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<u>THIS ACTION IS FUNDED BY THE EUROPEAN UNION</u>

<u>ANNEX 2</u>

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of the Republic of Kenya for 2023-2024

Action Document for Strengthening Kenya's Devolution (SKeD)

MULTIANNUAL PLAN
This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the <u>NDICI-Global Europe</u> Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title **CRIS/OPSYS business reference** **Basic Act**	**Strengthening Kenya's Devolution (SKeD)** OPSYS number: ACT-61820 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Kenya
4. Programming document	Multi-annual Indicative Programme for Kenya 2021-2027[1]
5. Link with relevant MIP(s) objectives / expected results	Specific objective: Strengthened rule of law and democratic governance, built on accountable and transparent public institutions and processes responsive to citizens' rights, at national and local level Expected result 3.1.a: More accountable, transparent and efficient public institutions provide improved services to citizens
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	MIP Priority Area 3: Democratic governance, peace and stability MIP sector 3.1: Democratic and Economic Governance
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 16 – Peace, Justice, and Strong Institutions Other significant SDGs: SDG 1: No Poverty; SDG 3: Good Health and Well-being; SDG 4: Quality Education; SDG 5: Gender equality and empowerment of all women and girls;

[1] Decision C(2021) 9088 Final, dated 14/12/2021, adopting a Multiannual Indicative Programme for the Republic of Kenya for the period 2021-2027

	SDG 10: Reduced Inequalities; SDG 11: Sustainable Cities and Communities			
8 a) DAC code(s)	15112 – Decentralisation and support to subnational government (50%) 16050 – Multisector aid for basic social services (50%)			
8 b) Main Delivery Channel	12000 Recipient Government			
9. Targets	☐ Migration ☐ Climate ☒ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☒ Education ☒ Human Rights, Democracy and Governance			
10. Markers **(from DAC form)**	**General policy objective** @	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☐	☒
	Aid to environment @	☒	☐	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction @	☒	☐	☐
	Inclusion of persons with Disabilities @	☐	☒	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐
	Combat desertification @	☒	☐	☐
	Climate change mitigation @	☒	☐	☐
	Climate change adaptation @	☒	☐	☐
11. Internal markers and Tags:	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation @	☐	☒	☐
	digital connectivity digital governance	YES ☒	NO ☐	

	digital entrepreneurship digital skills/literacy digital services	☒ ☒ ☒ ☒	☐ ☐ ☐ ☐	
	Connectivity @	☒	☐	☐
	digital connectivity energy transport health education and research	YES ☒ ☒ ☒ ☒	NO ☐ ☐ ☐ ☐	
	Migration @	☒	☐	☐
	Reduction of Inequalities @	☐	☒	☐
	Covid-19	☒	☐	☐
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2024-14.020121-C1-INTPA Total estimated cost: EUR 10 000 000 Total amount of EU budget contribution: EUR 10 000 000 The contribution is for an amount of EUR 10 000 000 from the general budget of the European Union for 2024, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	**Direct management** through - Grants - Procurement **Indirect management** with an entrusted entity in accordance with the criteria set out in section 4.3.3 and 4.3.4			

1.2 Summary of the Action

Supporting decentralisation in Kenya is a key factor to the consolidation of Kenya as a stable and peaceful national state located in the conflict-prone region in East Africa. Decentralisation processes are seen to lead to better inclusion of the population in key political decisions, notably for service delivery and for recollection and use of resources. The inclusion of ethnic groups, local populations, including woman in all their diversity and communities, and better service delivery offers a more solid ground for peaceful and constructive co-existence, and is thereby crucial to maintain and develop peace and stability. Local governments are key drivers of development, including economic growth, creation of opportunities for private sector and for social services; thereby the functioning of Kenya's devolution process is key to improve future prospects for women and youth. County governments notably have a key role in the transition into a green and sustainable society – not least in

areas like water resource management, waste collection and recycling – thereby promoting the implementation of the Green Deal Team Europe Initiative. County governments and their associated services are drivers of use of ITC work modalities, of relevance to the Team Europe Initiative on a Human-Centred Digitalisation.

The SKeD Action aims at reinforcing devolution as a key process to consolidating democracy, good governance and service delivery at the local level, while addressing regional disparities in access to resources and services. It will specifically strengthen the core governance systems at county level for delivery of devolved services and will provide support for own source revenue (OSR) mobilisation, including the automation of revenue collection systems. The action is also aimed at supporting efforts to address marginalization including unlocking the Equalisation Fund and supporting engagements with various stakeholders on key capacity gaps at the county level with the view to making devolution respond to citizens' needs for improved service delivery and citizens engagement in a gender sensitive and inclusive manner. By improving local governance at the county level and revenue collection, this action will be complementary to the EU-Kenya Green and Digital partnership under the Global Gateway.

To augment the interventions, the Action will be implemented through working with the relevant intergovernmental institutions pivotal to linking the two levels of government to better deliver the devolution promise. The Action will also strengthen capacities of legislative arms of County Governments to improve their oversight roles over the executive for improved accountability and service delivery.

Regional Development is one of the EU's core competencies. Through its regional and cohesion policy, the EU has been supporting regions and cities in the European Union to create jobs, improve business competitiveness, promote economic growth, undertake sustainable development and improve citizens' quality of life. Drawing from experiences at the European level on reducing gaps between regions, the EU is in a strategic position to provide support for regional development in Kenya where serious development disparities among Counties exist.

Devolution being a political as well as governance process, which has an effect on the social and economic sectors of the country, has attracted a fair share of Development Partners (DP). Most support by DPs has targeted delivery of devolved functions and services as well as actions aimed at promoting an accountable relationship between duty bearers and rights holders. Currently, the UK government through the Foreign, Commonwealth, and Development Office (FCDO) is funding the Kenya Devolution Programme (KDP) which targets to strengthen the effectiveness of Kenya's devolution by supporting county governments to better plan, deliver and monitor the delivery of public services in key sectors including agriculture, climate change, education, health, water and urban services. The World Bank is also supporting devolution through the Kenya Accountable Devolution Programme (KADP) a multi-donor trust fund which aims at addressing performance barriers in National and County institutions that hinder the delivery of devolved services. The United Nations (UN) through The Integrated Support Program to the Devolution Process in Kenya, a multi donor funded programme implemented by UNDP, UN Women and UNICEF has been supporting a number of counties and national government institutions to coordinate better for gender sensitive, inclusive and sustainable delivery of devolved service.

The first 10 years of devolution in Kenya focused on setting up the necessary systems and structures to implement devolution and the next phase should ideally focus on anchoring devolution and emphasis should be on service delivery and accountability in the delivery of devolved services.

The action will contribute to the realisation of the EU Gender Action Plan 2021-2025 GAP III[2], in particular to its thematic area of engagement "Promoting economic and social rights and empowering girls and women" and "Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation Digitalisation, Climate change and environment".

2 RATIONALE

2.1 Context

Kenyans approved a Constitution in August 2010 that changed the country's governance system from a centralised state to a devolved one. The Constitution established the system of devolved governance at two levels: the National Government and the 47 County Governments that are distinct, interdependent, and are expected to work in

[2] https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2184

consultation and cooperation through an intergovernmental relations framework. The objects of devolution include to decentralize power, establish self-governance and enhance democracy, improve service delivery and accountability, equitable sharing of national resources and development of marginalized communities. Counties deliver services to citizens based on their Constitutional functions. Devolution has brought government and services much closer to the people, paving the way for improved quality and better tailored services to meet the needs of citizens if managed better. It has so far helped in lowering the country's fragility index significantly. By rebalancing the stakes of elections between national and local levels, devolution was a key pacifying factor in the 2017 and 2022 general elections.

Public sector reforms have resulted in significant gains over the past two decades. In 2003, the Government of Kenya adopted the Economic Recovery Strategy (ERS) for Wealth and Employment Creation. The ERS identified poor implementation of economic policies and mismanagement, and weak institutions of governance as the main reasons for deterioration in quality of life of Kenyans in the preceding decades. The Strategy set the platform for reforms that culminated into promulgation of the Constitution in 2010 setting dawn for deepening good governance. Specifically, the implementation of reforms including institutionalising of performance-based management practices in the public service, led to enhanced efficiency, transparency and accountability in service delivery. Through further institutionalising of reforms, the Constitution established the Public Service Commission responsible for, among others, promoting values and principles of public service. Through performance management reforms, 17 tools have been developed and implemented. Notably, the reforms have led to improved service delivery including consolidation of public services under "one-stop-shop" approaches e.g., Huduma Centre, e-Citizen, among others. Since 2013, there are significant gains realised in strengthening county systems to deliver devolved services.

The new Government elected in 2022 has committed that it will be citizen-centric through implementation of a bottom-up driven economic model to deliver services to the citizens. In organising government aimed at accountable service delivery, the President issued Executive Order No 1 of 2023 that, among others, established the State Department of Performance and Delivery Management. The Department is responsible for performance and delivery management functions, specifically, supervising the technical monitoring and evaluation of Government policies.

In November 2019**,** the Salaries and Remuneration Commission convened a national conference to identify and address problems associated with the surging public wage bill and unproductive public service. Among the resolutions, was the need for a new wave of performance management required for the attainment of transformation and increase in labour productivity to propel the country to high-growth trajectory and enhance prosperity. The President approved the conference's resolutions on 21 March 2020 paving way for implementation, including development of the **Kenya Integrated Performance Management Policy (KIPMP).** The policy aims to streamline and standardise public sector performance management at both the National and County Government levels. The policy will not only act as a framework for performance management but also form a basis for monitoring the delivery of promises in the 47 County Economic Charters that the Presidency is committed to.

The process of unbundling and costing the Constitutional functions of the County Governments has however not been concluded since 2010. Consequently, these functions have been underfunded while the national government continues to budget for and perform several devolved functions. Further, county governments continue to lag in enacting policies and legislation for effective performance of county functions among them **own source revenue** and **public participation**. The Constitution provides that at least 15% of nationally generated revenues based on the most recently approved accounts by the National Assembly should be transferred to the counties. However, there has been evidence of delayed transfer of equitable share of revenue to Counties since 2013 that has affected effective service delivery.

The Constitution also empowers County Governments to raise revenue from specific taxes and user fees including property rates, entertainment taxes and any other taxes they are authorised to impose by an Act of Parliament. Since 2013, the equitable share has been the main source of funding for all the counties. Counties' own source revenue (OSR) together with equitable share transfers finance county budgets, however there is a high dependency on the transfers from National Government whose disbursement often delay and hence disrupt service delivery.

Various reports[3] have however showed that counties have vast revenue potentials that are yet to be fully explored and raised. They also show that with good revenue management systems, the OSR would be the most reliable source of income for the counties. The Commission on Revenue Allocation (CRA) evaluated counties' efforts towards revenue mobilisation and their ability to collect more than 40% of estimated OSR potential. According to the study, 6 top revenue streams that can maximise County OSR include property rates, building plan approvals fees, trading licensing fees, liquor licensing fees, advertising and sign board fees and parking fees. The Presidency, in 2019, established a Task Force to evaluate and recommended an appropriate single OSR system for counties. This initiative has not been concluded.

In regard to addressing marginalisation, the Constitution established an Equalisation Fund with a provision for 0.5% of all the revenue collected by the national government each year. The Fund was established to address regional disparities in development and the spread of basic services and has a time frame of twenty years. It is meant for provision of basic services including water, roads, health facilities and electricity to marginalised areas. The CRA is mandated to provide leadership in policy development for identification of marginalised areas for purposes of implementation of this fund. CRA adopted review of the policy every 3 years and launched the first Policy in 2012 even though it was not until 2017 when it was first used by National Treasury to identify projects for implementation. The second policy is in place and is informing preparation of the first criteria which is currently being developed by the Board. The Public Finance Management Act (Equalisation Fund Administration) Regulations was developed in 2021 paving way for establishment of the Equalisation Fund Advisory Board

Kenya has a strong policy and legal framework to entrench gender equality. Article 27 of the 2010 Constitution guarantees equality and freedom from discrimination, stating that every person is equal before the law and has the right to equal protection and equal benefit of the law. Beyond the supreme law, the development blueprint Kenya Vision 2030 has reinforced the same. Other policy and legal frameworks have been enacted to promote, enforce and monitor equality and non-discrimination including the National Human Rights Policy and Action Plan. Still the issue remains the inadequate implementation of the legislation[4].In order to facilitate the implementation of the provisions on equality and inclusion, the Constitution of Kenya established the Kenya National Human Rights and Equality Commission. Three independent commissions were consequently established for purposes of realisation of this provision namely the Kenya National Commission on Human Rights (KNCHR), the National Gender and Equality Commission (NGEC) and the Commission on Administrative Justice (CAJ). In collaboration with the State Department for Gender in the previous regime, the NGEC developed a gender mainstreaming reporting tool and performance measuring indicator tool.

2.2 Problem Analysis

Despite gains evident through public sector reforms as discussed above in context, there are still problems that affect effective performance management and accountable service delivery by the public service; there are glaring gaps in ensuring clear linkages between policy, planning, and budgeting and budget execution processes (procurement, weak accounting and reporting for revenues and expenditure, internal audit, inadequate monitoring and evaluation frameworks and oversight systems e.g., institutionalised performance management and county assembly).

Devolution has become a strategic point for women in politics as women are increasingly holding key positions in county and local government, an important springboard for women to enter the national political arena. However, as most women in politics are still appointed or selected by their male peers, it would be important to ensure that more women are elected rather than appointed in order for them to operate more independently and build constituency relations.

Women competing for elective positions, however, continue to face systematic threats of violence, verbal insults, intimidation and harassment during the campaign period both online and off line. They are subjected to negative gender-based propaganda and have their sexual morality questioned. Other factors discouraging women to seek elective positions are as follows: inadequate support from male-dominated political parties and there is often a reluctance to nominate or support female candidates; lack of financial resources; and gender stereotyping and patriarchal structures across the Kenyan society. A sign of Kenyan deeply entrenched gender norms, many

3 Commission on Revenue Allocation (2022): Comprehensive Own Source Revenue potential and tax gap, study of County Governments; Adam Smith International (2018). Final Report: Own Source Revenue Potential and Tax Gap Study of Kenya's County Governments: Office of the Controller of Budget (2022): Annual County Budget Implementation Report 2019-20

4 Country level implementation plan 2021-2025

Kenyan female voters do not vote for women candidates. At the same time, female voter intimidation, notably through GBV, remains a challenge to women's political participation.

Constraints:

Counties are not preparing performance management plans and reports. While the county executive is required to design performance management plans to be submitted to County Assemblies annually as the framework for evaluating performance of the county public service and implementation of public policies, there is no evidence of existence of the plans among the 47 counties since 2013. Similarly, County Assemblies have not pursued this matter with the County Executives.

Lack of clear linkages in Public Expenditure Management (PEM) processes. The PEM processes provides means of assessing implementation of policies, plans, and budgets and the impact of service delivery. As reported by independent oversight agencies, there is persistent lack of linkages in county governments planning, budgeting and budget execution processes. This manifest in implementation of unplanned projects and programmes resulting in pending bills, wasteful expenditure, corruption, and unfulfilled citizens' needs. Connected to this, county governments have not established long-term planning frameworks to inform medium-term plans and Medium-Term Expenditure Frameworks (MTEF) budgeting processes. On budget execution, it is also reported that county governments are not preparing quarterly financial and non-financial reports.

Weak technical capacities at county assemblies. Constitutionally, County Assemblies are responsible for holding the executive to account through their oversight role. Technical staff that support Members of County Assemblies (MCAs) are expected to prepare synthesised reports along the PEM processes to facilitate informed approval of plans and budgets and oversight of budget implementation and service delivery. However, lack of adequate technical capacities among the technical staff hinders effective performance of these important roles. The assemblies also lack tools and guidelines to execute their roles. The tools and guidelines are necessary to ensure consistent and standardised approach to approval and oversight of PEM processes. Because performance management assesses service delivery through implementation of plans and budgets by the public service, inability of the county assemblies to appreciate the PEM processes affects effective performance management.

Performance management not institutionalised at county level. County Public Service Boards (CPSBs) are responsible for the public service at county level. Among other functions, the CPSBs are responsible for ensuring implementation and monitoring of the national performance management system in their respective counties. Despite these provisions, the CPSBs have not demonstrated this role manifesting as uncoordinated or lack of performance management systems at county level and the public service is not held to account on service delivery. Connected to this, the County Governments Act also requires establishment of County Assembly Service Boards (CASBs). There is no evidence that the CASBs have implemented performance management systems at the assemblies to hold the public service to account in performance of their roles.

Inadequate technical capacity of County Public Service (executive and assembly) on OSR processes. County Executive are responsible for establishing structures necessary for the collection and administration of OSR while County Assemblies are responsible for enacting the OSR laws, the County Finance Bills, and providing oversight on revenue reports. Inadequate capacity impacts these functions. CRA has developed OSR training guidelines and there is need to support effective dissemination and further develop a curriculum that targets both county executive and assemblies. Design of the curriculum will ensure that the executive and the assembly will undergo mandatory continuous training on OSR processes for sustainability. To address inadequacy in County OSR policy and regulatory framework, CRA developed the County Revenue Legislation Handbook. This was intended to help Counties customise their OSR legislation, however, uptake of the Model Laws has been minimal across the 47 Counties.

Counties are using outdated valuation rolls as basis for collecting property rates. Defunct local authorities established the valuation rolls, some as old as two decades, thus impacting the amount of property rates counties are collecting based on the old valuations that do not reflect the present market values.

Operationalisation of Equalisation Fund. Despite significant legislative reforms to operationalise the Fund, there has been low impact in addressing gaps faced by marginalised areas. For instance, as reported in the first Stakeholder Engagement workshop in December 2022, CRA and the Board identified inadequacies in the guidelines used for identifying projects to be funded.

Political will and inclusion of marginalised groups. Lack of political will has been identified as a key problem facing inclusion of the marginalised groups and special interest groups in county governance processes in diverse ways. While devolution is meant to deliver resources closer to the citizens and increase resource flows to front line services, this has not been the case in many counties with stagnation of devolution at the county HQ level. On the contrary, a negative trend which involves recentralization at the county has been evident.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

This action will provide technical support at both national and county levels of government in Kenya. At the national level, the support will target intergovernmental relations institutions applicable to this action's objectives. Support to counties will be determined on the basis of a robust county selection criteria considering positive governance progressiveness and poverty index.

As duty-bearers:

State Department for Performance and Delivery Management is responsible for overseeing performance management and service delivery. This will be enabled through Public Service Performance Management Unit, State Corporations Advisory Committee (SCAC), Inspectorate of State Corporations and the Government Delivery Unit (GDU). The action's objective to strengthen systems to deliver devolved services, aims to work with this State Department to roll out the KIPMP at county level.

State Department for Devolution and Inter-Governmental Affairs is mandated to co-ordinate Inter-Governmental relations between the National Government and County Governments including Chairing the Inter-Governmental Budget and Economic Council (IBEC). This State Department will be critical in supporting intergovernmental relationships in delivery of the action's three objectives. The anticipated applicable institutions include COG, PSC, CPSBs, Senate, CRA, National Treasury, among others.

State Department for Lands and Physical Planning and State Department of Housing and Urban Development are responsible for land uses, physical planning, and urban development. This action will work with these State Departments in delivering its intervention to county governments concerning integrated long-term planning frameworks.

Ministry of Gender to ensure that government priorities are in line with gender analysis carried out by the EU and UN agencies and its recommendations are accepted by all stakeholders.

Public Service Commission establishing and abolishing offices in the public service; providing, managing and developing human resource; promoting good governance and ensuring efficiency and effectiveness in public service delivery.

County Public Service Boards are responsible for managing the county public service and this action will support the CPSBs on implementation and monitoring of the national performance management system in counties.

County Governments consist of a county assembly and a county executive. This action will work with both arms of target county governments in delivery of technical assistance across the three objectives. The national umbrella associations and bodies representing the County Executives and County Assemblies mainly the Council of Governors, County Assemblies Forum and Society of the Clerks and the Table Kenya are strategic platforms for mobilization, engagements with and capacity building the County Governments on performance management, OSR management and inclusion.

Commission on Revenue Allocation (CRA) to make recommendations on the basis for the equitable sharing of revenue between the National and County Governments and among the County Governments; among others, define and enhance revenue sources of the National and County Governments. It is also mandated to regularly determine, publish and regularly review a policy in which it sets out the criteria by which to identify marginalised areas. The action will work with CRA in providing support on OSR and marginalisation interventions.

Equalization Fund Advisory Board is responsible for developing the criteria for identifying projects and modalities for implementation of the Fund. This action will work with the Board in strengthening its capacity to develop and roll out the criteria with a gender based approach.

Kenya National Commission on Human Rights, National Gender and Equality Commission and Commission on Administrative Justice have the constitutional mandates for oversight in implementation of human rights including addressing marginalization. They will therefore be strategic agencies in operationalisation of Equalization Fund and addressing gaps in inclusion and considering women in all their diversity.

As rights-holders:

Target beneficiary communities will be involved in designing the interventions through consultations, baseline reviews and design of community action plans. This includes community committees that represent groups that are traditionally excluded from decision-making processes, such as women in all their diversity as well as persons with disabilities, ethnic minorities and minority clans.

Kenya, and more specifically target counties, benefit from a vibrant and active civil society landscape, including a large variety of Community-based organisations active both in terms of service delivery and accountability/governance. Civil society is therefore crucial in ensuring inclusion of marginalised groups and their interests in the target counties. The action will encourage the engagement with and participation of civil society under all 3 outcomes for purposes of holding duty bearers accountable for service delivery, performance management, own resource mobilisation and local public finance management, as well as inclusion and tackling marginalisation. Given the different nature of civil society engagement and challenges under each of the action's outcomes, the most appropriate mechanisms of engagement and dialogue with CSOs will be identified at the outcome level.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to ***Create more accountable, transparent and efficient public institutions that provide improved services to citizens***

The Specific Objectives (Outcomes) of this action are :

1. County systems are improved to deliver devolved services
2. Counties' capacities are improved to mobilise Own Source Revenue (OSR)
3. Reduced regional disparities through improved development and access to basic services in marginalised areas

Outcome 1: County systems are improved to deliver devolved services

Outputs:

1.1 KIPMP rolled out to county governments
1.2 Strengthened capacity of CPSBs and CASBs in performance management processes
1.3 Strengthened County capacities (both executive and legislature) in PEM processes to facilitate PM
1.4 PM tools developed for use by county governments
1.5 Institutionalised guidelines for County PEM processes with gender based approaches

Outcome 2: Counties' capacities are improved to mobilise Own Source Revenue (OSR)

Outputs:

2.1 Enhanced County capacity to develop OSR laws with gender based approaches
2.2 Institutionalised County OSR laws to inform revenue raising measures as well as County Assembly oversight
2.3 OSR training guidelines institutionalised into OSR curriculum
2.4 Updated valuation rolls in target counties
2.5 Finalised, institutionalised rolled out Single County OSR System

Outcome 3: Reduced regional disparities through improved development and access to basic services in marginalised areas

Outputs:

3.1 Effective Equalisation Fund Policy and criteria
3.2 Operationalised Equalisation Fund
3.3 Legislation and operationalised county policies and laws on inclusion including the inclusion of women in all their diversity
3.4 Enhanced delivery of basic services in marginalised areas and ensuring there is a gender based approach in the delivery of services
3.5 Human Rights Based Approach integrated in delivery of county services

3.2 Indicative Activities

Activities relating to Outcome1 1:County systems are improved to deliver devolved services:

1.1 KIPMP rolled out to county governments.
Finalised KIPMP, establishment of performance management units and rollout of the KIPMP to select county governments.
1.2 Strengthened capacity of CPSBs and CASBs in performance management processes.
Capacity building of CPSBs and CASBs

1.3 Strengthened County capacities (both executive and legislature) in PEM processes to facilitate PM.
Support for development of legal frameworks at both levels of government and development of county performance management plans.

1.4 PM tools developed for use by county governments

Development of tools for performance management including performance contracting, capacity strengthening county assemblies in their role to approve performance management plans and provide oversight over performance management reports.

1.5 Institutionalised guidelines for County PEM processes with a gender based approach
Development of PEM guidelines at the intergovernmental level for use by counties and roll out of capacity building activities including training of trainers and mentoring on planning, budgeting and budget execution.

***Activities relating to Outcome 2: Counties' capacities are improved to mobilise Own Source Revenue (OSR)*:**

2.1 Enhanced County capacity to develop OSR laws.
Support to review and update the County Revenue Legislation Handbook and facilitate counties (executive as well as assemblies) in the process of adopting model laws.

2.2 Institutionalised County OSR laws to inform revenue raising measures as well as support county assembly on oversight of OSR.
Support the development of county Finance Bills based on the adopted OSR laws

Capacity building of select county assemblies (MCAs and technical staff) on effective scrutiny of OSR data and use of evidence in the oversight of OSR.

2.3 OSR training guidelines institutionalised into OSR curriculum including a gender based approach
Support roll out of training guidelines to counties and develop OSR curriculum modules and institutionalise OSR training in an institution.
2.4 Updated valuation rolls in target counties.
Support the finalisation and roll out of the National Rating Bill and development of select county valuation rolls.

2.5 Finalised, institutionalised roll out of a Single County OSR System
Support the selection and roll out of a Single County OSR through support to the Multi-Agency Team responsible for the process. Support the finalisation of a study on cost of OSR collection and implementation of its recommendations.

Activities relating to Outcome 3: Marginalisation is addressed to reduce regional disparities in development and access to basic services:

3.1 Effective Equalisation Fund Policy and criteria
Support to the Commission on Revenue Allocation and Equalisation Fund Advisory Board to review and update the Equalisation Fund Policy and develop a clear project identification criteria. This will include among others drawing on the experience of EU member states such as Germany and Italy on equalisation of their regions as well as the Commission's experience in implementing the cohesion policy and lessons Kenya can draw from the EUs experience.

3.2 Operationalised Equalisation Fund
Support the National Treasury and Equalisation Fund Board to roll out the equalisation fund by addressing bottlenecks that hinder its operationalisation.
3.3 Legislation and operationalised county policies and laws on inclusion and ensuring the inclusion of women in all their diversity
Supporting counties to develop inclusion laws, mentoring counties on use of Human Rights Based Approach to development.

3.4 Enhanced delivery of basic services in marginalised areas

Capacity building of select County Executives to establish and operationalise decentralised and inclusion structures within their counties.

3.5 Human Rights Based Approach integrated in delivery of county services

Strengthening capacity of select County Assemblies on oversight of inclusion, including of women in all of their diversity and supporting documentation and learning forums among counties on inclusion.

3.3 Mainstreaming

Environmental Protection & Climate Change
At this stage the EIA (Environmental Impact Assessment) screening undertaken by the EUD points to the project having little or no impact on the environment or on climate change given the nature of the proposed activities. This action will endeavour to collaborate in as much as possible with the World Bank, Sweden and DANIDA funded-Financing Locally-Led Climate Action (FLLoCA) Programme which seeks to strengthen systems and capacities of Counties for locally driven climate action by promoting partnerships between governments, communities, and civil society to support and promote the adoption of climate smart and socially inclusive solutions tailored to local needs and in line with the priorities of local communities.

Gender equality and empowerment of women and girls
As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the desired impact of this action will be realised with a significant emphasis on gender and the rights of women, in all their diversity. The action will thus apply a gender lens to all of its activities and its internal decision-making. Support to policy development and capacity building will put a particular emphasis on how these impact women and men, boys and girls, including people living with disabilities and other groups living in vulnerable situations. Action plans and strategies will be conducted in a gender-sensitive and inclusive manner. Additionally, the action will pay special attention to counties with women leadership and will seek collaborations where possible with counties led by Female Governors. The Country level implementation plan for Kenya 2021-2025 fully integrates the Gender priorities foreseen in the Human Rights and Democracy Country Strategy (2021-2024) and the CSO Roadmap (2022-2025)

Human Rights
The action is aligned to the EU Action Plan on Human Rights and Democracy 2020-2024, on the fair administration of justice and democratic institutions, while supporting the implementation of the Human Rights and Democracy country strategy 2021-2024.
The action will be designed and implemented with a rights-based approach, focusing on a rights-holder/user centric approach to access to service delivery. It will directly contribute to improved access to services and realisation of rights, notably the right to basic services. In line with the RBA working principles, CSOs and CBOs will be an integral part of the action, and will be engaged in holding duty bearers to account in the delivery of devolved

services, fair levying of fees and taxes for OSR and the development and execution of actions on inclusion and addressing marginalisation at county level. Alignment and complementarity will be sought with existing and future actions funded under the NDICI CSO Country allocation, which are also relevant to this action to the extent that they empower CSOs and CBOs from the counties to be covered under this action as actors of governance and key providers of basic services as covered under outcomes 1 and 3.

Disability
As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D1. This implies that the Action will specifically address the special needs and promote political inclusion of people living with disabilities (PWDs).

Reduction of inequalities
This action will target to provide support to the CRA and the Equalisation Fund Advisory Board in the formulation of the marginalisation policy and in its implementation. The action will also undertake actions aimed at reducing regional disparities and promoting service provision in marginalised areas.

Democracy
Through the 2010 Constitution citizens anticipated tangible benefits from a democratic government at the county level. This action seeks to strengthen county systems in the provision of services and will target to create an accountability relationship between rights holder and duty bearers at Local Government Level.

Conflict sensitivity, peace, and resilience
This action will support the system of devolved governance in Kenya. Devolution has brought government and services much closer to the people, paving the way for improved quality and better tailored services to meet the needs of citizens. It has also helped lower the country's fragility index significantly. Objective three directly addresses marginalisation and reduction of regional disparities through service delivery.

Disaster Risk Reduction
This action will aim to support county systems to deliver devolved services, among these, is strengthening county long and medium-term planning and it is expected that the plans will be responsive to disaster risk reduction.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood	Impact	Mitigating measures
External environment	Risk 1: Change of government at both levels leading to change of priorities of the beneficiary institutions following the 2022 general elections	Medium	Medium	EU as well as many donors engage with project support and in political dialogue at both levels of Government to promote consolidation of the new government, in alignment with the action's objectives.
External environment	Risk 2: Security in marginalised areas which are in medium to high-risk counties	High	High	There are security risks in some of the target counties. Failing to address the disparities in these areas would further increase insecurity and contribute to marginalisation. EU will continue supporting initiatives in the field of security, notably on preventing and countering violent extremism.
External environment	Risk 3: Failure of the technical assistance to align with the government planning, budgeting, and budget execution cycle. Hence the missed opportunity to provide	High	High	EU will prioritize rolling out the technical assistance not later than September 2023 which will already be one year into the new governments.

Category	Risks	Likelihood	Impact	Mitigating measures
	impactful support at both levels of government during the inception of the new governments.			
Communication and information	Risk 4: Donors do not coordinate their interventions.	Low	Low	Implementing partners will be active in the existing donor coordination groups to seek synergies and prevent overlap.
People and organisation	Risk 5: The newly established State Department of Performance Management may not be fully operational in achieving an accountable public service	Low	Medium	EU will engage with the State Department as they operationalize their mandates and functions. This will support their foundation to be operational and align with PSC and the CPSB.
People and organisation	Risk 6: Lack of institutional capacities and low political will for functionality of county systems to achieve effective service delivery	High	High	Strong capacity building support is one of the main activities, reinforced by technical assistance and permanent and innovative methods such as mentoring and specific operational guidance. This will also include institutionalising PM in CPSBs and CASB
People and organisation	Risk:7 Corruption that significantly impacts service delivery and OSR collection	High	High	The action will be complemented by the PLEAD II programme (which will provide support to the National anti-corruption agency) and the Kenya CSO 2022 allocation on anticorruption and will actively seek ways of engaging with this programmes to address issues of corruption from both duty bearers and rights holders perspectives
People and organisation	Risk 8: Failure by beneficiary institutions to maintain automated OSR systems and procure and sustain IT equipment to ensure functionality.	Medium	Medium	Automated system will be designed and implemented in an incremental way to mirror institutional capacities. Change management processes will highlight the benefits associated with automation and the need for prioritizing resources for such systems.

Lessons Learnt:

Strengthening Kenya's Devolution (SKeD) is the second devolution support programme of the European Union in Kenya and is the successor to the Instruments for Devolution Advice and Support (IDEAS) programme, 2014-22. The objective of the IDEAS programme was to support the National and County Governments capacities in the responsible transfer and use of resources for the achievement of local economic development at County level. Key recommendations from the IDEAS final evaluation report are: (1) The programme and project interventions should be underpinned by a comprehensive political, contextual and technical analysis of issues relevant to the specific sectors of intervention; (2) The programmes and projects should undertake a comprehensive analysis of attendant assumptions and risks and develop a clear matrix of strategies and actions to address them; and (3) The programmes and projects should build in and embed a technical assistance component to ensure availability of knowledge and skills.

Support to county systems to deliver devolved services has been consistent since 2013. This has been focused on the executive without paying particular attention to the legislative side which has impacted the effectiveness of technical assistance for service delivery. There is need for this action to be implemented at both the executive and legislature. Similarly, the intergovernmental relations institutions have a critical role in building capacity of county governments. These institutions function in silos without focus on the need for coordination and cooperation with the devolved levels of government. It is necessary to identify and engage these institutions early on to have their buy and to integrate them in the process of delivering the technical assistance.

CRA has undertaken studies on OSR and made recommendations for enhancement of the same. However, the Commission has lacked sufficient resources and necessary technical capacity to actualise their recommendations. There is need for this action to support CRA in implementing the identified impactful OSR reforms.

Operationalisation of the Equalisation Fund has seen 10 years of inactivity based on political diversions even if its function is a constitutional provision to address regional disparities in marginalised areas. As the third Policy for identification of marginalised areas is being prepared, the previous two have not been implemented as envisaged. Disparities have been exacerbated in the absence of the much-needed resources to intervene and provide services to citizens. Technical assistance by this action will coordinate and provide necessary support to provide a foundation for implementation of the Fund.

3.5 The Intervention Logic

The action targets strengthening performance management systems for effective service delivery. While the action will work with the executive to rollout out performance management frameworks, significant focus will be strengthening technical capacity of the legislature (county assemblies) to approve performance management plans and provide oversight on the performance management reports. This approach, working from the legislature, aims at enabling them to proactively hold the executive to account at all levels of PEM process during service delivery through performance management lenses. To consolidate interventions through a harmonised approach, there is need to work with all the agencies supporting performance management to finalise roll out the framework at both levels of government. At the county level, this action recommends rollout by institutionalising performance management in the CPSBs and CASBs. This action will strengthen technical capacity of the legislature in their role of approving the performance management plans and subsequent oversight of performance management reports aimed at holding the executive to account during service delivery.

IF undertaking the activities for improvement of county systems to deliver devolved services, improving county capacity to mobilise OSR and reduction of regional disparities *AND* the technical assistance is aligned to the government PEM cycle, the State Department of Performance Management and PSC prioritize finalization and roll out of KIPMP, CPSB adopt the guidelines in the KIPMP to establish performance management plans, legal frameworks are established to govern performance management and are in place, tools for performance management are developed and capacity building and mentoring is undertaken; that CRA prioritize update, finalization and roll out of the County Revenue Legislation Handbook, counties adopt the model laws, KESRA will institutionalize the OSR training guidelines and curriculum, counties will adopt mechanisms for mandatory training on OSR at KESRA, enactment on National Rating Bill will be prioritized and finalized and counties will develop and/or update valuation rolls, current government administration will prioritize support implementation of Single County OSR System; Senate, National Treasury, CRA and the Equalisation Fund Advisory Board work in alignment to have the Equalisation Fund Policy and criteria are in place, *THEN* the KIPMP will be finalized, institutionalized and rolled out KIPMP; the capacity of the State Department of Performance Management, PSC, CPSBs and counties in PEM processes will be strengthened; with institutionalization of the same; counties will have capacity to develop OSR laws which will be institutionalized, OSR training guidelines will be institutionalized into OSR curriculum, county valuation rolls will be developed/ updated and the Single County OSR System will be finalized, institutionalized and rolled out; Equalisation Fund will be rolled out.

IF the outputs are delivered *AND* KIPMP is implemented, county performance management plans are implemented, PEM processes are integrated in alignment with institutionalised guidelines; counties use enhanced capacity to develop OSR laws that inform annual revenue raising measures and OSR systems, County residents accept implementation of developed/updated valuation rolls, Single County OSR System is implemented; Equalisation Fund Policy and criteria are implemented, *THEN* county systems are improved and delivering devolved services effectively, counties' capacities are improved and mobilising increased OSR, and marginalisation is addressed leading to reduced regional disparities and increased development of/and access to basic services, *BECAUSE* the organisation of the current government creates the State Department for Performance and Delivery Management is evidence that accountable service delivery is a priority; interventions to county systems since 2013 have led to significant improvement in county capacities, political will, legislative reforms, OSR systems, establishment of the Equalisation Fund Advisory Board and PEM frameworks. This action's specific objectives will further build on the successes of those interventions.

IF the Outcomes are achieved *AND* this action assumes greater measurable impact can be achieved, and the measurable changes in service delivery will be clearly attributable, the county governments will receive sufficient resources in good time for delivering services, a politically feasible environment at both levels of government, achievement sustainable change in selected counties, *THEN* county governments will be more accountable, transparent and efficient public institutions providing improved services to citizens. This is *BECAUSE* this action would align well with the current Government's focus on bottom-up economics in addressing service delivery for those at the bottom of the pyramid. To achieve this focus, the government has reorganized functions including placing State Department of Devolution under the Presidency and, for the first time, establishing the State Department of Performance Management.

3.6 Logical Framework Matrix

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	More accountable, transparent, and efficient public institutions provide improved services to citizens	Share of government budget with decentralised implementation				*Not applicable*
Outcome 1	County systems are improved to deliver devolved services	KIPMP rolled out to county governments (number of Country Governments)				
Outcome 2	Counties' capacities are improved to mobilise Own Source Revenue (OSR)	Own resources collected by counties				
Outcome 3	Marginalisation is addressed to reduce regional disparities in development and access to basic services	Turnover of the Equalisation Fund				
Output 1 **relating to Outcome 1**	1.1 **Finalised** , institutionalised rolled out KIPMP	1.1.1 Finalised KIPMP 1.1.2 Legislation (policies/laws/regulations) enacted to implement the KIPMP				
Output 2 **relating to Outcome 1**	1.2 Strengthened capacity of the State Department of Performance Management and the PSC	1.5.1 Number of certified staff (SDPM and PSC) on performance management				

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 3 **relating to Outcome 1**	1.3 Strengthened capacity of CPSBs and County Assemblies	1.5.2 1.3.1 Number of counties with established Performance Management units performing their functions of Performance Management, Plans approved by county assemblies in the target counties with a gender based approach 1.5.3 1.3.2 Number of oversight reports generated by county assemblies in target counties on the performance management reports submitted by the executive				
Output 4 **relating to Outcome 1**	1.4 Strengthened County (both executive and legislature) capacities in PEM processes	1.4.1 Number of long-term plans in conformity with the County Governments Act, approved and integrated to medium-term planning and MTEF processes in target counties with a gender based approach				
Output 5 **relating to Outcome 1**	1.6 **Institutionalised** guidelines for County PEM processes	1.6.1 Number of PEM guidelines developed/reviewed and rolled out for use by target counties				
Output 1 **relating to Outcome 2**	2.1 Enhanced County capacity to develop OSR laws	2.1.1 Number of certified staff (executive and assembly) on County Revenue Legislation Handbook disaggregated by sex				
Output 2 **relating to Outcome 2**	2.2 **Institutionalised** County OSR laws to inform revenue raising measures as well as support county assembly on oversight of OSR.	2.2.1 Number of OSR laws enacted in target counties 2.2.2 Number of Reports by OAG on OSR reports by County Assemblies				

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 3 **relating to Outcome 2**	2.3 OSR training guidelines institutionalised into OSR curriculum	2.3.1 Number of certified staff (executive and assembly) on OSR processes at KESRA disaggregated by sex				
Output 4 **relating to Outcome 2**	2.4 Updated valuation rolls in target counties	2.4.1 Number of counties with new/updated property valuation rolls				
Output 5 **relating to Outcome 2**	2.5 **Finalised** , institutionalised rolled out Single County OSR System	2.5.1 Number of target counties adopting and using the OSR system				
Output 1 **relating to Outcome 3**	3.1 Equalisation Fund Policy and criteria	3.1.1 Third Equalisation Fund Policy 3.1.2 First Equalisation project selection criteria, implementation, and review				
Output 2 **relating to Outcome 3**	3.2 Operational Equalisation Fund	3.2.1 Number of projects identified and implemented in target marginalised areas and the participation of women in all of their diversity in the selection				
Output 3 **relating to Outcome 3**	3.3 Enhanced delivery of basic service in marginalised areas	3.3.2 Number of projects successfully completed against a monitoring and evaluation framework in target marginalised areas including the participation of women in all their diversity				

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer *by amending this Financing Decision and the relevant contracts and agreements*.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[5].

4.3.1 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

The grant will specifically cover Outcomes 2 and 3, apart from technical assistance which will be implemented through procurement (see section 4.3.2). The grant will aim to strengthen inter-governmental institutions[6] and their capacity in supporting Counties to implement National Policies in the areas of OSR and providing technical support towards efforts and interventions to reduce inequalities and regional disparities in identified marginalised areas.

(b) Type of applicants targeted

The grant will target Inter-governmental Institutions such as Commissions or independent offices established under the Constitution of Kenya with a mandate in outcomes 2 and 3 of the Action.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an entity having statutory monopoly in the area, selected using the following criteria - administrative power to undertake actions under outcomes 2 and 3 i.e. support to Local Authorities capacities to collect revenue and implement policies to address marginalisation. The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: An entrusted entity with capacity and proven competence to implement actions foreseen under outcomes 2 and 3.

4.3.2 Direct Management (Procurement)

Technical Assistance for Outcome 2 and 3 will be provided through a service contract.

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[5] www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

[6] In this context, "inter-governmental" instititions refers to Kenya's 47 sub-National Governments and the National Government. They are constitutionally distinct but interdependent and the term has been used to refer to independent institutions that serve both subnational and national governments.

4.3.3 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: - proven record in capacity building of inter-governmental systems - demonstrated capacity to work with National and Local Government level institutions to strengthen delivery of devolved services The implementation by this entity entails Outcome 1 as described in section 3.1.

4.3.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

Indirect management as foreseen under 4.3.3 is included here as an alternative to direct management as specified under section 4.3.2 where the latter cannot be implemented due to circumstances outside of the Commission's control. The entity will be selected using the following selection criteria: An entrusted entity with capacity to undertake actions under outcomes 2 and 3 with proven competence in the areas of supporting the enhancement of Local Authorities capacities to collect revenue and provide support for implementation of policies to address marginalisation.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions. The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	**EU contribution (amount in EUR) Year 2023**	**EU contribution (amount in EUR) Year 2024**
Implementation modalities – cf. section 4.3		
Outcome 1: County systems are improved to deliver devolved services composed of	**0**	**6 500 000**
Indirect management with an entrusted entity - cf. section 4.3.3	0	6 500 000
Outcome 2: Counties' capacities are improved to mobilise Own Source Revenue (OSR) and Outcome composed of	**0**	**2 000 000**
Grants (direct management) – cf. section 4.3.1	N/A	N/A
Procurement (direct management) – cf. section 4.3.2	N/A	N/A
Outcome 3: Marginalisation is addressed to reduce regional disparities in development and access to basic services composed of	**0**	**1 500 000**
Grants (direct management) – cf. section 4.3.1	N/A	N/A
Procurement (direct management) – cf. section 4.3.2	N/A	N/A
Grants – total envelope under section 4.3.1		**1 500 000**
Procurement – total envelope under section 4.3.2	**0**	**2 000 000**

Evaluation – cf. section 5.2 **Audit** – cf. section 5.3	**To be covered by another Decision**	**To be covered by another Decision**
Contingencies	**N/A**	**N/A**
Totals	**0**	**10 000 000**

4.6 Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) shall be established to ensure coordination between the action's components and oversee its implementation. The Committee shall meet semi-annually and will bring together all the beneficiary institutions, the European Commission, and representatives of the action's target institutions at both levels of government. Other stakeholders, including CSOs and CBOs, mapped in the action may be invited to participate in the actions as observers and efforts will be made to ensure gender balance and representation of marginalised groups.

The State Department for Devolution will ensure the proper functioning of the PSC, including preparation of meeting agendas in consultation with other members, convening the meetings and preparation of minutes.

The work of the PSC shall include, but not be limited to, the following tasks:

i. Review of work plans
ii. Closely monitor risk factors (See Section 3.4), and focus from an early stage on necessary mitigating measures and intervene when major issues arise
iii. Ensure that implemented activities have a direct positive impact towards achieving the action's objectives
iv. Ensure the action's implementation is inclusive and transparent, that a collaborative partnership is pursued, as foreseen, between government and non-government stakeholders, including civil society, private sector etc., and that all stakeholders, including women, youth, and persons in vulnerable situations benefit from the action
v. Ensure that synergies are built and maintained with other development partners and/or programmes (See Section 2.2)
vi. Support access to information communication and dissemination efforts among the society at large regarding action's activities and results

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.7 Pre-conditions

N/A

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

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

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners will provide a completed Logframe with revised indicators, baselines, targets and specific sources for each indicator. Each progress report will include an updated Logframe, including current values for each indicator. Furthermore, each report will provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators disaggregated minimum by sex, age, disability and other relevant categories (when pertinent), using as reference the Logframe matrix. All monitoring and reporting shall assess how the action is taking into account the rights-based approach working principles (i.e., applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and age, and disability where possible.

5.2 Evaluation

Having regard to the importance of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. The mid-term evaluation will be carried out for learning purposes, in particular with respect to adjustment of the scope of project if necessary. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) with respect to introducing programmes on alternatives to imprisonment, corruption and digitization of criminal justice process in other countries in Eastern Africa.

Evaluations shall assess to what extent the action is taking into account the human rights-based approach working principles (i.e., applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data) as well as how it contributes to gender equality and women's empowerment. In this regard, expertise on human rights and gender equality will be ensured in the evaluation teams.

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

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

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

In addition, all evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion Expertise on human rights, disability and gender equality will be included in the evaluation teams

5.3 Audit and Verifications

Without prejudice to the obligations a[2]pplicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

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

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 "Communicating and Raising EU Visibility: Guidance for External Actions", it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead–be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level (i.e., Budget Support, blending)		
☐	Single action	Present action: all contracts in the present action
Group of actions level (i.e., top-up cases, different phases of a single programme)		
☐	Group of actions	Actions reference (CRIS#/OPSYS#): <Present action> <Other action(s)>
Contract level		
☒	Single Contract 1	Outcome 1- Indirect management with a Entrusted Entity-EUR 6 500 000
☒	Single Contract 2	Outcome 2 and 3-Grant Contract-EUR 1 500 000
☒	Single Contract 3	Outcome 2 and 3-Procurement of a Service Contract-EUR 2 000 000
Group of contracts level (i.e., series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
☐	Group of contracts 1	<foreseen individual legal commitment (or contract) 1> <foreseen individual legal commitment (or contract) 2> <foreseen individual legal commitment (or contract) #>