitoring and Evaluation and Reports.
2. FINANCIAL MANAGEMENT AND CONTROLS
   a. Planning and Budgeting
   b. Funds Flow
   c. Financial Reporting
   d. Internal Control
3. OTHER FACTORS AFFECTING IMPLEMENTATION
4. LESSONS LEARNED
5. FUTURE CHALLENGES, THE WAY FORWARD, RECOMMENDATIONS, AND AGREEMENTS

Annex 14: Program Expenditure Framework

SCOA Codes relevant to the Program Expenditure Framework	
1071: National Treasury	0718040 Accounting Services 0718050 Supply Chain Management Services 0718060 Public Financial Management Reforms 0719010 Fiscal Policy Formulation, Development and Management

SCOA Codes relevant to the Program Expenditure Framework (County Governments)	
Relevant Budget Vote	Budget Code