



Kenya Devolution Support Project (P149129)

AFRICA | Kenya | Social, Urban, Rural and Resilience Global Practice Global Practice |
IBRD/IDA | Program-for-Results | FY 2016 | Seq No: 3 | ARCHIVED on 28-Jun-2017 | ISR28557 |

Implementing Agencies: National Treasury, Ministry of Devolution and Planning

Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)

To strengthen capacity of core national and county institutions to improve delivery of devolved services at the county level.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● High	● High

Implementation Status and Key Decisions

The Kenya Devolution Support Program-for-Results was approved by the Board on March 15, 2016, followed by signing of the credit by the National Treasury in April 2016. The program became effective on September 15, 2016. A full program secretariat is in place.

KDSP implementation has picked up momentum, starting very well with all county governments signing into the program followed by rounds of sensitization and submission of capacity building plans by county governments and implementing agencies at the national level.

The program has registered the following achievements: (i) the first evidence of verified Program results against the agreed disbursement linked indicators (DLIs) was furnished by Government and cleared by the Bank, triggering a disbursement of SDR 18.68 Million in June 2017. County Governments will receive their first 2016 capacity building grants in FY207/18—this will follow as soon as confirmation by National Treasury is received that these program resources have been factored in the CARA for 2017/18. (ii) Program communication and coordination among key stakeholders, especially with Council of Governors and Counties has improved. (iii) the first Annual Capacity and Performance Assessment (ACPA) is currently under implementation and the procurement for next year's ACPA has been initiated. The first ACPAs is the basis of releasing of performance grants to county governments in FY 2017/18. (iv) National Treasury reached an agreement with the Senate on a process for inclusion of County Capacity Building and Performance Grants in the County Allocation of Revenue Act (CARA). KDSP grants for FY2018/2019 have already been reflected in the national budget and the County Allocation Revenue Bill. (v) The program through the implementing agencies and Kenya School of Government has rolled out several training programs contributing to building capacity and systems in county governments.

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P149129	IDA-57650	Effective	XDR	144.40	144.40	0.00	18.68	125.72	13%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P149129	IDA-57650	Effective	15-Mar-2016	15-Apr-2016	15-Sep-2016	31-Dec-2020	--

Risks**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● High	● High
Macroeconomic	--	● Substantial	● Substantial
Sector Strategies and Policies	--	● Substantial	● Substantial
Technical Design of Project or Program	--	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	--	● Substantial	● Substantial
Fiduciary	--	● High	● High
Environment and Social	--	● Moderate	● Moderate
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● High	● High

Disbursement Linked Indicators (DLI)

► DLI 5: National Treasury implements annual planned activities to strengthen countrywide frameworks and systems and to address county capacity gaps (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	Development of 6-month FY 15 (Jan-June 2016) CB plan underway
Date	18-Feb-2016	--	29-Jun-2016
Comments	ongoing.		

► DLI 4: MoPSYGA implements annual planned activities to strengthen countrywide frameworks and systems and to address county capacity gaps (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	Development of 6-month FY 15



			(Jan-June 2016) CB plan underway
Date	18-Feb-2016	--	12-Dec-2016
Comments	ongoing		

► DLI 1: Office of the Auditor General submits audit reports on time and in compliance with ISSAI for all counties that have submitted financial statements in compliance with the PFMA and prevailing acc (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	Audits have not been submitted. This DLI has delayed in achieving its objective for Year 1.
Date	18-Feb-2016	--	29-Jun-2016
Comments	Audits have delayed.		

► DLI 2: Introduction and timely implementation of Annual Capacity & Performance Assessments by MoDP (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	first ACPA is ongoing
Date	18-Feb-2016	--	08-Jun-2017
Comments	First ACPA has started. Firm commenced the task and it is expected the assessment will be completed in 13 weeks time.		

► DLI 3: MoDP implements annual planned activities to strengthen countrywide frameworks and systems and to address county capacity gaps (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	Preparation of CB Plan underway
Date	18-Feb-2016	--	29-Dec-2016
Comments	ongoing		



► DLI 6: Kenya School of Government implements annual planned activities to address county capacity gaps (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	Development of 6-month FY 15 (Jan-June 2016) CB plan underway
Date	18-Feb-2016	--	29-Dec-2016
Comments	ongoing		

► DLI 7: Counties have undergone annual capacity & performance assessment and met access conditions. (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	Assessment to start in June and July
Date	18-Feb-2016	--	29-Jun-2016
Comments	performance assessment has not yet started.		

► DLI 8: Counties have undergone annual capacity and performance assessment and have met minimum access conditions and minimum performance conditions for grant funding and implemented projects according (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	N/A
Date	18-Feb-2016	--	29-Jun-2016
Comments	performance assessment has not yet started.		

Results

Results Area

Intermediate Results Area

Building county-wide institutional capacity for devolution

Capacity and Performance Based Grants - County institutional performance



Project Development Objective Indicators

► PDO Indicator 1: Counties have strengthened institutional performance as demonstrated in the ACPA - Score in the ACPA for institutional performance of participating counties (average across all counti (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

Comments
first ACPA is being initiated. no ACPA scores available yet.

► PDO Indicator 2: MC-Number of counties which comply with the minimum performance conditions (DLI 8) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	35.00
Date	18-Feb-2016	--	20-Jun-2017	31-Dec-2020

Comments
first ACPA is being initiated. no ACPA scores available yet.

Overall Comments

Intermediate Results Indicators

► IR Indicator 1.1: Number of months taken to produce a full set of audits of financial statements of counties (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	12.00	11.00	11.00	7.00
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020



► IR Indicator 1.2: ACPA and value for money audits completed on time (DLI 2) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	18-Feb-2016	30-Dec-2016	20-Jun-2017	31-Dec-2018

► IR Indicator 1.3: Annual capacity building plans for county governments are completed (DLI 3) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 1.3: Planned MoDP Capacity Building activities are implemented according to the annual implementation plan (DLI 3) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 1.4: Annual HRM capacity building activities for county governments are completed (DLI 4) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2016

► IR Indicator 1.4: Planned DPSM capacity building activities are implemented according to annual implementation plan (DLI 4) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020



► IR Indicator 1.5: Annual PFM capacity building activities for county governments are completed (DLI 5) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 1.5: Planned NT PFM capacity building activities are implemented according to annual implementation plan (DLI 5) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 1.6: Kenya School of Government implements annual planned activities to address county capacity gaps (DLI 6) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 1.6: Planned KSG capacity building activities are implemented according to the annual implementation plan (DLI 6) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 1.7: Inter-Governmental Relations Strengthened (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	35.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020

Comments
not yet assessed.



► IR Indicator 2.1: Strengthened County PFM capacity. Average (for all counties) aggregate deviation between budget and outturn (average across all sectors) reduced by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

Comments
not yet assessed.

► IR Indicator 2.1: Strengthened county PFM capacity. Value of Audit queries as % of total expenditures reduced by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

Comments
not yet assessed

► IR Indicator 2.1: Strengthened county PFM capacity. Number of counties with 25 steps in the IFMIS procurement process adhered to by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

Comments
not yet assessed



► IR Indicator 2.2: Improved Planning and M&E capacities. Number of CIDPs that adhere to guidelines increased by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	18-Feb-2016	--	20-Jun-2017	31-Dec-2020

Comments
not yet assessed

► IR Indicator 2.2: Improved Planning and M&E capacities. Number of Counties producing County Annual Progress Reports on time (September 30) by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.00
Date	18-Feb-2016	29-Dec-2016	20-Jun-2017	31-Dec-2020

Comments
not yet assessed

► IR Indicator 2.2: Improved Planning and M&E Capacities. Number of counties where the county M&E Committee (COMEC) meets regularly increased by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020

Comments
not yet assessed

► IR Indicator 2.3: Improved HR and performance management capacity. Number of counties with staff performance appraisal process operationalized increased by: (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020
Comments	not yet assessed			

► IR Indicator 2.3: Improved HR and performance management capacity. Number of counties with performance contracts for level 1 (and or 2) increased by: (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	5.00
Date	18-Feb-2016	--	20-Jun-2017	31-Dec-2020
Comments	not yet assessed			

► IR Indicator 2.4: Strengthened citizen education and public participation at the county level. Number of counties with established and functional civic education units increased by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020
Comments	not yet assessed			

► IR Indicator 2.4: Strengthened citizen education and public participation at the county level. Number of counties with established and functional civic education units increased by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	30-Jun-2016	20-Jun-2017	31-Dec-2020



► IR Indicator 2.4: Strengthened citizen education and public participation at the county level. Number of counties with evidence of citizen input in plans and budgets increased by (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 2.4: Strengthened citizen education and public participation at the county level. Number of counties with the following documents published online: CIDP, ADP, Annual Budget, Fiscal Strat (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 2.5: Improved investment implementation and value-for money. Number of counties that prepare Annual Environmental and Social Audits/reports increased by: (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020

► IR Indicator 2.5: Improved investment implementation and value-for-money. Number of counties projects with a satisfactory value-for-money level increased by (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.00
Date	18-Feb-2016	29-Jun-2016	20-Jun-2017	31-Dec-2020

Overall Comments

Overall, KDSP implementation started reasonably well given that it seeks to address institutional challenges to make devolution work in Kenya to enhance service delivery to the citizens. The enthusiasm about the program was very high at the start and is still indeed very high among county governments. All counties signed up for the program and also submitted their capacity building programs. National level agencies too submitted their capacity building programs and the process of assessing and verifying these capacity building plans was completed, triggering the first disbursement in the amount of roughly USD 24.8 Million, higher than the target set at appraisal for this time in implementation of the program.

However, the program also faces some formidable challenges, namely, (i) resolving the issue of delayed county audits by the office of the



auditor general; (ii) securing program resources in the Division of Revenue Bill and County Allocation of Revenue Bill--a process that has to be negotiated and safeguarded every year; (iii) ensuring that key program implementing agencies have adequate program budget to implement the program; and (iv) delays in the implementation of the first annual capacity and performance assessment caused by procurement challenges at the program secretariat.

Because of the structural challenges, including whether it is possible or not to amend the CARA for 2016 (and if so, how soon) to incorporate the program resources in the amount of USD 15 million that the National Treasury had budgeted for in the 2016 National Budget, County Governments have not yet received their share of program resources despite having fulfilled program requirements and delivering against the program DLI. In the next FY 2017/18, the good news is that USD 55 Million has been captured in the DORA and CARA and hence there is a high expectation that counties will receive their share of program resources as soon as the annual performance assessment process is completed.

The task team is working closely with the counterpart, program implementation secretariat and all key stakeholders to address the implementation challenges noted above. On each of the challenges noted above, there is progress in addressing them and we do hope that this pace will be maintained by the program secretariat and all key implementing agencies.