



Ministry of Mining



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**ADDENDUM TO THE PROJECT: Extractive Industries for Sustainable Development in Kenya**

**Title of Addendum: Ministry of Mining Strategic Advisory Facility**

**Project Number: 00088616**

**Implementing Partner: Ministry of Mining**

**Start Date: May 2016 End Date: April 2019**

**Brief Description**

Extractive Industries for Sustainable Development in Kenya is a pilot project whose overall expected outcome is to ensure that the extractive sectors in Kenya are governed in a more participatory, equitable and sustainable way to ensure that they contribute to peace and sustainable human development. The project outputs include: Participatory decision making fora established to institute representation of communities in decisions on extractive industries and safeguard their rights and mitigate against growing tension between communities and investors; Public institutions, the private sector and civil society have systems to ensure transparent, accountable and inclusive management of revenue from extractive industries and Legal, policy framework and institutional capacity is in place to effectively support sustainable management of the extractive sector.

This Addendum covers support to the Ministry of Mining whose management and operational structures are not fully in place due to understaffing and limited capacity. It is important to support the Ministry to ensure efficient and effective implementation of its mandate. In this regard this project revision responds to this need by providing a framework not only for providing additional capacity but also building the capacity of the existing staff with a view to ensuring sustainability and effective institutional capacity to support sustainable management of the extractive sector. Capacity development through support with advisors shall provide the much needed technical assistance to the Ministry of Mining at the strategic level. It will also enhance the engagement of county platforms to ensure they operate effectively and in a transparent manner. These interventions are expected to result in improved governance of the mining sector, promote implementation of investor friendly mining policies and ensure communities are supportive and benefit from mining thus ensuring improved business environment and efficient revenue collection systems. Overall, this support shall contribute towards reduction of poverty.

**Contributing Outcome UNDAF: Productive sectors and Trade-** By 2018 productive sectors (finance, agriculture, tourism, manufacturing, extractive industry), trade and their value-chains are private and SME driven, sustainable, diversified, technologically innovative, commercially oriented and competitive on national, regional and global markets.

**CP Outcome:** The Extractive Sector is technically strengthened to apply measures that protect the environment and invest in community development and social services.

**Expected Output(s):** Legal, policy framework and institutional capacity is in place to effectively support sustainable management of the extractive sector.

<b>Total Resources Required in USD</b>		
<b>Total Resources Allocated</b>	Donor (DFID)	GBP 850,000
	In-Kind	

PRINCIPAL SECRETARY  
MINISTRY OF MINING  
29/5/2016  
P. O. Box 30009  
M. MOHAMMED

*NB: Implementation is currently supported by DFID and UNDP but is open to support by other partners*

**Agreed by Ministry of Mining:**

*DR IBRAHIM M. MOHAMMED*

**Agreed by UNDP:**

*Michel BALIMA*



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## I. DEVELOPMENT CHALLENGE

### Outline of the Mandate of the Ministry of Mining:

The Ministry of Mining of Kenya (MoM) was established after 2013 general election and in the framework of the 2010 Constitution. The Ministry undertakes various functions aimed at enhancing growth of the mining sector in the country as guided by the executive order No. 2 of 2013. The Ministry came about after the realization that the sector has the potential to significantly contribute to national and local growth. Over the last decade the amount of minerals extracted and exploited has been increasing. Previously, mining activities in the country were handled by the Ministry of Environment and Natural Resources through the Mines and Geology Department. MoM mandate includes:

- Mineral Exploration and Mining Policy and Management;
- Inventory and Mapping of Mineral Resources;
- Mining and Minerals Development;
- Policies on the Management of Quarrying and Mining of Rocks and Industrial Minerals for example Limestone, Building Stone, Clay, Gemstones, Cement, Sand, Coal among others
- Management of Health Conditions and Health and Safety in Mines;
- Policy around Extractive Industry;
- Resources Survey and Remote Sensing;
- Maintenance of Geological Data (Research, Collection, Collation, Analysis);

All these functions are delivered through the following Directorates:

#### 1. Directorate of Mines

The Directorate of Mineral Development and Policy is charged with:

- Formulation and administration of policies on management of minerals, mining and quarrying;
- Administration of mining and minerals development through administration of relevant mining laws;
- Licensing of exploration and mining concessions;
- Compilation and management of the mining and concessions data;
- Management of the mining cadaster system;
- Institutional liaison;
- Arbitration of mining disputes; and
- Provision of mining technical services.

#### 2. Directorate of Geological Surveys

The Directorate, among other functions, will be charged with the responsibility of:

- Undertake systematic geological mapping and structural mapping of the whole country to describe the onshore and off shore geological conditions;
- Assess and provide information on mineral wealth of the country using detailed investigation;
- Evaluate and monitor hazards associated with earthquakes, landslides, toxic minerals, subsidence and other ground failures;
- Undertake research related to geological processes and tectonic activities;
- Compile geoscience data and database management;
- Produce and publish geological reports and maps as a frameworks for mineral, energy and water resource assessment, research, planning, decision-making and other related undertakings;
- Provide quantitative and qualitative laboratory analyses of rocks, mineral ores, precious and semi-precious minerals, metals and assay for gold, among others and

- Formulate policy on geology and mineral exploration.

### 3. Directorate of Mineral Promotion and Value Addition

The Directorate of Mineral Promotion and Value Addition will:

- Implement policies on mineral promotion and value addition;
- Promote mineral value addition within the country;
- Provide extension services to small scale and artisanal miners on mineral processing and value addition; and
- Market mineral investment opportunities in the country.

### 4. Directorate of Mine Health, Safety and Environment

This directorate will be charged with the responsibility of:

- Safe and optimal exploitation of mineral resources;
- Verification and certification of commercial explosives;
- Monitoring of operations to ensure public safety from negative impacts of blasting;
- Management of mine health standards;
- Blasting designs and techniques;
- Assessment and monitoring of mine and quarry buffer zones;
- Monitoring of geo-hazards in mining.
- Mine and explosives disaster preparedness and management;
- Monitoring of mine safety, health and environment;
- Monitoring standards of explosives, explosive factories, explosives magazines, and transport of explosives;
- Safe utilization of undermined land for development purposes; and
- Undertake controlled surveys during rehabilitation of abandoned mine dumps and small scale mining operations.

#### **Key Challenges:**

Today, the mining sector in Kenya contributes 0.4% of GDP, \$14m of government revenue, 13,000 jobs with a net trade impact of -\$0.9m. The growing extractive sector in Kenya means there is need to give more attention to the social economic dynamics of the sector. There is little experience, knowledge, dialogue and public information on the extractive sector in Kenya. This comes against a background of high poverty incidence, where 48% of citizens live below the poverty line.

The extractive sector provides an opportunity to significantly contribute to poverty reduction and improve the wellbeing of the country. This will only happen if there is good resource utilization and management, equitable sharing, effective policy dialogue, appropriate legislation, strong oversight by institutions such as parliament and Office of the Auditor General, and communities feeling the benefits of the extractive sector.

There are several risks that can be caused if the discoveries in the extractive sector are not handled well. Some of the risks include: inadequate legislation that does not reflect Kenya's priorities or Constitutional requirements; incoherent and overlapping policies that do not harness the benefits that accrue from the extractives sector; social unrest related to misinformation on the benefit of mining; misallocation of revenues; illicit cash flows emanating from extractive sector; lack of transparency and accountability mechanism resulting in government negotiations with companies rather than direct bidding.

Other issues and challenges facing the mining sector in Kenya include the huge financial outlays for exploration of mineral resources, attraction of capital for exploration and production activities,

technical capacity constraints with a shortage of specialized local manpower in the mining sector and inadequate infrastructure amongst others.

Despite these challenges, the increasing activities in this sector are a pointer to the potential of the sector to contribute substantially to the economy and government revenue.

The MOM is focused on accelerating developments in the mining sector through progressive reengineering of various aspects within the sector. As part of this effort, the MOM is working towards strengthening institutional capacity by engaging high-calibre expertise to infuse dynamism and efficiency in the attainment of the strategic objectives and priorities of the MOM. Towards this end, the MOM has identified the need to bring on board Strategic key Advisors to provide leadership and enhance capacity in various strategic areas. The Advisors will be supporting the implementation of MOM's transformative agenda while at the same time building internal capacities.

The MoM requested DFID to support Institutional Capacity building through the recruitment of these Advisors. DFID suggested channelling the support through UNDP since there was already established working relationship and also that UNDP's mandate and expertise fully aligns with the identified tasks. In this regards, UNDP shall thus provide the required support and facilitation to the Advisors and the Ministry through DFID funding.

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## II. STRATEGY

UNDP's strategic choices and approach in the extractive sector in Kenya is informed by UNDP's Country Programme Document (CPD) 2014-2017 based on Kenya's Vision 2030 and Mid Term Plan II. The proposed Ministry of Mining **Strategic Advisory Facility** will contribute to ensuring that the extractive sectors of Kenya are governed in a more participatory, equitable and sustainable way to ensure that they contribute to peace and sustainable human development. Besides ensuring that the Institutional capacity is in place to effectively support sustainable management of the extractive sector, this support shall also contribute to DFID' Kenya's Extractives Programme<sup>1</sup> outcomes (i) improved governance of mining industries (ii) investor friendly mining policy implemented and (iii) communities benefit from mining and are supportive. With support to this Advisory Facility, DFID Kenya continues to assist MoM as started in 2014-2015 with inputs to help reforming the sector legislative and regulatory frameworks<sup>2</sup>. This new intervention will aim at institutionalising and ultimately making sustainable the capacity support provided with UK Aid resources.

Like any new establishment, the Ministry of Mining (MoM) continues to face challenges in operationalizing its management and operational structures. The capacity of the Ministry is limited and thus requires support to fast track the implementation of its mandate. According to the MoM Strategic plan 2013-2017, understaffing is identified as one of the Ministry's weaknesses. In view of this the Ministry sought to recruit senior Advisors to provide the required technical and advisory support, while ensuring skills transfer among MOM staff. Key amongst the support required by the ministry includes supporting the office of the Cabinet Secretary in:

1. *Reengineering the mandate and function of geological survey directorate to align with priorities set up in the MoM Strategic Plan 2013 – 2017 so as to deliver an effective system that identifies and quantifies the mineral potential in Kenya with its attendant services;*
2. *Reengineering the framework of mining concession management and revenue collection to align with the requirements of the new legislation and regulations and priorities set up in the Strategic Plan 2013 – 2017 so as to deliver an effective and efficient system that is transparent, predictable, enhances investor confidence and secures revenues to the government and people of Kenya;*
3. *Developing an implementable communication strategy for the Ministry and oversee implementation of a framework of engagement for stakeholders in the sector including those in national government, county government, private sector, mining communities and development partners so as to ensure good relationship with and amongst these stakeholders and;*
4. *Implementing Sector policy reforms and Strategies.*

In order to realize the above functions, the Ministry has sought support from DFID for the Strategic Advisory facility. The facility is designed to be flexible to accommodate other emerging thematic needs as well contributions from other donors. To initiate this support the following thematic areas have been identified.

- **Concession Management and Revenue Optimisation:** Includes supporting reengineering the framework of mining concession management and revenue optimization.

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<sup>1</sup> K-EXPRO contributes to reducing poverty in Kenya through inclusive and sustainable economic development in the extractives sector, with reduced risk of negative, social, political and environmental impact. All programme documents are available at <https://devtracker.dfid.gov.uk/projects/GB-1-204339>

<sup>2</sup> KEIDP project implemented by Adam Smith International

- Geotechnical Operation: Includes support, capacity building and Advisory services in the areas of geological mapping and surveys, mineral exploration and laboratory services.
- Strategic Communication and Sector Liaison: Includes development and operationalization of frameworks to support strategic communications and community liaison and
- Sector Reforms and Strategies: Support the implementation of sector reforms and strategies to ensure progressive implementation.

The support in these areas is considered priority to strengthen the capacity of the office of the Cabinet Secretary. In order to respond to the identified gaps, the Ministry of Mining requested the Public Service Commission (PSC) to approve the recruitment of a small number of Advisors for the thematic areas identified above. This request was followed by discussions with the PSC during which the Ministry justified its case, and the PSC then approved the request. Given that the positions of the Advisors had not been established earlier by the government, and that there was no budget allocation for remunerating the advisors, the MoM approached DFID and requested for support in remunerating the Advisors.

UNDP was identified as the preferred agency through which DFID would advance this support project. Having considered two options for recruiting the Advisors (either by UNDP or Government); the fact that the authorization for establishing the positions of the Advisors is granted and approved by the Public Service Commission; and the need for the positions to be mainstreamed into public service, it was preferred that the Advisors be recruited by the Government but with UNDP ensuring conformity with government recruitment procedures and remuneration scales for similar advisory services. DFID also suggested to include a sustainability and exit strategy for the project, in order to ensure that capacity is actually transferred to MoM within a reasonable timeframe and the advisory facility is effectively institutionalised. Once the government confirms conformity with laid down procedures, UNDP confirms that agreed salaries and contractual terms are in line with market conditions for experts of the required calibre and DFID releases the funds to UNDP, then UNDP shall facilitate payment of the salaries to the experts, monitor and report progress periodically and produce formal reports which will be discussed by the steering committee on a quarterly basis.

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### III. OUTLINE OF DELIVERABLES

Even though the Advisors shall be working as a team, each of the Advisors shall be responsible for technical and advisory support relative to the specific thematic area. The ultimate outcome of the Strategic Advisory facility is to ensure Ministry of Mining has appropriate structures, processes and technical competence in place to attain the identified deliverables even after the facility has been closed. Key deliverables for some of the advisory areas identified as priority are summarized below:

**a) Geotechnical Operations**

- *National Geophysical Airborne survey completed and a data System in place*
- *Geological mapping and exploration for priority minerals framework*
- *Establishment of an internationally accredited mineral laboratory*
- *Establishment of a National Geo data Centre*

**b) Concession Management and Revenue Optimization**

- *Cadaster system in place and operationalized for Mineral rights issuance and management system.*
- *Better management of mining revenue; administrative procedures; processes and tools for enforcement and compliance at National government, Counties and local communities*
- *Framework for effective functioning for value addition centers (these are centers that add value to products mined for example cutting gemstones before they are sold) developed and operationalized*

**c) Strategic Communication and Sector Liaison**

- *Operationalize the community liaison department putting in place strategies that will enable the Ministry to effectively engage with the community*
- *Operationalization of a media management and engagement framework*
- *Increase number of investors interested in mining opportunities in Kenya*
- *Develop a Development Partners' coordination framework*
- *Act as a link between national and county governments; stakeholders (civil society and private sector) and development partners*

**d) Sector policy, Strategy and Institutional Reform**

- *Develop coherent Strategy of how the approved policy and legislation shall be implemented*
- *Provide expert guidance on emerging policy issues and concerns*
- *Establishment and operationalization of sector institutions as provided for in the Act*
- *Provide expert input, guidance and oversight to consultants hired by the Ministry.*

This proposed support project for the Advisors will be anchored within UNDP's Extractives Industries for Sustainable Development in Kenya project, and shall roll into Phase II of this project which shall be commencing on July 1<sup>st</sup> 2016.

Even though the support to this facility is intended to be for a period of three years from the date of signing the Agreement with DFID, the initial support for each advisor shall be for one year with possible extensions to be discussed between MoM, UNDP and DFID at appropriate periodic reviews to establish the results attained and any residual need. The expected deliverables are captured in the ***M&E framework annexed at the end of this document.***

In addition to the deliverables outlined above, the Ministry, through the office of the Cabinet Secretary identified the following as emerging priorities areas that would also receive support through the Strategic Advisory facility.

1. **Artisanal Mining Sector** - Ministry notes that this sector has high but untapped potential, and can contribute between 40 – 50 % to Kenya’s economy.
2. **Small Scale Miners** - These are the more formal miners who have structures in place but lack technical and financial support to advance; examples include Karebe Mines and Kilima Pesa.
3. **Large Scale Miners** - Engaging large scale miners such as Bamburi, Base Titanium and Magadi for development and support to the extractives sector.
4. **Exploration Companies** - Engage and support companies to undertake exploration tasks. This will lead to increases mining activities and thus increase in revenue.
5. **Precious Minerals** - e.g. Gemstones; Kenya visions to become a regional for trade and value addition.
6. **Provision of Mining Services** – These include:
  - Training - the Ministry wishes to establish a National Institute of Mining to provide training on technical and policy concerns/issues.
  - Financing of small scale miners and also formation of cooperatives and group/table banking
  - Logistics e.g. provision of transport services for the products mined
  - Security
7. **Development of an African Mineral Trading Hub** - Similar to one in Thailand, this will be a great contribution to the extractives trade sector and would increase revenue base tremendously.

In view of these emerging priorities, the Ministry shall review the Terms of References for each Advisor to reflect the emerging areas as shall be considered appropriate. Further, the Ministry may review the support requested and factor priorities that may be considered appropriate subject to agreement by DFID and UNDP; and availability of funds. The Strategic Advisory Facility will be open to further support from other development partners.

### Risks and Assumptions

There are a number of potential risks that may affect programme implementation that need to be taken into account as the Programme is rolled out.

**Table 1. Risk Analysis**

Risk	Type and Impact	Probability	Mitigation
Inadequate funding for the Project	Financial: Major There is need to have adequate resources to support the project. The needs are many and resource constraints may affect the ability to deliver effectively on the anticipated results	Possible Budgetary constraints within the MOM, non-inclusion of Advisor requirements in budgets, external government-wide austerity measures.	Proactive budgetary provisions by the MOM for priority interventions.
Instability surrounding the General Elections	Political: Severe During the General Elections, government priorities are not keenly implemented	Likely Budgetary constraints that might be occasioned by political priorities might slow down implementation.	There is need to coordinate donor support under the sector to avoid duplication and contribute towards implementing identified priorities.
Delayed implementation of the Legislation	Operational: Major The current implementation has been done under archaic laws which are not progressive	Likely Due to lack of public engagement the new provisions that are much needed in the sector might not	Support civic education for all stakeholders to ensure that the



Risk	Type and Impact	Probability	Mitigation
		be efficiently implemented	community, private sector and investors are informed on the new provisions
Lack of Inter-governmental agencies coordination and collaboration	Operational: Major The need to have the issues of extractives tackled with by all responsible government agencies including national government, county government and different inter-ministerial agencies might slow down implementation or cause duplication	Likely Due to the fact that different government agencies have mandate in the sector lack of coordination might affect efficiency.	Facilitate and support multi sector committees and bring together the different stakeholders to work together
Inadequate Human resources	Operational : Severe The Human Resources Development and capacity building of staff has not yet reached the required levels to enable successful implementation.	Likely High turnover and understaffing at the MoM leaves the office with constant need to train and source for required skills	UNDP will support capacity building and Training for MoM to compliment the limited human resource. This will be as part of the new phase of the E.I Project.
Weak Internal Co-ordination	Operational : Major Inter-departmental coordination, horizontal and vertical communication has not yet reached the prerequisite levels to facilitate faster decision –making	Possible Possibility of duplication of activities during implementation due to the weak coordination	UNDP facilitate the building of internal mechanisms for the MOM to work as a team and coordinate all their interventions.
Inadequate transfer of skills	Operational: Major Unclear strategy for skill transfer from advisors to core staff.	Possible Inadequate teamwork and core staff working in silos	Advisors will establish a working relationship with staff including a pairing and mentoring programme
Inadequate senior-level support and and engagement due to other commitments	Operational : Severe Inadequate understanding and support of the role and contributions of the Advisors by senior and executive level officials in the MOM.	Possible: Non-inclusion of Advisors in senior and strategic discussions and decision-making processes with the MOM	On-going and proactive engagement, support and consultation of Advisors by CS and PS in key relevant issues for the MOM. Involvement of Advisors in key decision making process and critical discussions at MOM Proactive engagement by the Advisors with key MOM leadership and officers at various levels based, as appropriate
Weak Monitoring and Evaluation	Operation : Major The M& E systems are weak and hence do not provide mechanisms for adequate addressing the divergence between planned and realized objectives	Possible: Possibility of facing difficulties in attributing the results to the implementation of the project	The Advisors will help the government in developing SMART clear indicators and ensure implementation is geared towards achieving set milestones.

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#### IV. SUSTAINABILITY, SCALING UP AND EXIT STRATEGY

For sustainability, the Advisors shall serve as change agents by taking a leading role in identifying support areas. The MoM shall identify and pair each of the Advisors with officers from different directorates. Each of the advisors shall be matched with one or more ministry officers depending on the nature of the tasks being undertaken. This pairing will be deliberately undertaken to provide a learning and mentoring platform for building internal capacities from the respective departments. It is anticipated that this process shall develop full capacities for directorate staff to the level of the Advisors and beyond.

As the capacities of the directorates shall develop, an exit strategy shall be put in place during the first quarter and commence at the appropriate time. The timing shall be informed by reviews that will be undertaken quarterly and annually. In order to ensure sustainability in their respective thematic areas, Advisors will be required to:

- a) Support capacity assessment of existing gaps and advise on how to build skills to respond to the gap;*
- b) Mentor the staff that they shall be working with/paired with and ensure that by the end of the support period the mainstream staff members can carry on with the initiated interventions;*
- c) Lead on the development of knowledge materials which would be used to provide required information. These would include the development of Standard Operation Procedures (SOPs);*
- d) Integrate their interventions to the Ministry's Directorates for continuity and wholesome capacity development for the Ministry*

The support will ensure that the Ministry implements its mandate effectively and details the intervention areas. All key Directorates identified in which the advisors will serve will work with the Advisors in implementing the identified interventions. The Strategic Advisory facility shall work closely with the directorates in identifying key areas that require capacity development. They shall assess the level of existing capacity and summarize the analysis of both the existing and desired capacities. The identified interventions will then be integrated within the existing framework for sustainability. Sustainability shall be assured through a mentoring process whereby the experts will mentor the team members to ensure that tracking of implementation is done constantly and that all the directorates' work as a team. The Advisors will work with the Cabinet Secretary and the Ministry of Mining to monitor, evaluate and produce results within the framework of the The Ministry of Mining Strategic Plan 2013- 2017 and government priorities.

As each Advisor mentors the staff member assigned to work with, quarterly and annual reviews shall be conducted assess the need for further periods of assistance or to decide if the input provided has reached its purpose or if it should be fully institutionalized, for example by including it in the Ministry workforce. Residual funds in the project can then be redirected to other priority areas or complemented by support from other donors or by Government resources. This approach shall be adopted to ensure that those mentored develop their skills and competences in the focus thematic areas and retain them into the Ministry structure. Mainstreaming the interventions to be supported by the advisors shall thus commence as early as at the entry stage.

The Sustainability Strategy will be assessed against the following parameters:

1. Fully-entrenched and well-functioning systems in place and delivering results in the respective key thematic areas;
2. Institutional capacity significantly enhanced with reduction in skills gap identified at the beginning of the facility;
3. Capacity of the Ministry improved for effective implementation of the flagship programmes;
4. Achievements/progress documented in evaluation reports

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## V. PROJECT MANAGEMENT

### Management

Management of the **Strategic Advisory Facility** shall be subject to the management arrangements outlined in the project document "Extractive Industries for Sustainable Development in Kenya". However, a Special Steering Committee shall be put in place to manage this component. This committee shall consist of representatives from MoM, DFID and UNDP. The committee shall meet quarterly but either of the parties can call a meeting as need may arise. This committee shall review progress and make decisions pertaining to the implementation of this component.

Implementation will follow UNDP programme and operational rules and regulations as described in the programme operations policies and procedures (POPP). Specifically the Ministry shall procure the Advisors in compliance with Government procedures. To facilitate remuneration of the Advisors the Ministry shall submit formal requests for payment to UNDP. UNDP guidelines shall apply, thus each request for monthly payment shall be made upon submission of a dully filled and signed form by the Cabinet Secretary or Principal Secretary each attached with an approved summary of the deliverables for the period under consideration; copies of the contract and the Appointment Agreement from the Public Service Commission . The payment requests shall be presented every month. The amounts payable shall be informed by the decision made by the Public Service Commission or any other justification authorized by the Public Service Commission.

Whereas the project shall facilitate lump sum monthly gross salary payments, each of the advisors shall be responsible for meeting/remitting tax obligations with the relevant tax authorities in accordance with Kenyan Laws. The Ministry shall pay for travel and accommodation expenses while on duty in accordance to the government job group of each of the advisors. In addition the MoM shall provide adequate resources to implement identified priorities. This will enable the Advisors deliver to their mandate as outlined in the TORs. In the event that resources to implement the outlined activities shall not be availed, the Government shall communicate to UNDP within a reasonable lead time. A review meeting shall thus be convened and next steps agreed upon. The decision agreed upon shall be communicated to DFID. This shall include the possibility of suspending the affected Advisory services until such a time when resources shall be available.

Funding to facilitate payment of salaries shall be transferred to UNDP by DFID as outlined in the Agreement annexed.

DFID may decide to appoint suitable external technical experts to receive and comment on reports or to participate to meetings and recommend relevant decisions.

### Advisors Performance Evaluation

Whereas monthly submissions highlighting achievements made shall be submitted to UNDP to facilitate processing of salaries, performance reviews for each of the advisors shall be conducted quarterly and appraisals shall be undertaken annually. The annual reviews shall be aligned with DFID's Annual Review of Programmes. In terms of the Advisers performance evaluation, the Ministry shall consolidate the report and submit to UNDP as one report with annexes (summary) of deliverables for each of the Advisors for the reporting period.

Each advisor will in consultation with the CS or his /her delegated appointee prepare quarterly and annual work plans and reports relative to the scope of their work. The reports by the officers shall be shared to both the DFID and UNDP through the Permanent Secretary who is the authorized accounting officer.

As above, DFID may decide to appoint suitable external technical experts to receive and comment on reports or to participate to meetings and recommend relevant decisions.

## **Audit Requirements**

Procedurally, all nationally executed Annual Work Plans are audited at least once in their lifetime. The objective of the audit is to provide the United Nations Development Programme Administrator with the assurance that United Nations Development Programme resources are being managed in accordance with:

- *The financial regulations, rules, practices and procedures for the Annual Work Plan;*
- *The Annual Work Plan activities, management and implementation arrangements, monitoring evaluation and reporting provisions; and*
- *The requirements for implementation in the areas of management, administration and finance are followed as per guidelines*

Thus an audit of this Annual Work Plan must fulfil the following set of objectives:

- *Disbursements are made in accordance with the Annual Work Plan/Agreement;*
- *Disbursements are valid and supported by adequate documentation;*
- *An appropriate system for internal control is maintained by the Implementing Partner and can be relied upon;*
- *Annual Work Plan financial reports are fair and accurately presented;*
- *The Annual Work Plan monitoring and evaluation reports are prepared as described in the M&E framework annexed.*

UNDP takes the responsibility to audit the project by sub-contracting private auditors to carry out the audit exercise. Funds for audit expenses will be budgeted within the Annual Work Plan if applicable. In the event of such an audit, the Implementing Partner will ensure that auditors are given all records and information that they will need to perform a meaningful performance audit. It is the responsibility of the Implementing Partner to ensure that all audit observations are attended to adequately. The Implementing Partner may include the activities of this Project in the normal audit for their use.

### **Note:**

During the period of implementation, neither Party shall use the name, emblem or trademarks of the other party, its subsidiaries, and/or affiliates, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of the other Party in each case. Also neither of the emblems or any abbreviation thereof shall be used for commercial purposes.

## LIST OF REFERENCES

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1. Institute of Economic Affairs, November 2014. A Primer to the Emerging Extractive Sector in Kenya: Resource Bliss, Dilemma or Curse.
2. UNDP September 2014. Extractive Industries for Sustainable Development in Kenya a final Assessment Report.
3. Ministry of Mining, Strategic Plan 2013 - 2017
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5. GoK 2015, Ministry of Mining. Kenya Mining Investment Handbook 2015
6. United Nations Assistance Development Framework 2014 – 2018
7. United Nations Development Programme(UNDP) Extractive Industries for Sustainable Development A Global Initiative 2013 - 2017