AN INTEGRATED UNDP SUPPORT PROGRAMME FOR THE DEVOLUTION PROCESS IN KENYA

PROJECT NO: 00083473

Annual Report
2014
An Integrated UNDP Support Programme for the Devolution Process in Kenya

Contents

Executive Summary .......................... 1
The Annual Review Process ................. 3
Programme Overview .......................... 4
Summary of Report Findings and Recommendations ................. 6
Objectives of the Programme and Overview of the Results for the period 7
Progress on Programme Components ................. 11
Component 1: Ministry of Devolution and Planning ................. 11
Output 1: Policies and Laws Developed ................. 11
Output 2: Strengthened capacity of devolution institutions and systems ................. 12
Output 3: County government revenue enhanced ................. 12
Output 4: Strengthened Capacities for Devolution ................. 12
Output 5: Civic Education ................. 12
Output 6: Knowledge management, learning and advocacy ................. 13
Output 7: IEC on devolution strengthened ................. 13
Output 8: Devolution Sector Working Group (DSWG) established and facilitated ................. 13
Component 2: Council of Governors ................. 13
Output 1: Increased leadership and capacity for Governors ................. 13
Output 2: Knowledge management strategy developed, disseminated and implemented ................. 14
Output 3: CoG strategically positioned as a custodian of devolution ................. 14
Output 4: Legal Capacities of Counties enhanced ................. 15
Component 3: Transition Authority ................. 16
Output 1: Consolidated legal and regulatory framework for transition to devolved system of government ................. 16
Output 2: Functional Analysis and competency assignment undertaken ................. 16
Output 3: Inventory, Audit and Transfer of Assets undertaken ................. 17
Component 4: Commission for Revenue Allocation ................. 17
Output 1: Second generation revenue sharing formula for county governments developed ................. 17

Output 3: Review Marginalisation Policy to guide utilization of funds from the Equalization Fund ................. 18
Output 4: Members of the County Assemblies and Technical Budget Staff Trained ................. 19
Component 5: Intergovernmental Budget and Economic council (IBEC) ................. 19
Output 1: IBEC Policy Briefs and Reports prepared (Please look at the DFID report and update this section, based on the 2014 activity re. CEC of Finance meeting) ................. 19
Output 2: Equip IBEC with the necessary capacity to carry out its mandate ................. 19
Component 6: Kenya School of Government ................. 20
Output 1: Strengthened capacity of the Kenya School of Government including the Centre for Devolution Studies ................. 20
Output 2: Increased knowledge and skills for training programmes under the National Capacity Building Framework (NCBF) ................. 20
Component 7: Support to the Implementation of the County Integrated Development Plans ................. 20
Kilifi County ................. 20
Kisumu County ................. 21
Support to Turkana County ................. 21
Theory of Change in Programme Implementation ................. 22
Programme Management ................. 25
Project Assurance and Project Steering Committee ................. 25
Project Management Support ................. 25
Financial Management ................. 26
Risk Management ................. 27
Challenges and Lessons ................. 28
Recommendations ................. 20
Key Priorities 2015 ................. 31
Executive Summary

The 2014 UNDP Integrated Devolution Programme Report reflects the annual progress on the implementation of the Integrated UNDP Support Programme to the Devolution Process in Kenya. The Five Year Programme was signed in 2014 between the Kenya Government represented by the Cabinet Secretary responsible for the National Treasury on the one part and UNDP. The consolidated programme annual work plan was signed between the UNDP and the representatives of the responsible implementation partners. Whereas the programme work plan was signed in November 2014, its implementation overlapped with initial transitional support mechanism which was commenced in 2013 following the enactment of the Constitution. The initial support mechanism was intended to support the necessary transitional processes which were required to lay the ground for implementation of the devolution framework.

In 2014 the programme focused on supporting the transitional processes, consolidating the institutions established to oversee devolution process, provide technical support to selected County Governments and facilitate effective citizens’ engagement through civic education and public participation. By supporting the consolidation of the transition to the devolved framework, the programme supported greater inter-governmental relations, cooperation and mutual ownership of the devolution agenda by both the national and county governments.

The programme supported the Transition Authority to undertake measures required for transfer of functions from the national government to the county governments through the support to the unbundling and costing of the devolved functions, supporting the inventory and verification of assets and capacity assessment and rationalization of the public service programme. The Ministry of Devolution and Planning undertook its policy coordination role by supporting key issues including leading capacity development to the county governments and spearheading the initial stages in the development of the draft devolution policy.

The implementation process has identified key lessons and priorities including:

- The need to sustain inter-governmental relations institutions to ensure mutual cooperation and ownership of the devolution agenda by the two levels of government. This will facilitate consensus on key policy issues including completion of unbundling and costing of functions, increased service delivery in relation to concurrent functions, delivery of decentralized national functions within a coherent policy framework. Once adopted the Devolution Policy will form the framework for seamless implementation of devolution.

- The rapid transfer of devolved functions had implications on the capacity of County Governments to undertake their roles in the backdrop of high public expectations. Capacity building efforts should be sustained and enhanced. This will ensure that the County Governments meet their service delivery obligations while building strong foundations for accountable and responsible governance.
Public participation is integral to the success of devolution. The groundwork has been done through development of the curriculum on civic education. The roll out of the programme should be expedited to ensure significant aspects of civic education is undertaken before the political environment is saturated by the 2017 election campaigns. This will ensure that the citizens keep engaged in the process of devolution to prevent opportunities for apathy.

Greater interaction between the executive and county assembly is necessary to facilitate policy dialogue necessary to strengthen the sub-national units. This will also help the counties to interact with the national government based on mutual understanding of their local priorities.

Greater interaction between the institutions involved in devolution and key oversight institutions to ensure that at the initial stage of devolution key accountability obligations are linked with capacity building initiatives. This will minimize adversarial engagement among key institutions and facilitate constructive capacity development.

The pooling of funds among donors in the transitional period and under the broader Devolution Programme has ensured effective allocation of resources.

The NIM approach to programme implementation is important in enhanced programme implementation, absorption and ownership. The programme support provided by UNDP ensures accountability and effective monitoring of results.

According the annual audit report of 2014, the Programme expended USD 2,023,374.18 in conformity with the approved project budgets, for the approved purposes of the project, in compliance with the relevant UNDP regulations and rules, policies and procedures, supported by properly approved vouchers and other supporting documents.

The UNDP Devolution Programme “Making Devolution Work: An Integrated UNDP Support Programme To the Devolution Process in Kenya aims at providing technical support on the policy, legal and institutional programme in the implementation of devolution. 2014 calendar year builds on the transitional phase of devolution following the general elections held on 4th March 2013. The programme output areas were therefore deliberately focused at policy and institutional alignment, and to provide effective interface with meaningful citizen participation.

The Integrated Devolution Programme is intended to contribute to UNDAF Outcome 1.3 and CPD Outcome 2 on devolution and accountability namely: By 2017, Kenya will enjoy a participatory devolution process that is well understood by stakeholders, adequately coordinated and equitably resourced for the delivery of accessible and quality services: devolved institutions are legally, financially and technically empowered, well managed, effective, accountable; and resource management is transparent, equitable, effective and efficient at all levels. The programme is also aligned to the Government of Kenya’s Second Medium Term Plan (2013-2017), Transforming Kenya: Pathway to devolution, socio-economic development, equity and national unity” which expresses the commitment of the Government to the full implementation of the Constitution; ensuring the rapid set up of County Governments without disruption of public service delivery.

The main purpose of the Devolution Programme is to support the process of consolidating the devolved governance system through effective the institutional framework and meaningful citizens’ engagement. The Programme has also earmarked key support to selected Counties on specific areas aligned to the broad objectives of providing capacity building and technical support. These objectives are realized through the five pillars outlined in the Programme Document: i) policies, laws, and institutional reforms for effective implementation of the Constitution at national and county levels adopted; ii) strengthened institutional and human capacities at national and county level evident in supporting national and local development; iii) improves service delivery mechanisms and response to opportunities to ensure effective and equitable service delivery, transparent
Summary of Report Findings and Recommendations

The 2014 was the second year of transition to full devolution as contemplated in the 2010 Constitution following the General Elections held on 4th March 2013. The implementation of devolution has experienced mixed success and challenges. Devolution is seen as the most transformative element of the Constitutional dispensation and a key driver in enhancing equity and national unity. The County Governments inaugurated in 2013 are overcoming initial capacity challenges through determination to make devolution work. The initial challenges in inter-governmental relations seemed to be overcome thereby providing opportunity to consolidate the benefits of devolution.

The policy option for rapid transfer of devolved functions in favour of a more phased approach was an inevitable strain on the relatively new institutions. It also had implications relating to the preparedness on the incidental elements of transition like asset appraisal, capacity building, financial management and human resource management. The higher standards for accountability, genuine public participation and oversight also influenced the transition process. County Governments are also not insulated from the environment of post-election political divisions. These factors have seen several counties being vulnerable to internal deadlocks among the key institutions especially the County Assemblies and the Executives or not infrequently, Governors subjected to impeachment proceedings. These factors were also compounded by delays in developing an effective framework for dispute resolution between the two levels of government and among the coordinate organs at each level. The strained intergovernmental relations have necessarily reflected on the smooth transition to devolution.
The programme is on course to realise the results articulated in the Project Document “Making Devolution Work: An Integrated UNDP Support Programme to the Devolution Process in Kenya – Project Document (2014-2018)”. The programme results are organised around five pillars corresponding to key result areas and outputs. The overall goal of the programme is to contribute to the UNDAF/CPD outcome.

The table below outlines the progress made per Programme Results:

**UNDAF/CPD Outcome:** By 2017, Kenya enjoys a participatory devolution process that is well understood by stakeholders, adequately coordinated and equitably resourced for the delivery of accessible and quality services; devolved institutions are legally, financially and technically empowered, well managed, effective, accountable; and resource management is transparent, equitable, effective and efficient at all levels.

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Indicators; Baseline and Targets</th>
<th>Progress on Output</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PILLAR 1: POLICY AND LEGAL FRAMEWORK</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policies, laws and institutional reforms for effective implementation of the Constitution at national and county levels are adopted</td>
<td>Indicator 1.1: number of policies and laws adopted at the National level to support effective implementation of Devolution. Baseline: 10 (2013) Target: 15 (2018)</td>
<td>2 policies developed in 2014 including draft Devolution Policy and 2nd Generation Revenue Sharing Formula.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Indicators; Baseline and Targets</th>
<th>Progress on Output</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PILLAR 2: CAPACITY BUILDING FOR INDIVIDUALS AND INSTITUTIONS SUPPORTING DEVOLUTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthened institutional and human capacities at national and county levels evident in supporting national and local development.</td>
<td>Indicator 2.1: Percentage of Supported Counties whose plans and budgets are approved by COB; Base Line - 40%; Target 80%</td>
<td>80% of County Budgets approved by Controller of Budgets (COB). CRA supported to review and comment on all 47 counties to align them with agreed ceilings and achieve balance between recurrent and development budgets. Over</td>
</tr>
<tr>
<td></td>
<td>Indicator 2.2: No of Counties with performance management systems in place. Baseline 0 (2013). Target: At least 10</td>
<td>Performance Management System deployed in 2 Counties (Kisumu, Kilifi)</td>
</tr>
<tr>
<td></td>
<td>Indicator 2.3: No of counties that develop business models that are inclusive and sustainable. Baseline: 0 (2013); Target: At least 10 by 2018</td>
<td>1 County (Turkana) supported to review CIDP and present it at an Investors Conference as framework for development support to the County</td>
</tr>
<tr>
<td></td>
<td>Indicator 2.4: MSE coordination mechanism in place Baseline: None (2013); Target: At least 10 by 2018</td>
<td>Council of Governors supported to hold a Conference for Jua Kali Sector to disseminate MSE practices across 47 Counties.</td>
</tr>
</tbody>
</table>
### Outputs | Indicators; Baseline and Targets | Progress on Output
---|---|---
**PILLAR 3: STRENGTHENED SERVICE DELIVERY MECHANISMS AND PEACEFUL CO-EXISTENCE AT COUNTY AND SUB-COUNTY LEVELS.**

**Output 3: Evidence planning, budgeting for improved service delivery at County level in tandem with reduced security threats and improved response to risk and disaster in selected counties.**

Indicator 3.1: The existence of disaggregated data to inform socio economic development.
- **Baseline:** National and county policies, plans, and strategies not informed by analytical studies and quality disaggregated data; no disaggregated data to monitor MDGs, human development issues; national and county development priorities; inadequate capacities at county level including on financial absorption.
- **Target:** At least 50% development policies and plans are informed by quality disaggregated data; system in place by 2016 to monitor MTP II implementation progress.

Information received from all 47 Counties to inform the 2nd Generation Revenue Sharing Formula. Consultations held with all 47 Counties on budget making aligned to development objectives.

**Indicator 3.2: # of Surveys, MDGs and HD reports, assessments, analytical works, policies, and advocacy papers conducted/prepared to inform development planning and management at national and county levels.**
- **Baseline:** 0 (2013); **Target:** 4 (2018)

1 Sectoral Policy and Legislative Analysis undertaken.

**Indicator 3.3: # of Counties with strategies for peace building community security and cohesion integrated development plans and budgets, sector strategies and programmes mainstreaming.**
- **Baseline:** 0 (2013), **Target:** 10 (2018)

3 Counties (Kisumu, Turkana and Kilifi) trained on collaborative leadership

---

### Outputs | Indicators; Baseline and Targets | Progress on Output
---|---|---
**PILLAR 4: CITIZENS EMPOWERMENT IN LOCAL DEVELOPMENT PLANNING AND FINANCING**

**Output 4: Citizen Participation mechanisms and processes strengthened to ensure effective and equitable service delivery and people-centred devolved system of government.**

Indicator 4.1: % of citizens satisfied with public service delivery by National and County Governments (disaggregated by County, Sex, age, social group.
- **Baseline:** 63.5% in 2009; **Target:** 75% in 2018.

Survey conducted in 2013 by Transparency International revealed satisfaction percentage of 43%.

Indicator 4.2: % of high burdened counties supported whose plans and budgets reflect HIV and AIDs.
- **Baseline:** 3 (2013), **Target:** 50% of high burdened counties have HIV and AIDs plans and budgets.

---

### Outputs | Indicators; Baseline and Targets | Progress on Output
---|---|---
**PILLAR 5: PILOTING COUNTY DEMONSTRATION PROJECTS**

**Output 5: Pilot testing of full local development cycle including participatory planning, budgeting (including gender budgeting), local level implementation capacities performance and change management, monitoring and learning.**

Indicator 5.1: County governments capacitated to deliver equitable, high quality public services.
- **Baseline:** 0 in 2013; **Target:** At least 10 by 2018.

3 Counties trained in development of CIDPs and Sectoral Plans. All County Executive Members Trained on CIDPs and PFM. Consultations held between County Executives and County Assemblies Forum.

---

### Outputs | Indicators; Baseline and Targets | Progress on Output
---|---|---
**PILLAR 6: PROJECT MANAGEMENT**

**Output 6: Improved Programme Management Support to the devolution programme.**

Indicator 6.1: % of Staff engaged.
- **Baseline:** 1 (2013), **Target:** 7 (2018)

Indicator 6.2: Unqualified Audit reports. **Baseline:** None, **Target:** Unqualified 2014 audit for the Project

Indicator 6.3: Positive evaluation reports. **Baseline:** None; **Target:** positive 2018.

No evaluation conducted on the project in 2014.
Progress on Programme Components

The annual work plans of the integrated programme divides the result areas into eight components (including the programme management) with the seven components aligned to the respective implementing institutions. The components address the five interrelated pillars identified in the Programme Document corresponding to the broad outcomes. Each Implementing Partner is responsible for a set of specific outputs. This framework ensured leadership and ownership of results while maintaining collaboration in the implementation process.

Component 1: Ministry of Devolution and Planning

The Ministry of Devolution and Planning (MoDP) is the Cabinet Ministry responsible for among other portfolios, the coordination of policy on devolution and national planning. The Ministry is also responsible for gender, youth, arid and semi-arid lands development, public service management and humanitarian relief and other special programmes. The mandate of the Ministry is crucial as the counterpart of county governments in coordinating relations with the national government. MoDP is therefore the main Implementing Partner of the Integrated Devolution Programme and convenes the Programme Steering Committee (PSC).

Output 1: Policies and Laws Developed

The main legislations expected to facilitate the devolution framework were enacted prior to the 2013 General Elections in line with the Transitional provisions of the Constitution and the Report of the Task Force on Devolution. The Ministry has supported the initial stages in the development of the Devolution Policy. Further consultations, validation and adoption of the policy are expected to be undertaken within 2015. Once adopted the policy is expected to anchor full transition to devolution in an integrated manner.

Output 2: Strengthened capacity of devolution institutions and systems:

UNDP provided technical assistance to the MODP through engagement of consultants embedded at the Ministry who serve as advisors and programme officers. The three (3) advisors provide high level support in the Ministry on key areas including monitoring and evaluation, governance advisory in the transition phase of devolution and support to the Office of the Secretary.

Output 3: County government revenue enhanced

The output was aimed at supporting the development of County Revenue Enhancement Plans and the interface of the C-IFMIS and IFMIS. Through the sector forums, the Ministry facilitated capacity building to County Executive Committee Members in charge of Treasury from all the 47 in understanding the public procurement and financial management frameworks. The common training of the CECs facilitated sharing of lessons, challenges and enhanced capacity for financial management in the public sector. The programme has developed TORs for the engagement of resource persons on development of a broad framework for revenue enhancement which will be adopted by the several counties aligned to the specific circumstances. This activity is expected to run into part of 2015.

Output 4: Strengthened Capacities for Devolution

UNDP supported the training of county officials in delivery of their County Integrated Development Plans and frameworks for Monitoring and Evaluation. Through the Ministry, UNDP facilitated joint departmental trainings on performance management and leadership. At the national level the training programmes assisted in building resources and identifying facilitators who are used to coach county personnel on performance management, monitoring and evaluation and capacity building on the implementation of CIDPs. The training sessions conducted through the Kenya School of Government targeted policy leaders in the County including County Secretaries, the County Executive Committee and Chief Officers and are instrumental in ensuring streamlined implementation of devolution.

Output 5: Civic Education

The programme facilitated the development of the draft civic education curriculum. The curriculum has been developed through multi-sectoral framework that brings together the state agencies and the civil society in order to secure buy in and enhanced scope at the implementation phase. The validation and rolling out of the civic education programme is expected to take place in 2015.
Output 6: Knowledge management, learning and advocacy

The programme facilitated the East Africa Local Government Forum held in November 2014. During the conference the Kenyan Cabinet Secretary in the Ministry of Devolution and Planning was elected as the forum’s chairperson. As a follow up, the programme facilitated the development of a strategic plan for the forum. The plan sets out the framework for institutional learning on decentralization among the east African states. The plan also provides opportunity for technical exchanges among the relevant institutions.

Output 7: IEC on devolution strengthened

The Ministry has facilitated the development of Terms of Reference for the engagement of a consultant to develop the IEC strategy. Actual work on the development of the strategy is expected to be undertaken in 2015. The activity aims at streamlining information and communication relating to the devolution agenda. This will in turn provide constructive resource base to the citizens and institutions.

Output 8: Devolution Sector Working Group (DSWG) established and facilitated

The programme has supported the work of the DSWG by providing technical assistance through an Advisor and Project Officer. The work of the DSWG is important in providing technical support to the counties and the national level institutions. DSWG provides a forum for sharing of information and joint planning among donors working on devolution.

Component 2: Council of Governors

Output 1: Increased leadership and capacity for Governors

The programme supported leadership training for all the 47 Governors. The tailor-made training was intended to help the governors provide strategic leadership within the public sector environment. The training also equipped the Governors with skills to harness the resources within the County and to manage relationships with other key government organs. The training also helped Governors share their experiences and learn from their peers. The training programmes have been instrumental in helping the governors appreciate the environment in working with the County Assemblies, overseeing the County Executives and better cooperation with the National Government.

Output 2: Knowledge management strategy developed, disseminated and implemented

UNDP supported exchange of information through its support of the South to South learning and cooperation visit to Colombia for the Council of Governors. Seven (7) Governors travelled to Colombia to attend ORU FOGR conference on 1st to 4th September 2014. The role of ORU FOGR (Regions United) is to bring together Regions around the world and being their ambassador within international organizations promoting a global policy of balanced development and territorial cohesion. Comparative learning, was considered by governors to be critical especially on strategies for effective citizens’ engagement in development of county plans and monitoring implementation of programmes and service delivery.

Output 3: CoG strategically positioned as a custodian of devolution

Through the programme, UNDP engaged technical staff to support the COG in building necessary capacity to coordinate the work of the Council. 2 Programme Officers have been recruited by the CoG. UNDP facilitated the annual review retreat by the COG to review its strategic plan and work plans. The retreat identified priorities for the financial year and facilitates support by the leadership of Council.

The programme supported the development of the COG Communication Strategy. The programme also supported the first meeting of the Chairs of County Public Accounts Committees (CPAC) aimed enhancing accountability and service and delivery at the Counties and clarifying the role of CPAC vis a vis that of the Senate.
Output 4: Legal Capacities of Counties enhanced

Through support to the Council of Governors’ Sectoral Committee meetings, UNDP facilitated discussions develop recommendations on key national legislation under consideration in the national assembly and the senate. The recommendations were aimed at securing the objectives of devolution and sustaining intergovernmental relations. UNDP supported key sectoral policy dialogue including the Agriculture Committee held on 26th June 2014 to review policy and develop position papers. The sectoral meetings were attended by CECs on Agriculture following which a technical committee was established to spearhead policy issues on Agriculture and other intergovernmental consultations.

UNDP supported the first meeting of the Chairs of County Public Accounts Committees (CPAC) aimed at enhancing accountability and service delivery at the Counties and clarifying the role of CPAC vis-a-vis that of the Senate. UNDP further supported a meeting of the members of the County Public Accounts Committees (5 participants per County) between the 10th and 13th November 2014. These two workshops helped to create awareness of the respective oversight roles of the County Public Accounts Committee of the Senate Public Accounts Committee, to help in minimizing duplication of roles and mitigate opportunities for conflict thereby reduce opportunities for curtailing the work of the County Executives.

Support of the consultative meeting of the County Government Leadership. This meeting was held on 7th November 2014 and brought together all the 47 Governors, Speakers of the County Assemblies, Leaders of Majority and Minority to discuss County Budgets for the Financial Year 2014/15 in order to build consensus on issues which cross-cut counties, agree on mutual interests, and minimize opportunities for inconsistencies thereby facilitating timely approval processes.

Component 3: Transition Authority

The Transition Authority (TA) is a statutory body whose mandate is to facilitate and coordinate the transition to devolved system of government in Kenya in accordance with the Transition to Devolved Government Act 2012 and the provisions under section 15 of the sixth schedule to the constitution. Section 25 of the Transition to Devolved Government Act (TDGA) mandates the Transition Authority to prepare quarterly progress reports to provide regular update on the implementation of transition to devolved government.

Output 1: Consolidated legal and regulatory framework for transition to devolved system of government

During the period, the programme provided technical support to draft and review regulations, administrative guidelines and Acts on transition to devolved Government. The programme supported the review and development of proposed amendments to the Urban Areas and Cities Act 2011, and the development of Draft Regulations on the two legislations.

The programme supported key stakeholder consultative meetings on emerging issues on transition to devolved government. The rapid and concurrent transfer of all devolved functions have elicited particular challenges which necessitated constructive dialogue at a policy level. Following the initial transfer of functions, 29 counties successfully appealed the scope of unbundling of the transferred functions. Through the Programme, UNDP facilitated a multi-sectoral meeting on unbundling of functions relating to Agriculture. The meeting which brought together the Senate, the CoG, the TA and other institutions built consensus on transfer of functions and way forward in unbundling further functions.

Output 2: Functional Analysis and competency assignment undertaken

During the July – September quarter the programme supported the TA to undertake sensitization activities of County Governments on the Capacity Assessment and Rationalization of the Public Service Programme- CARPs. This was a critical transition intervention to facilitate seamless transfer of functions while sustaining service delivery. Through the programme, the TA conducted validation workshop to review the concept paper and terms of reference for consultancy on costing of functions on 3rd July 2014. The revised Concept paper forms the basis for the preparation of the Consultant Terms of Reference for the comprehensive costing of devolved functions.
Output 3: Inventory, Audit and Transfer of Assets undertaken

The programme supported the Transitional Authority to develop and publish the Guidelines for transfer of Agricultural Mechanization Stations and Agricultural Training Centres as per agreed framework. The programme facilitated the Training of Trainers for the Technical teams for conducting an inventory on Assets and Liability held on 27th -30th July 2014 and the training of the County Technical teams to conduct inventory of Assets and Liabilities. Finalization of the Framework (mechanism criteria) for transfer and sharing of public assets and liabilities between the two levels of government, the programme supported the development and dissemination of A Draft Mechanism and Criteria for transfer and/or sharing of public assets and liabilities.

UNDP supported the TA to publish the statutory reports on the implementation of its mandate. The programme supported the publication of the Quarterly report July/ September 2014 and the Annual Report for the financial year 2013/14.

Component 4: Commission for Revenue Allocation

The CRA established under Article 215 of the Constitution is responsible for among other things: to determine and make recommendations on the sharing of revenue among the 47 Counties.

Output 1: Second generation revenue sharing formula for county governments developed

The first generation formula was developed in 2012. The CRA is currently in the process of developing the second generation formula for consideration and adoption by Parliament in accordance with the Constitution.

UNDP supported CRA to hold meetings with experts, county governments and the Senate to develop the draft report on the Second Revenue Sharing Formula. The meetings facilitated technical discussions on the policy considerations and parameters used in determining the revenue sharing formula. The initial meetings with experts comprised specialists drawn from the Kenya Institute of Public Policy Research Analysis (KIPPRA), the Kenya National Bureau of Statistics (KNBS), public and private universities, the National Treasury, Commission on the Implementation of the Constitution (CIC), Law Society of Kenya, Kenya Tax Payers Association, Kenya Association of Manufacturers, and Development Partners.

The recommendations at the experts meeting and at the County Consultations recommended the retention of the five parameters used in the first formula which include: population; poverty index; land area; basic equal share; and fiscal responsibility with a different weighting regarding the two additional parameters: infrastructure and social development. A self-standing parameter on social development index based on the levels of education, health and urban settlement was also recommended in order to address the prevailing socio-economic imbalances.

The new formula has been used to justify proposals for increased allocation to counties to Sh245.5 billion in the next fiscal year, up 7.1 per cent from the year ending in June 2015. In the 2014/15 fiscal year, the devolved entities received Sh229.3 billion from national government. The allocation among counties will also be more responsive to the objectives of equity.

Given the challenges from the previous financial years regarding the inconsistencies on application of the budget ceilings by the several counties, the CRA undertook a budget ceilings retreat. The meeting bringing together County Executive Members responsible for finance discussed the budget making process, the application of budget ceilings and consideration the budget by County Assemblies. Through the forum, CRA shared its comments on the County Fiscal Strategy Papers (CFSPs) in accordance with section 117(5) of the Public Finance Management Act, 2012. CRA analysis and comments were intended to align county budgetary policies to priorities, secure balance between recurrent and development expenditures, and align budgetary projections with the devolved functions.

Output 3: Review Marginalisation Policy to guide utilization of funds from the Equalization Fund

Marginalization Policy aims to set out the criteria for identifying marginalised areas and counties in Kenya and provides a framework that guides the planning, implementation, monitoring and evaluation in the use of the Equalization Fund established by the Constitution. The first Marginalisation Policy was launched in February 2013. The policy informed allocation of equalization fund through an objective criteria that identifies counties with poverty and development gaps below the national average. 17 Counties were identified to benefit from the fund. UNDP supported CRA to review the marginalization policy through initial research and consultations with the County Governments. Further aspects of this activity including validation and launch of the policy will be undertaken within 2015.
Output 4: Members of the County Assemblies and Technical Budget Staff Trained

During the implementation of the activities, it emerged from the interactions between the CRA and County Governments, that interaction and training of the County Assemblies was necessary in order to build capacity and to improve constructive engagement between the County Executive and the legislature. UNDP in consultation with the Commission revised the work plan to include a component to undertake a training for County Assembly members and budget staff. The training, bringing together all MCAs and technical staff will be undertaken in 2015.

Component 5: Intergovernmental Budget and Economic council (IBEC)

The Intergovernmental Budget and Economic Council (IBEC) is established under Section 187 of the Public Finance Management Act, 2012. The Council’s main purpose is to provide a forum for consultation and cooperation between the national government and county governments on matters relating to, among others: (a) the contents of the Budget Policy Statement, the Budget Review and Outlook Paper and the Medium-Term Debt Management Strategy; (b) matters relating to budgeting, the economy and financial management and integrated development at the national and county level; (c) matters relating to borrowing and the framework for national government loan guarantees, criteria for guarantees and eligibility for guarantees; (d) agree on the schedule for the disbursement of available cash from the Consolidated Fund on the basis of cash flow projections; and (e) any proposed legislation or policy which has a financial implication for the counties, or for any specific county or counties.

Output 1: IBEC Policy Briefs and Reports prepared (Please look at the DFID report and update this section, based on the 2014 activity re. CEC of Finance meeting)

UNDP provided technical assistance to IBEC to undertake a meeting with the County Executive Committee members responsible for finance to review the PFM Act in order to strengthen the County Treasuries to undertake their roles in accordance with the Act.

Output 2: Equip IBEC with the necessary capacity to carry out its mandate

The devolution programme has assisted IBEC to establish itself and undertake its mandate through provision of consultants and facilitation of its activities. The project plans include engagement of two support staff in 2015 to work under the Intergovernmental Affairs Office based at the Office of the Deputy President. The officers will provide technical support including monitoring the work of IBEC and liaison with key stakeholders.

Component 6: Kenya School of Government

Output 1: Strengthened capacity of the Kenya School of Government including the Centre for Devolution Studies

UNDP procured consultants to work with the faculty at KSG and the Centre for Devolution Studies to develop curriculum and training material, and facilitate training of county officials. KSG’s Centre for Devolution Studies has built resources and reputation for capacity building on devolution. The centre will be the focal point for training of officials and offering continuous training on devolution. The centre will provide a base for information exchange and lessons learning among county officials.

Output 2: Increased knowledge and skills for training programmes under the National Capacity Building Framework (NCBF)

UNDP supported the development of 5 curricula on performance management, human resource management and leadership and management developed. UNDP supported the KSG to procure thematic consultants to support curriculum development on the modules identified including: Public Finance Management, Human Resource Management, Results Based Management, Leadership and Monitoring and Evaluation. The curriculum were tested and piloted in the initial trainings to the County Government officials. The curriculum will be finalised, validated and rolled out in 2015.

Component 7: Support to the Implementation of the County Integrated Development Plans:

Kilifi County

UNDP provided technical support to Kilifi County to undertake its mandate in the transitional phase of devolution. The support was focused on three main areas including: support to the development and signing of the performance contracts by the county government officials; support to the monitoring and evaluation to support the implementation of the County Integrated Development Plan and implementation of RRI in the transitional phase to accelerate discharge of targeted devolved functions. UNDP provided RRI coach to work with the county government to deploy the RRI approach. RRI was seen as a useful tool to accelerate service delivery and meet citizens’ expectations.
Kisumu County

Kisumu is a success story in the deployment of Performance Contracts. Kisumu was the first county to sign performance contracts in August 2014 as a result of the support received from the programme. The signing of the contracts was preceded by support from UNDP and the Ministry of Devolution and Planning to train 54 Senior County Government Officials to equip them with knowledge and skills on change and performance management, monitoring and evaluation skills. UNDP supported cascade training of 344 officials on performance management out of a target of 400. 138 of the officials trained were female and 206 male. The major impact of the performance contract in Kisumu was that the evidence obtained from performance reviews provided the basis for reorganization of the Cabinet.

UNDP supported the training of 46 Officers from the County on Planning and Budgeting processes in the county including the parliamentary process for budget scrutiny and approval. UNDP supported the County Government to undertake a comprehensive procurement assessment. The assessment is aimed at learning lessons in implementation of projects, efficiency in service delivery, budget control and accountability. The assessment also draw useful lessons for other counties.

Support to Turkana County

The UN under the leadership of the UN Resident Coordinator and the UNDP Resident Representative selected Turkana as a model county for development assistance under the UNDAF 2014-2018. The main focus are humanitarian assistance and disaster risk reduction. Under the UN delivering as one initiative several agencies including: UNHCR, WFP, UNICEF, and IOM are leading key interventions. UN has facilitated dialogue among key political leaders including the Governor, Senator, Speaker, Members of the National Assembly, Civil Society Groups and the business community. The high level meetings provide forums for dialogue on county development, conflict mitigation, technical support and field assessment including appraisal on implementation of Turkana CIDP.

The main result of these consultations is the development of the Joint Programme of Support for Turkana County. The Joint Programme responds to key objectives including: learning decentralised development by doing; introducing real budgetary resources and enhanced community involvement through capacity building; and enhanced accountability of the leadership to the citizens. Transformative collaborative leadership training is essential in minimising conflict, learning lessons and helping the political leaders to take proactive steps at facilitating development.

An Integrated UNDP Support Programme for the Devolution Process in Kenya

Theory of Change in Programme Implementation

Devolution programme responds to the need for greater equity, service delivery, accountability, citizen participation in governance and enhanced security. The devolution programme has achieved high level impact at policy level through facilitation of institutions responsible for intergovernmental relations as envisaged under the Constitution. The programme facilitated opportunities for dialogue among institutions at the two levels of government which minimizes opportunities for disputes and policy consensus. The programme has also laid the ground for increased citizens’ participation in governance thereby facilitating greater accountability.

The interventions under the programme are linked with the key UN strategy documents including the UN Joint Strategy on Devolution, both the UNDAF and the UNDP CPD. The programme outcomes are also aligned to the second Country Medium Term Plan (MTP) which seeks to close the “infrastructure deficit” to enable sustainable development, and poverty reduction. The specific interventions will have high level results:

• The legislative and policy framework undertaken spearheaded by the Ministry of Devolution and Planning will help in realizing the constitutional objectives for devolution including: enhanced transparency, strengthened institutions, and mutual cooperation between the two levels of government.
• The capacity development initiatives contributed to meeting the high public expectations on devolution agenda through enhanced service delivery and accountability to citizens.
• Greater intergovernmental relations through continuous policy dialogue has contributed to consensus on key policy issues including revisions of Public Finance Act, sequencing of devolved functions, framework for enhance revenue and borrowing by counties and relationship between the executive and legislative branches.
• The civic education programme is intended to provide a good fit to the high policy intervention through creation of informed demand by the citizens on their leaders under the devolution agenda.
• The support to specific counties has been viewed as relevant and timely in enhancing the capacities of the County Governments. The County Secretary in Kilifi remarked that “UNDP support was very timely for us, despite the challenges at the early stages, the support was indispensable in helping us settle in public service. The RRI helped us meet very high public demands at a time when we were even cautious to face the public while at the same time settling in our new roles. It was eye opening especially for some of us from different backgrounds.” Kisumu County Secretary noted that “without the evidence obtained from performance management reports, reorganization of the cabinet would have been overly politicized or completely scuttled”.

H.E The Governor Jack Ranguma, Kisumu County, signs performance contracts with the County Executive.

An Integrated UNDP Support Programme for the Devolution Process in Kenya

2014 Annual Report
Programme Management - topic

The programme is designed to be managed within the framework of NIM modality i.e. The local implementing partners and responsible agencies from the National and County Governments take ownership of technical and administrative aspects while UNDP and other UN agencies undertake a coordination role. However, the constrained capacity at the County levels and lessons learned from recent programmes have necessitated significant programmatic support from UNDP. The primary focus of UNDP is to ensure that there is in-built capacity on procurement and laid down procedures that meet high standards of accountability.

Project Assurance and Project Steering Committee

The Project Steering Committee (PSC) was established in accordance with the Project Document. The PSC is chaired by UNDP and the Ministry of Devolution and Planning. Project Steering Committee (PSC) is the project management oversight body. It is the decision making organ in respect to the project and facilitates consensus on key issues among the responsible institutions as guided by the implementing agencies. The PSC reviews project progress and results, and may on occasions make adjustments according to the needs in order to learn lessons and align implementation process with the expected results. These decisions are taken in a manner that ensures best value for money, fairness, transparency and effective competition.

Under the oversight of the PSC, each Implementing Partner is responsible for project assurance. The project assurance responsibility ensures close monitoring and oversight of the project management teams by a strategic leader within each organization. This role ensures appropriate project management milestones are managed and completed within the work plans. The Programme Analyst oversees the programme assurance role under the guidance of the Deputy Country Director/Programmes and the Governance Team Leader on matters which have implication on strategic visioning and guidance.

In 2014, four PSC meetings were held; two during the transition programme and two during the current Programme.

Project Management Support

Programme Management Support is provided by UNDP governance team ensuring that there is effective and competent coordination of the programmatic and operational aspects. In 2014, the UNDP Programme Analyst managed the Programme as recruitment processes for the programme were initiated. UNDP core staff in procurement and Finance liaises with Implementing Partners in providing administrative support.

Implementing Partners have focal points that coordinate programme implementation and are supported by their administrative teams in procurement and finance. In 2015, UNDP intends to establish the Project Support Team as envisaged in the Project Document. UNDP sustained productive programme partnership with all the implementing partners. The partners’ focal points worked closely with the Programme Analyst who was consistently found to be “available and knowledgeable and quick” in facilitating implementation of activities. The administrative aspects of procurement and finance were considered by partners as helpful and responsive.

Financial Management - topic

According the annual audit report of 2014, the Programme expended USD 2,023,374.18 in conformity with the approved project budgets, for the approved purposes of the project, in compliance with the relevant UNDP regulations and rules, policies and procedures, supported by properly approved vouchers and other supporting documents. The following is a summary of the programme financial status as at 31st December 2014.

<table>
<thead>
<tr>
<th>Donor</th>
<th>Available Resources 2014 (USD)</th>
<th>Expenditure (2014)</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>2,032,416</td>
<td>1,157,399</td>
<td>875,017</td>
</tr>
<tr>
<td>DFID</td>
<td>817,242</td>
<td>431,331</td>
<td>385,911</td>
</tr>
<tr>
<td>USAID</td>
<td>2,630,000</td>
<td></td>
<td>2,630,000</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,589,193</td>
<td></td>
<td>1,589,193</td>
</tr>
<tr>
<td>UNICEF</td>
<td>50,000</td>
<td>21,512</td>
<td>28,488</td>
</tr>
<tr>
<td>UNDP</td>
<td>430,534</td>
<td>413,132</td>
<td>17,402</td>
</tr>
<tr>
<td></td>
<td>7,549,385</td>
<td>2,023,374</td>
<td>5,526,011</td>
</tr>
</tbody>
</table>

An Integrated UNDP Support Programme for the Devolution Process in Kenya
The programme risk can be assessed as medium. The programme document identified seven risk factors including: challenges imposed by overlapping mandates among implementation partners; weak collaborative mechanisms among institutions mandated to facilitate devolution; inter-county disputes, especially relating to boundaries; lack of clarity in revenue allocation to county governments; inadequate financial investments by donors and lack of capacity for effective programme implementation.

The risk of overlapping mandates among key implementing partners has been mitigated through establishment of inter-governmental relations institutions contemplated under the legal framework. The inter-country boundaries disputes remains a high risk but is manifest in a few areas. This risk can be politicised and make counties be vulnerable to disputes. While the risk of adequate revenue allocation has been reduced by improved relations between the Senate and the National Assembly and consensus building on recommendations by the CRA. Revenue allocation is central to the referendum debate and is likely to be politicised. Revenue allocation also has implication on the debate on the transfer of functions and raising of debt by counties.

During the first year of programme implementation, UNDP has taken initial steps at establishing effective risk mitigation strategies as identified in the Project Document. These included establishment of effective programme support, facilitating project assurance through establishment of the Project Steering Committee, facilitating consultations among the key programme implementation partners and providing programme management support to ensure compliance with UNDP rules and regulations. Further UNDP has provided project oversight through the Programme Analyst and the Programme Oversight and Management Unit. UNDP procurement and finance units have provided rigorous support to ensure that implementation is as per the work plan and that procedures are rights followed.

Risk Management

The programme achieved substantial part of the planned activities and realised outputs expected. The programme take off was affected by the prolonged process of agreeing upon the programme document. Consultations among key institutions also affected timely implementation of work plans. Overlapping mandates also necessitated protracted consultations which necessarily slows down implementation. However, the consultation process has facilitated ownership and sustainability of interventions. For instance, the development of devolution policy, while has taken time to achieve, has proven to be inclusive under the leadership of MODP. The following lessons can be drawn from the first year of implementation:

• Increased support to inter-governmental relations institutions is necessary to reduce the risk of politicising devolution.
• Continued concerted efforts by donors is important to ensure that the widening scope of the programme is matched by adequate funding.
• Recruitment of programme staff envisaged by the Programme Document is necessary to facilitate timely implementation and programme assurance.
• Efforts on the demand side of devolution especially civic education should be prioritised.
• Clarity in the scope of programme support especially where activities are implemented in the counties is necessary to ensure capacity and alignment of objectives. This is particularly important in light of UN delivering as one initiative where there are elements of implementation which are not directly implemented by UNDP.
• Programme documentation and learning should be enhanced.

Challenges and Lessons
Recommendations

The results are designed to target both high level policy making and demand oriented citizens’ participation and service delivery. In the first year substantial progress has been made on the policy and institutional aspects of the programme. While the programme has supported specific counties to improve service delivery, the coming implementation years need to invest more on the demand side through accelerating civic education.

The following recommendations will contribute to achievement of programme results.

• Secure timely investment on civic education through completion of the curriculum and material development. Civic education is a critical link to the supply and demand aspects of the programme. Effective civic education on devolution processes will forestall apathy and enhance accountability by county governments.

• Through the JSC, programme coordination has been effective. Through the support of UNDP Project Analyst, sharing of information has been efficient and timely. This needs to be sustained through the institutional structures on devolution. The sectoral meetings through the Devolution Sector Working Group should be strengthened and convened on more predictable frequency.

• Programme oriented surveys, analytical papers that appreciates the country context should be supported to inform programme flexibility and inform policy decision making by the PSC.

• Support to select Counties has been piloted in three Counties. Mapping of Counties to facilitate coordination with other programmes should be facilitated to enable programme target more counties.

• Engagement of programme management staff should be undertaken to provide effective support especially given the scope of implementation partners and result areas.

• Support to Kenya School of Government to cascade capacity building under coordination of MoDP and CoG.

• Conduct mid-term review at the end of the current implementation year to ensure that the programme is responsive to political context prior to the next election. This will be particularly important depending on the fate of the debate on the possibility of a referendum.

• Given the establishment of the Technical Committee that is mandate under the Intergovernmental Relations Act to facilitate the work of the Summit the other intergovernmental relations, the 2015 work plans should be aligned accordingly. This will facilitate transition of TA and support institutional learning.
Key Priorities 2015

Priorities in 2015 include:
- Technical and financial support to the Devolution Conference 2015.
- Technical and financial support to the completion, validation and adoption of the Devolution Policy.
- Technical and financial support to the completion and adoption of Marginalization Policy.
- Technical and financial support to the costing of functions
- Completion of inventory, audit and transfer of assets on all devolved functions.
- Technical and financial support to the finalization and roll out of five curricula by the KSG in line with the National Capacity Building Framework.
- Support development of framework on Civic Education on devolution.
- Technical and financial support to at least 10 County Governments on the implementation of CIDP
- Technical and financial support to key National Devolution Institutions to undertaken their mandate

Annex 1: Implementation Matrix: Progress on each component

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Progress Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1: Increased leadership capacity of Governors</td>
<td>Leadership Capacity Assessment and Capacity Development Strategy developed, disseminated and implemented</td>
<td>Collaborative leadership training undertaken for all governors.</td>
</tr>
<tr>
<td></td>
<td>Good practices leadership of Counties documented and disseminated</td>
<td>Support provided during the First Annual Devolution Conference in April 2014.</td>
</tr>
<tr>
<td></td>
<td>Leadership Capacity development interventions planned and executed, capacity development plan cascaded to county executive committee members</td>
<td>Meetings of the Sectoral Meetings facilitated and position papers developed on key policy interventions and proposed legislations.</td>
</tr>
<tr>
<td>Output 2: Knowledge Management strategy developed, disseminated and implemented</td>
<td>Recruit 2 officers (Programme and ICT) to work with the consultant and manage the process of the resource centre</td>
<td>Programme support staff engaged to support the work of the COG \ consultant procured and progress on the activity ongoing.</td>
</tr>
<tr>
<td></td>
<td>Develop implementation plan and budget</td>
<td></td>
</tr>
<tr>
<td>Output 3: Capacity of COG enhance to undertake its mandate.</td>
<td>Develop a communication strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Document and disseminate devolution success stories for counties</td>
<td>County Assemblies Sectoral Meetings facilitated and position papers developed.</td>
</tr>
<tr>
<td></td>
<td>Support the Council of Governors to develop a pool of expertise in legislative drafting</td>
<td>51 Model Laws developed and disseminated to County Attorneys.</td>
</tr>
</tbody>
</table>
### Component 3: Transitional Authority

#### Expected Outputs

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Progress/ Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1:</strong> Consolidated legal and regulatory framework for transition to devolved government developed</td>
<td>Conduct a gap analysis in the existing legal framework for transition and propose necessary action.</td>
<td>TA contributed to the process of reviewing the PFM Act, Division of Revenue Act 2013, 2014 and County Allocation of Revenue Acts 2013, 2014 and the Cities and Urban Areas Act.</td>
</tr>
<tr>
<td></td>
<td>Provide support to drafting and review of regulations, administrative guidelines and Acts on Transition to devolved Government.</td>
<td>Concept Paper and Terms of Reference for consultancy for costing of functions. This was undertaken through a consultative process with key stakeholders and Actors for purposes of shared understanding on costing of National and County government functions.</td>
</tr>
<tr>
<td></td>
<td>Stakeholders’ consultative meetings on emerging issues on transition to devolved government.</td>
<td>Consultations among Sectoral Committees and County Attorneys. Consultations held between governors and County Assemblies Forum.</td>
</tr>
<tr>
<td><strong>Output 2:</strong> Functional analysis and competency assignments undertaken</td>
<td>Undertake costing of functions for the National and County Government.</td>
<td>Under the leadership of TA and CRA developed concept paper on unbundling and costing of functions. Consultant procured to cost priority functions on: health, agriculture, water and sanitation, Transport and Infrastructure and Foreign Affairs.</td>
</tr>
<tr>
<td></td>
<td>Develop a handbook on management and transfer of public assets and liabilities during the transition period.</td>
<td>Support provided in the taking of assets and liabilities of Local Authorities in 28 counties. The data is used to verify assets and liabilities. TA supported to develop a guide for the transfer on the transfer and sharing of all Agricultural Training Centers (ATCs) and Agricultural Mechanization Stations (AMS). TA and office of the Auditor General Finalisation of the framework (mechanism criteria) for transfer and sharing of public assets and liabilities between the two levels of government.</td>
</tr>
<tr>
<td></td>
<td>Facilitate closure and transfer of public records.</td>
<td>Stakeholders validation and verification of assets and liabilities of defunct Local Authorities and MDAs Technical Teams trained in both national and county governments trained on asset verification.</td>
</tr>
<tr>
<td><strong>Output 3:</strong> Inventory, audit and transfer of assets undertaken.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Output 4:</strong> Strengthened capacity of TA to undertake its functions.</td>
<td>Publication of statutory reports (Annual (1) Quarterly (4).</td>
<td>Quarterly report and annual reports developed and published.</td>
</tr>
<tr>
<td>Component 4: Commission on Revenue Allocation (CRA)</td>
<td>Expected Outputs</td>
<td>Planned Activities</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Output 1: Second Generation Revenue Sharing formula for developed</td>
<td>Undertake County Visits to review the first generation revenue sharing formula.</td>
<td>County visits undertaken and proposals for the second generation revenue sharing made.</td>
</tr>
<tr>
<td></td>
<td>Convene stakeholder consultative meetings with the executive, the county assemblies, and other stakeholders to prepare a comprehensive draft report on review of the first generation formula.</td>
<td>stakeholder consultations undertaken with County CECs responsible for finance, CAF and other stakeholders.</td>
</tr>
<tr>
<td></td>
<td>Hold discussions with Senate and Stakeholders on the draft revenue sharing formula.</td>
<td>Senate discussions undertaken and draft formally submitted to the Senate.</td>
</tr>
<tr>
<td></td>
<td>Revise and publish the report on the revenue sharing formula.</td>
<td>Final report submitted to Senate for consideration.</td>
</tr>
</tbody>
</table>

| Output 2: CRA Recommendations on division of revenue made and incorporated for the 2015/16 Financial Year. | Hold technical retreat with county governments to establish the recurrent costs. | Technical retreat on recurrent costs undertaken. |
| | Hold consultative forum with the county governments to discuss the draft recommendation on the sharing of revenue between the national and county governments for FY 2015/16. | Recommendations on division of revenue developed and discussed with stakeholders. |
| | Undertake county visits to collect information on marginalised areas. | County visits taken, information collected and collated. |
| | Hold a two day technical forum with experts to discuss report on marginalisation in Kenya. | Technical forum undertaken in 2015. |
| | Hold a one day stakeholders consultative forum with the County governments to review draft marginalisation policy. | Consultation on Marginalisation policy scheduled to be held in March 2015. |
| | Hold a half day meeting with media to launch the policy on marginalisation. | Outstanding. |

<table>
<thead>
<tr>
<th>Component 5: Intergovernmental Budget and Economic Council</th>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Progress/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1: IBEC Policy briefs and reports prepared.</td>
<td>Technical support to the three IBEC Committees to deliver on their mandates.</td>
<td>Technical support provided in consideration of amendments to PFM Act. Technical Committee meetings held and reports developed. Technical Committee meetings held on borrowing mechanisms including criteria for guarantees.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Publish IBEC resolutions for presentation to the Senate and dissemination to the public.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Component 4: Commission on Revenue Allocation (CRA)**

- **Output 1:** Second Generation Revenue Sharing formula for developed
  - Undertake County Visits to review the first generation revenue sharing formula.
  - Convene stakeholder consultative meetings with the executive, the county assemblies, and other stakeholders to prepare a comprehensive draft report on review of the first generation formula.
  - Expert consultation on the proposals for second generation revenue sharing formula.
  - Hold discussions with Senate and Stakeholders on the draft revenue sharing formula.
  - Revise and publish the report on the revenue sharing formula.

- **Progress/Comments:**
  - County visits undertaken and proposals for the second generation revenue sharing made.
  - Stakeholder consultations undertaken with County CECs responsible for finance, CAF and other stakeholders.
  - Expert consultations undertaken.
  - Senate discussions undertaken and draft formally submitted to the Senate.
  - Final report submitted to Senate for consideration.

---

**Component 5: Intergovernmental Budget and Economic Council**

- **Output 1:** IBEC Policy briefs and reports prepared.
  - Technical support to the three IBEC Committees to deliver on their mandates.
  - Publish IBEC resolutions for presentation to the Senate and dissemination to the public.

---

**2014 Annual Report**

An Integrated UNDP Support Programme for the Devolution Process in Kenya
## Component 6: Kenya School of Government

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Progress/ Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1: Strengthened capacity of the Kenya School of Government including the Centre for Devolution Studies (CDS)</td>
<td>Recruit staff and consultants as required. Consultants procured on key themes: curriculum development, PFM, HRM, RBM, and M&amp;E. Procure equipment and office furnishings for KSG campuses and CDS and PFM Centre. Provide support to implementation of Strategic Plan.</td>
<td>Increased knowledge and skills for training programmes under the NCBF. Support curriculum development for the core government courses: PFM, HRM, PST, Leadership, CIDP, M&amp;E. Training delivery on government courses. Monitoring of devolution training programmes (Training Impact Assessment) on core government courses.</td>
</tr>
</tbody>
</table>
### Turkana County

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Responsible Partner</th>
<th>Progress/Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1: Capacity Support provided to select counties to perform their devolved functions.</td>
<td>Capacity and Technical Support on CIDP, M&amp;E, PFM and HRM</td>
<td>County Govt of Turkana</td>
<td>Performance Management coach provided. Consultation between the County Executive and County Assembly held on implementation of CIDPs.</td>
</tr>
<tr>
<td></td>
<td>Support development and implementation of Performance Management system.</td>
<td>County Govt of Turkana</td>
<td>PFM successfully launched and contracts signed by all County Executive Members and Chief Officers. Cascade training conducted within departments.</td>
</tr>
<tr>
<td></td>
<td>Provide Technical and advisory Support on devolution to the Counties through short term technical assistance.</td>
<td>County Govt of Turkana</td>
<td></td>
</tr>
</tbody>
</table>

### Component 8: Programme Management

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Planned Activities</th>
<th>Progress/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1: improved programme management support</td>
<td>Programme monitoring</td>
<td>Consultants procured on key themes: curriculum development, PFM, HRM, RBM, and M&amp;E.</td>
</tr>
<tr>
<td></td>
<td>Annual programme review/evaluation</td>
<td>Consultants on PFM procured and technical support provided.</td>
</tr>
<tr>
<td>Output 2: Programme Staff engaged</td>
<td>Recruit technical advisor</td>
<td>Technical advisor engaged</td>
</tr>
<tr>
<td></td>
<td>Programme Officer; M&amp;E Officer and Project Officers engaged; Finance Officer; Procurement Officer</td>
<td>Recruitment initiated for M&amp;E Officer.</td>
</tr>
<tr>
<td>Financial Management</td>
<td>Unqualified audit of financial reports</td>
<td>Audit undertaken and unqualified report obtained.</td>
</tr>
</tbody>
</table>
UNDP wishes to acknowledge the support and contribution of the following partners to the devolution process in Kenya.