# TEMPLATE FOR APPROVAL OF ODA ACTIVITIES FROM EUR 250.000

## SECTION: Key data

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| Short name | FLLoCA |
| Full name | Financing Locally Led Climate Action Program |
| Summary | Climate change is having and will continue to have a considerable negative impact on livelihoods and economic growth. Despite this Kenya has demonstrated leadership in establishing a policy framework to manage climate risks. However there remains room for improvement especially in the institutionalization of public participation and the inclusion of marginalized and vulnerable groups. In addition climate action is highly underfunded. Through the FLLoCA program the overall objective is to implement locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks. FLLoCA will strengthen all 47 counties' basic structures for public participation in planning, decision-making, and policy making concerning development investments that ensure among others; food security, and sustainable access to water. FLLoCA will support Kenya to meet its national adaptation and mitigation commitments under the 2015-2030 National Adaptation Plan (NAP) and Nationally Determined Contribution. FLLoCA will particularly support both enabling environment activities and an innovative decentralized approach for tackling climate change impacts. This based on an inclusive and participatory approach |
| Name of contract party | *In case of a new contract party, use the supplier registration form*<br><br>The World Bank |
| Number of contract party | 30011226 |
| Date of receipt of proposal | 9th February, 2022 |
| Proposal's reference number | NA |
| Activity type | Standard |
| Budget holder | NAI |
| ODA | Yes |
| Amount and currency | USD 10.000.000 |
| Amount in EUR | EUR 10.470.000 |
| Start date | 01/November/2022 |
| End date | 30/June/2027 |
| Anonymise Open data | No |
| Consultation with embassy / regional department / thematic department | YES |
| Related activity | ICSIAPL-4000004027, LISTEN-4000003671 , C2T-4000004370 |
| SAP application number | 4000006124 |
| Funds centre | 1702U01010013 |
| Prepayment | Yes |

**SECTION: Policy data**

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| **Beneficiary's country/region**<br>The **beneficiary country** is the target group's country of residence or country of origin. It is the country that ultimately benefits from the activity. This is not necessarily the country where the activity is implemented.<br>When the activity takes place in several countries in the same region, specify the region concerned using the regional classification (see Help). If not (multiple countries in multiple regions), select **worldwide**. | Country (state the country concerned below)<br>Kenya |
| **Specify countries** + distribution of the budget over those countries (if known). Only fill in this section the answer above was 'region' or 'worldwide'. Please state the relevant beneficiary countries and estimate what part (in %) of the total budget over the entire activity duration can be attributed to each country. If the distribution of part of the budget is as yet unknown, it can be recorded as unspecified. | Not Applicable |
| **Location within the country/ countries (be as specific as possible)**<br>When the activity targets one or more specific locations, please specify the location(s) here. | etc.<br>All 47 counties are targeted by the project |

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| Aid modality | Project support |
| Technical assistance | TA>50 50% or more of the activity budget |
| CRS code | 43071 |
| Policy markers | Equality between men and women: Significant<br>Climate change/ adaptation: Principal<br>Climate change/ mitigation: Principal<br>Biodiversity: Significant<br>Desertification: Significant<br>Etc. (add more policy markers if applicable) |
| | Explain your choices.<br>The project is principally focused on climate adaptation and mitigation. Gender is a significant crosscutting theme. Furthermore biodiversity and desertification efforts are significantly impacted by climate change. |

## SECTION: Policy appraisal

**Policy relevance**

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

Climate change has remained to be a key crosscutting theme reflected clearly in the current and previous foreign policy notes (BHOS), multi annual country strategies (MACS) and in the annual plans. Presently the focus on climate change is not only to have it as a crosscutting theme with significant impact on the key sectors of focus. Instead climate change has increasingly shifted to become a key crosscutting theme with principal impact on sectors of Netherlands-Kenya focus. In the new 2022 BHOS, this is seen to be the case with expected increased budget allocation towards climate action.

Similarly the current Netherlands-Kenya MACS (2019-2022) demonstrates the increased focus on climate action, and assigning it as a principle marker to some of the developed projects. This is further emphasised with attention in the MACS towards strengthening climate resilience as relates to stability in the Arid and Semi-Arid Lands. In the new MACS(2023-2026) climate resilience will continue to have a central role for sustainable achievement of the overall MACS objectives. This new MACS will build on the climate efforts and facilitate further development of a robust portfolio of climate resilience interventions supported by the Netherlands.

Furthermore, the water, food security and climate annual plans under the current country strategy have endeavoured to incorporate climate action through planned climate risk assessment activities and development of new projects that have clear climate interventions. This attention will be further enhanced and demonstrated in the future water, food security and climate annual plans under the new MACS 2023-2026.

The Netherlands policy objectives are underpinned by the 2030 Sustainable Development Goals (SDG) aimed at leaving no-one behind. In particular the climate action SDG 13 cuts across the policy objectives and is a critical SDG that ensures vulnerable communities are targeted and included. SDG 13 puts emphasis on taking urgent action to combat climate change and its impacts. This is to be done through five targets;

- Strengthen resilience and adaptive capacity to climate related disasters
- Integrate climate change measures into policies and planning
- Build knowledge and capacity to address climate change
- Implement the UN framework convention on climate change
- Promote mechanisms to raise capacity for planning and management

The above ambitions are inline with the climate intentions articulated in the 2022 BHOS and the 2023-2026 MACS

**Rationale**

- What issue/problem will be addressed by the activity?
- Why does the activity help to address the issue/problem? Please explain the Theory of Change.

Over the past 50 years, changes in temperature and rainfall patterns have resulted in more frequent weather-related disasters such as floods, droughts, and landslides with a profound impact on Kenya's economy and people's well-being. Currently Kenya and the Horn of Africa as a whole has been hard hit by a prolonged drought period. The Kenyan government declared this prolonged drought a national emergency in 2021 September, due to its adverse effects on communities especially in Northern Kenya who were hardest hit.

The climate-sensitive nature of rural livelihoods and the dependence of the rural economy on climate-sensitive sectors, indicate that climate is a powerful economic binding constraint in rural areas. The most severe effects of these changes will be felt by the poor, women, and children, who depend most directly on ecosystem services. Climate change is also a risk multiplier. The increasing intensity and magnitude of weather-related disasters in Kenya aggravates conflicts, mostly over natural resources, and contributes to security threats. Climate change in Kenya requires adaptation across multiple climate-sensitive sectors, such as agriculture, water, energy, tourism, environment, and health.

The increasing adverse threats of climate change are undermining the development gains achieved in Kenya and the most vulnerable population are at highest risk. Climate change threats are being felt strongly today and will increase in the future. It is crucial that people, the economy and the natural environment adapt to the climate impacts. More so now as Kenya is a beacon of stability in the Horn of Africa, a key driver of regional economic development and a strong economic partner for the Netherlands.

Kenya has demonstrated leadership in establishing a policy framework to manage climate risk. All 47 counties have put in place basic structures for public participation in planning, decision-making, and policy making concerning development investments. However there remains room for improvement, especially in the institutionalization of public participation and the inclusion of marginalized and vulnerable groups. In addition, climate action is still underfunded. A recent report on the landscape of climate finance in Kenya *(The Landscape of Climate Finance in Kenya: On the road to implementing Kenya's NDC)* shows that climate-related expenditure in Kenya accounted for only 25 percent of the of NCCAP budgeted financing needs in GoK Fiscal Year (FY)18/19, with adaptation constituting only 30 percent of the amount.

In June 2020, Government of Kenya (GoK) launched the Government Financing Locally–Led Climate Action Program (G-FLLoCA), looking at both enabling environment activities and an innovative decentralized approach for tackling climate change impacts. Derived from the National Climate Change Action Plan (NCCAP), the G-FLLoCA's stated objective is to strengthen local resilience to the impact of climate change, natural hazards, and other shocks/stressors by building the country's capacity to plan, implement, and monitor resilience investments in partnership with CGs and communities. G-FLLoCA targets all 47 counties, including urban, peri-urban, and rural communities, for a period of ten years (2020-2030) and it puts County Governments (CGs), wards, and communities at the center of program implementation.

The program consists of six components:
(a) Component 1: Policy, Legal and Regulatory Framework
(b) Component 2: Capacity Building
(c) Component 3: Climate Finance
(d) Component 4: Community-Led Actions
(e) Component 5: Technology and Innovation
(f) Component 6: Measurement, Reporting, Verification, and M&E of Adaptation

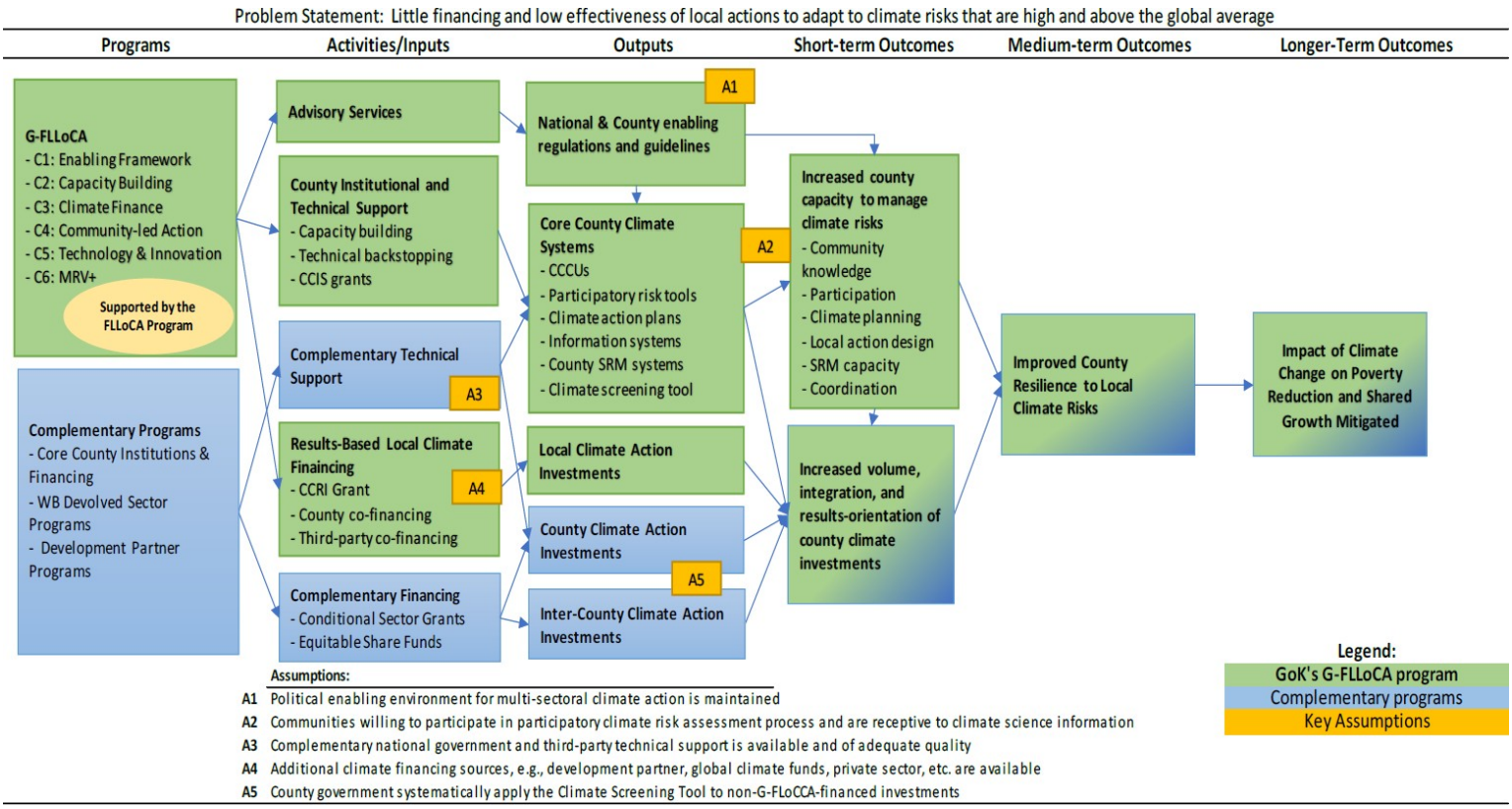
The G-FLLoCA adopts the County Climate Change Fund (CCCF) as an innovative financing instrument of locally-led climate actions. The CCCF strengthens county capacity in five key areas: (a) Climate Finance (b) Public participation (c) Climate information (d) Demand-driven capacity (e) Monitoring and Evaluation (M&E) .

G-FLLoCA focuses on the core challenges that prevent counties from expanding investment in climate resilience—enabling frameworks, institutional capacity, community knowledge, and financing. Through directly financing local climate action as well as strengthen institutions to align existing sector programs and initiatives with local Climate Change Action Plans. GoK will use G-FLLoCA as a platform for coordinating development partner support for local climate action.

The proposed FFLoCA Program will support key parts of the G-FLLoCA across its six components. It aims to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks.

The proposed operation uses two complementary instruments –the Program for Results (PforR) instrument, and the technical assistance component using the Investment Project Financing (IPF) instrument. The PforR instrument will incentivize system changes, especially at the devolved level, and long-term locally-led climate action by (a) leveraging improvements in County Governments' (CG)spending on climate resilience, (b) strengthening institutional capacity of the Kenya Government's own program, and (c) establishing a results-based mechanism for crowding in climate financing at the county level.

The IPF instrument will provide an opportunity to strengthen the national government's capacity to support CGs' actions, enhance the collaboration between national entities on climate change, and facilitate national oversight of the Program. The two instruments will address lessons which showed that where a program is domiciled in one agency, but execution and results are dependent on multiple agencies, it is difficult to ensure that all agencies have the necessary budget to deliver their results. As the ownership and accountability rests in a different agency. This has been resolved through the use of the IPF modality at the national level but using the PforR for counties which are at the frontline in delivering Program results.




A critical aspect of G-FLLoCA's theory of change is its focus on convening technical support and leveraging financing from counties, national and devolved sector projects, and development partner initiatives. G-FLLoCA's theory of change assumes that complementary technical support and financing is available to support climate action investments. An important dimension of G-FLLoCA's theory of change focuses on strengthening the capacity of counties to use systems and tools—such as the participatory climate risk assessment tool, community systems, and the climate screening tools to involve citizens in the development of locally owned Climate Change Action Plans and to leverage increases in the volume as well as the integration and results-orientation of county climate financing at all scales.

These improvements in institutions and financing seek to improve county resilience to climate risks and ultimately mitigate the impact of climate change on future poverty reduction efforts and equitable growth. Multiple small climate actions around common climate risks are expected to lead up to substantial impacts. The FLLoCA proposed Program will therefore support key parts of the G-FLLoCA across its six components and aims to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks. By building the country's capacity to plan, implement, and monitor resilience investments in partnership with CGs and communities

**Contextual analysis**

- Who is/are the target group(s) and why?
- Who are the other main stakeholders?

- To what extent have stakeholders been involved in formulating the proposal?
- Is the intervention aimed at a specific geographical location, and if so, why?

There are two main target groups of the project; on one hand is the Government of Kenya, both the national and county governments. On the other hand is the communities in the 47 counties who will identify the climate action investment activities for implementation. The other stakeholders are the various non governmental organisations (these include CSOs, private sector, knowledge/research organisations) that will help with capacity building both to government and communities, as well as, strengthen implementation, lobby and advocacy towards climate action.

G-F LLoCA program is a government led program. The government of Kenya has led the formulation process of the program and is also leading in the implementation of FLLoCA which is under the bigger G-FLLoCA. Other development partners and donors have also been involved in the formulation of the proposal. To the extent that SIDA, DANIDA and KfW are contributing financially towards the roll-out of the FLLoCA program.

FLLoCA interventions are designed and targeted for the whole country. All 47 counties will participate in the FLLoCA program. This countrywide focus is due to the fact that climate change is having and will continue to have a considerable negative impact on livelihoods and economic growth across the country. Kenya is more than 80% ASAL. In these ASALs the impacts of climate change on agri-food and nutrition security, and the biodiversity are already being felt and will worsen because the population highly depends on climate sensitive activities. Furthermore climate conditions and risks vary considerably between regions and therefore requires adaptation across multiple climate-sensitive sectors, such as agriculture, water, energy, tourism, environment, and health.

**Added value**

- What is the added value of the Dutch government being involved in relation to other donors, the EU, NGOs and local authorities?
- Are the recipients making an own contribution or co-participating in the activity, and if so, to what extent?

Kenya is a strong economic partner for the Netherlands. The Netherlands is a recognized trusted partner to Kenya. In addition, there are strong trade ties between the Netherlands and Kenya, and the Netherlands' foreign direct investments in Kenya is growing. In the new MACS 2023-2026 the Netherlands aims to deepen economic cooperation between Netherlands and Kenya, with attention to stability, climate resilience, and inclusivity as key preconditions for Kenya's sustainable economic development - climate resilience is key for this sustainability. Furthermore the Netherlands has a long standing development cooperation with Kenya, especially in the agriculture and water sectors. These important sectors that the Netherlands will continue to support in the coming years are vulnerable to climate change impacts, at the same time are key in strengthening the mutually beneficial economic cooperation aimed for.

At the same time, the growing economic development potential and stability factor of Kenya is threatened by the frequency and adverse effects of climate change which risk undermining the development gains achieved in Kenya. Therefore by participating in this program the Netherlands will have the following added value:

- Leverage the interventions of complementary Dutch funded programs that are contributing to climate resilience at the local level such as LISTEN, CRAFT, DeSIRA, GAIN, 2Scale, etc
- Will be recognized for significant financial contribution to the FLLoCA program complementary to other EU donors in the FLLoCA program. This additional funding is needed since the overall G-FLLoCA program still has a funding deficit of 788.6 million USD
- Outcomes of the FLLoCA program could be use to strengthen the ASAL dialogues the Netherlands has been convening to influence the enabling environment at the political level by better informing on climate action interventions
- Leverage Dutch expertise and technology particularly on the water management and food security

In overall,the Netherlands' involvement in the FLLoCA program will significantly contribute to efforts being made to mitigate or adapt to climate change risks, particularly in important sectors to the Netherlands in Kenya, as the water and agriculture sector, both to enhance trade and strengthen food and nutrition security

The World Bank is the recipient party for the Dutch government funding to the FLLoCA program. The World Bank is putting in its own contribution that comes in form of concessional financing. They are also participating in the monitoring and reporting of activities. The World Bank then transfers the funds to the government of Kenya for the agreed climate action. The government of Kenya has also committed 80 million USD own contribution to the implementation of the program.

**Lessons learned**

- What lessons learned (from previous or comparable activities, published evaluations, relevant publications) will be addressed by the activity?

Lessons learnt by the Netherlands Embassy from previous programs include the added value of long-term programming for realisation of impact. Most of the Dutch funded programs are still short-term running from 3-4 years. This often presents the risks associated with inadequate institutionalisation and ownership of interventions that ultimately results in discontinuity of results once project ends. Furthermore collaboration with likeminded partners/ strategic partners in implementation for efficiency and effectiveness of results, and sustained impact has been a key recommendation based from previous approaches. Especially where programs are multi-faceted or multiple components. In addition there is increased realisation of importance of localisation and ensuring community led interventions are applied and that there is full ownership by the beneficiaries. The Locally led principles have been adopted by the Dutch government.

In this case, climate change is a broad theme that is multi-sectoral and multi faceted. Furthermore the impacts are achieved much later. For this the lessons above apply.

**Gender**

- Does the proposal include a gender analysis?
- Does the proposal justify the target group's gender-specific interests and needs (and why)?
- Have women and young people been included in the stakeholder analysis?

Gender and youth components are key focus areas in the proposal. The proposed result framework has clear indicators at outcome level that integrate gender and youth component. From the proposal document it is clear that a thorough gender assessment has been carried out. The FLLoCA program particularly aims to bring a gender lens to climate resilience and developing gender-smart solutions to climate change; and enhancing women's voice by promoting and enhancing women's participation and decision making in service-delivery governance and structures and local government service management – these gender related aspects will continue to be enhanced beyond the WB gender strategy period with the gender monitoring tools developed for FLLOCA. The FLLoCA program seeks to leave no-one behind by also enhancing the integration of youth and marginalized groups into the result framework.

Three main actions have been identified that the program will take to address the gender gaps identified and monitor change:

- Gaps in participation in local climate decision making
- Gaps in access to climate information
- Gaps in access to climate finance and climate investments

Therefore included in the result indicators of the program's development objective are activity indicators that will monitor the composition of these actions and their benefit to marginalized groups within communities. With particular focus on women direct beneficiaries.

**Climate change**

- Does the proposal include an analysis of the possible effects of climate change on the activity or its results?
- Does the proposal include any interventions to combat these effects (adaptation/mitigation)?

The entire proposal is about a country-wide climate change program. This is based on a thorough analysis of the current climate trends and possible effects of the climate change on the country. The National Climate Change Action Plan (NCCAP) is a key document underpinning the analysis and informing roll-out of the program. All the interventions identified to combat climate change effects are therefore inline and in response to the outlined activities in the NCCAP.

**Cooperation, harmonisation and alignment**

- Does the activity involve cooperation with Dutch organisations, the EU or other donors (including delegated cooperation), local organisations or other parties?
- How does the activity contribute to harmonisation and/or multi-donor financing?
- What is the degree of (policy and financial) alignment?

The FLLoCA program is a World Bank program supporting the government of Kenya climate action program (G-FLLoCA) which is a multi-donor program involving a multitude of stakeholders in its activity implementation. Multi-donor financing is necessary due to the broad nature of climate change as a theme and climate action as the focus which cuts across several sectors. In addition, multi-donor financing into the program is to help ensure reduced fragmentation among donor interventions and strengthen government institutions to take up their role. As a result various actors are involved in the implementation of the FLLoCA program. These stakeholders range from not only county government and communities, but also the private sector, research organisations and civil society organisations

The Government FLLoCA program to which the World Bank FLLoCA contributes, covers the period until 2030. The World Bank FLLoCA program only covers part of the total program cost of G-FLLoCA. There is therefore room for additional donors to fund the program. To date, additional donors funding the program via the World Bank include – Sweden, Denmark, and the Netherlands is in the process to join. Furthermore KfW is funding directly to the G-FLLoCA and has worked out an arrangement directly with GoK. The EU member states' participation is also in line with the EU programs on climate resilience and priority within the new EU programming for Kenya.

In addition, the FLLoCA program is complementary to most of the Dutch funded programs in the water, agriculture, energy sectors in which various interventions are being implemented by Dutch organisations and others. Some of these programs currently under implementation include; interventions on integrated approach on water and food security for climate resilience (LISTEN), climate smart innovations for the fodder value chain (ICSIAPL), integrated water resource management for water services (C2T), private sector driven support to climate resilient agribusiness (CRAFT), strengthening reliable water and sanitation services provision to meet growing demand (WaterworX) programs. It is expected that interventions by these Dutch funded activities complement and will be leveraged by the FLLoCA process.

At the government level there is a clear multi donor/government coordination structure and platform for the FLLoCA program. Experience has clearly shown that donor interventions are mostly fragmented and too often isolated hence not strengthening government institutions to take up their role. The platform also includes participation of the relevant sector led ministries – especially ministry of Finance and Ministry of Environment. This is to ensure harmonisation among the financing donors (World Bank, Sweden, Denmark, Germany, the Netherlands) and consistency in alignment to the priorities outlined in the program that are inline with the government policies on climate action. This way complementarity with the EU programs on climate resilience and related new activities under the EU programming for Kenya is further strengthened through the participation in the relevant EU member state coordination platforms.

In regard to policy and financial alignment; the National Treasury (NT) is in the lead given the program's strong focus on climate finance and multi-sectoral ministerial coordination. The day-to-day management and coordination of the

program is carried out by a Program Implementation Unit based in the NT Climate Finance and Green Economy Unit. This is supported by the Climate Change Directorate in the Ministry of Environment, CoG, and Ministry of Devolution and ASAL (MoDA), especially in the coordination and capacity building activities, as mandated by law. The bulk of the program is implemented at the county level based on strengthened existing and new implementation structures. Communities and citizens are fundamental elements in the G-FLLoCA's implementation approach as active participants in planning, decision making, and monitoring of local level actions. Therefore the FLLoCA program will provide an opportunity to strengthen the national government's capacity to support CGs' actions, enhance the collaboration between national entities on climate change, and facilitate national oversight of the Program

**Digitalisation**

- Have proposed digital technologies been developed or chosen in collaboration with end-users?
- Does the proposal include an analysis of the local digital ecosystem?
- Is data security guaranteed?
- Are digital solutions locally sustainable/relevant?
- Is duplication avoided?

Digital technology will be used for supervision and outreach. FLLoCA will continue promoting the use of technology (piloted during the preparation phase) to conduct community-level sensitization, awareness raising, and engagement. This will contribute to reduced carbon emissions and foster new forms of virtual interaction and dialogue between multiple stakeholders from the grassroots to national levels to shape the implementation of the Program. Further, the Program will leverage this digital platform to showcase experiences, knowledge, and best practices for building resilience by way of virtual benchmarking activities between different counties.

In addition the digital technology and solutions being applied will be that which is locally available and thereby locally relevant and can be sustained beyond program phase.

**Additional remarks (if applicable)**

## SECTION: Results

- What are the main OUTPUTS (services and products) that will be delivered through the activity? Describe briefly.
- What are the main OUTCOMES (changes and effects for the target groups) that will be achieved through the activity? Describe briefly.
- For each OUTPUT and OUTCOME mentioned above, specify how it will be measured:
  - Specify the indicators if they exist.
  - Specify the baseline values and targets if they exist.
- What method will be used to gather and monitor the data?
- Record the following in **the results application:**
  - the thematic results frameworks that apply to this activity;
  - the relevant indicators (including baseline values and targets if they exist).
- Have these results frameworks been communicated with the implementing organization?
- Do the indicators correspond to one or more of the 17 indicators on which the ministry reports to the Dutch parliament? If not, why?

Program Monitoring and evaluation (M&E) and reporting will be anchored in the government of Kenya's new climate (Measurement, Reporting, and Verification and M&E of Adaptation) MRV+ system that was developed by the Climate Change Directorate in 2020 to track climate finance availability and mitigation and adaptation actions across the country. The system will be linked to the national Climate Finance Tracking System, National Integrated Monitoring and

Evaluation System, and County Integrated Monitoring and Evaluation System to allow aggregation of data beyond the Program. World Bank Budget resources will complement the Program's M&E by financing third party monitoring of the quality of investments to inform the technical support provided to communities on climate actions.

Communities and citizens are fundamental in FLLoCA's implementation approach. They are active participants in planning, decision making, and monitoring of local level actions. Aggregated data from the risk assessment process will also underpin the monitoring and evaluation aspects of the program, as well as the county climate resilience measurement. In addition FLLoCA will through support to the country climate change fund structure contribute to strengthening existing M&E systems to allow for assessment and reporting on resources and resilience building.

Below is an overview of the FLLoCA program outputs and outcomes as relates to the relevant DGIS result areas of the Netherlands. At the time of proposal writing the individual program interventions had not been identified. These interventions have not been pre-defined due to the locally led nature of the program. Therefore the result indicators will continuously be improved and made SMART once activities for implementation at the community level have been identified through a participatory locally led process.

With the FLLoCA result framework we pay particular attention to food security and water related results. Food security as relates to good agriculture practice is a devolved function and the county agriculture department is fully involved. This complements well the FLLoCA focus on county level institutional strengthening and community action. It is expected that based on the fact the Kenya is an agriculture based economy, a majority of the climate action identified will be related to agriculture hence contributing to food security targets. Similar, it is expected that these actions will also be related to water resource management type interventions.

| **FLLoCA Result Areas** | **DGIS Result Areas** |
|---|---|
| **Outcome 1:**<br>- Deliver locally-led climate resilience actions<br>**Outputs:**<br>- 700 of rural wards benefitting from Program-funded functioning resilience investments in the agriculture, environment, water, or other prioritized sectors (Number).<br>- 100% participating counties that spend >50% of their approved budgeted CCRI Grant amount.<br>- 90% participating counties where at least 60% of the utilized CCRI Grant budget is spent on climate-resilient actions relevant to agriculture, environment, and/or water sectors (Percentage).<br>- 90% participating counties where at least 30% of agriculture, environment, and/or water actions directly benefit women (Percentage) .<br>- 100% participating counties where at least 30% of agriculture, environment, and/or water actions directly benefit women, youth and other marginalized groups | ***Our 2030 target is to double productivity and income of 8 million small scale food producers:***<br>**Outcomes:**<br>-Female small scale food producers that progressively empower<br>-Small scale farmers whose livelihood became more resilient to shocks<br>**Outputs:**<br>- Number of small scale food producers directly reached with activities aimed at structural/systemic improvement of their agricultural performance<br>- Number of small scale food producers directly reached with activities aimed at temporary/partial improvement of their agricultural performance<br>- Number of small scale food producers indirectly reached to increase productivity / income<br>***Water use efficiency in two sectors: agriculture and drinking water sector***<br>**Outcome:**<br>Degree of integrated water resources management implementation (0-10) |

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| | **Output:**<br><br># of people supported in projects to improve water efficiency<br><br>***Enablers for FNS;***<br><br>***Knowledge and Information Systems***<br><br>- Number of small-scale food producers applying new technologies/practices that aim to transform food systems towards desirable outcomes (disaggregated by male / female)<br><br>- Number of FNS-relevant knowledge and extension institutions reached with interventions that aim to strengthen their capacity |
| **Outcome 2:**<br><br>- Strengthen county government capacity to manage climate risks<br>**Output:**<br><br>- Counties' average Annual Performance Assessment score at 80% | ***Climate diplomacy; Integrate climate change measures into national policies, strategies and planning***<br><br>-Support the integration of Nationally Determined Contributions (NDCs) into national development plans and strategies<br><br>**Decreased deforestation, enhanced sinks and increased climate resilience of ecosystems and livelihoods.**<br>**Outcome**<br><br>-Hectares of forest(ed) land under sustainable forest management or other improved practices contributing to decreased deforestation, enhanced sinks and increased adaptive capacity of ecosystems and livelihoods (total)<br><br>- Improved public and private governance<br><br>(conditions) which enable halting deforestation,<br><br>forest restoration and<br><br>forest conservation<br>-Adoption and implementation of inclusive forest (smart) public and private policies, plans, commitments and practices in the landscape / jurisdiction (qualitative, total) |
| **Outcome 5:**<br>- Strengthen Locally-led climate resilience action<br>**Output:**<br>- 41 participating counties with County Climate Change Action Plans developed through participatory methodologies and approved.<br>- 80% average community satisfaction with the Program's participatory process.<br>- 80% average community satisfaction with the Program's participatory process - female<br>- 80% average community satisfaction with the Program's climate resilience actions<br>- 80% average community satisfaction with the Program's climate resilience actions – female | ***Adaptation to climate change; Strengthen resilience and adaptive capacity – and reduce vulnerability, to climate-related hazards, stress and shocks***.<br><br>(See above outcome and output indicators for this target) |

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| - 75% of citizens with increased awareness of climate risks and resilience actions<br>- 75% of citizens with increased awareness of climate risks and resilience actions – female | |

## SECTION: Monitoring and evaluation

**Monitoring**

Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help). Include the following elements:

- Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.
- Performance and quality: checking relevance and appropriateness of the implementing organization's performance based on key assumptions in the proposal and the outcomes of the risk analysis.

Pay attention to the method and frequency of monitoring and describe the roles and responsibilities. For further information, see Help.

The reporting information required for this activity will include an annual activity plan and budget for the respective years of project implementation. A narrative and financial progress report required for the respective years of implementation that reflects the progress made on planned activities as relates to program's objectives and performance indicators. Further, annual financial audit reports will be required. A final project report will also be required that covers the full project duration. The required reports are summarised in a reporting obligation overview that shows the frequency of reporting. Further more field visits will be undertaken to verify and validate the progress that has been reported.

**Evaluation**

Describe whether a final evaluation and/or a mid-term review has been planned. If yes, state:

- who will commission the final evaluation and/or mid-term review (for options, see Help);
- whether the procedure and practical arrangements have been agreed on with the implementing organisation (for details, see Help).

A mid-term review and final activity evaluation have been planned. These will be discussed with the World Bank to determine independence as relates to the procedure and practical arrangements. Base od on the discussion the Embassy could also commission these studies in line with agreed procedures. If Embassy commissions it the possible funding could come from a deduction from the overall project funds or from the policy support fund – an amount of 100, 000 EUR could be set aside for this.

## SECTION: Finance

**Budget breakdown**

- Include an overview of the activity budget, including overhead costs.
- Is the budget arithmetically correct?
- Are the amounts/rates in the budget acceptable?
- Briefly explain the structure of the budget.
- Are overheads proportional to outputs? What is included? What is recharged?
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended.)
- Is the budget suitable as a management tool (linking outputs to budget)?

GoK estimates the total cost of G-FLLoCA's 6 components at USD1.05 billion over the next ten years (2020-2030), budgeted at USD100 million annually. This includes contributions from the CGs of approximately USD50 million for the five years, representing 1 percent of counties' annual development budget, which is currently about USD1 billion; and USD50 million are expected to be sourced from development partners during this period.

Within the G-FLLoCA, the FLLoCA program will be financed by a USD150 million IDA Credit, a USD21.4 million Grant from the Social Sustainability Initiative for All Umbrella Multi-Donor Trust Fund (MDTF) with resources from the Government of Denmark and the Government of Sweden, and USD80 million from the GoK. The Government of the Netherlands will contribute USD10 million Grant to the MDTF. (Please note the financial summary below was before the program started and therefore does not yet reflect the Netherlands contribution)

Summary of Program Financing by Component (USD million) for the period until June 2026

| Component | IDA | MDTF | GoK | Total | % of Total Amount |
|---|---|---|---|---|---|
| National Level Support* | 0.00 | 0.00 | 5.00 | 5.00 | 2.0 |
| CCIS Grant | 10.90 | 2.90 | 0.00 | 13.80 | 5.5 |
| CCRI Grant | 128.45 | 7.80 | 0.00 | 136.25 | 54.2 |
| County Level Support** | 0.00 | 0.00 | 75.00 | 75.00 | 29.8 |
| ***Subtotal – PforR component*** | **139.35** | **10.70** | **80.00** | **230.05** | **91.5** |
| *As % of PforR Total Financing Amount* | *60.6* | *4.7* | *34.7* | *100.0* | |
| IPF-1: Capacity and coordination support | 7.75 | 8.51 | 0.00 | 16.26 | 6.5 |
| IPF-2: Social Risk Management support | 0.76 | 0.84 | 0.00 | 1.60 | 0.6 |
| IPF-3: Program management and M&E Support | 2.14 | 1.35 | 0.00 | 3.49 | 1.4 |
| ***Subtotal – IPF component*** | **10.65** | **10.70** | **0.00** | **21.35** | **8.5** |
| *As % of IPF Total Financing Amount* | *49.9* | *50.1* | *0.0* | *100.0* | |

| | | | | | |
|---|---|---|---|---|---|
| **Total** | **150.00** | **21.40** | **80.00** | **251.40** | |
| *% of Program* | *59.7* | *8.5* | *31.8* | *100.0* | |

*CCIS - County Climate Institutional Support
*CCRI - County Climate Resilience Investment

The Netherlands contribution of 10million will be shared between the bank executed and recipient executed funding structures of the FLLoCa program. Below is an overview of the allocation of the Netherlands funds that will be included to the MDTF funding line.

| | |
|---|---|
| Total Netherlands contribution | 10million USD |
| Bank Executed allocation | 3million USD |
| Recipient Executed allocation | 7million USD |

Important to note is that the recipient executed disbursement of funds is scheduled to happen after the conclusion of the MTR in 2023.

The budget is suitable as a management tool since disbursements are linked to the program indicators and verification protocols, following a clearly worked out result based financing structure. Further, due to extensive preparatory work that has informed development of FLLoCA an inception phase is not expected that will amend the budget. Instead implementation is depended on availability of the outlined financial resource, and this availability is dependent on adequate mobilisation of financial resources. The Netherlands funds will be disbursed based on liquidity need and the World Bank will coordinate this in relation to funding from the other donors.

**Earmarking**

- Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.

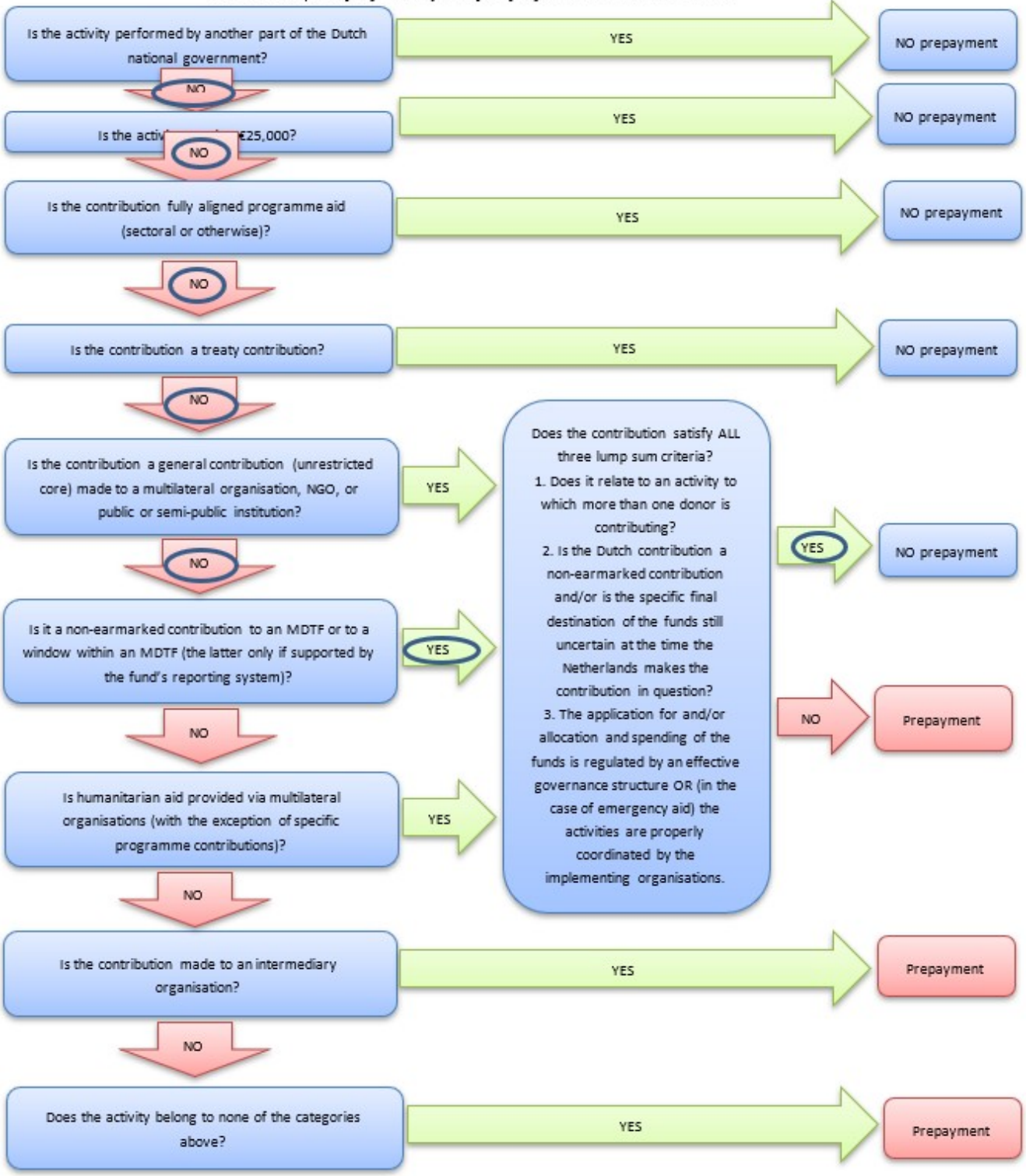
The Dutch contribution is not earmarked. Instead it is assigned to the multi donor trust fund for implementation of the FLLoCA program through the bank executed and recipient executed pillars of the fund as grant, as opposed to the credit funding component of the FLLoCA program**.**

**Prepayments**

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.
- What is the maximum percentage that can be paid as prepayment, and why?
- Which are the reporting obligations on the basis of which prepayments can be closed?

No Prepayment as per the decision tree assessment below. Programme qualifies for lumpsum payment.

## Annexe 1 Prepayment/No prepayment decision tree



**Available resources**

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.?

- If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity?

| | **USD (millions)** | **EUR** | **Notes** |
|---|---|---|---|
| Implementing organisation's own contribution (WB) | *150.0 IDA credit* | | *Approved and effective* |
| Firm commitments by other donors (Sweden) | *11.6 grant* | | *Approved and effective* |
| Firm commitments by other donors (Danida) | *9.8 grant* | | *Approved and effective* |
| Dutch contribution | *10.0 grant* | | *Proposed for inclusion in FLLoCA* |
| Government of Kenya (GoK) contribution | *80.0* | | *Approved and effective* |
| **Total available resources** | ***261.4*** | | |
| **Budget needed** | ***1,050.0*** | | *Total estimated cost of GoK program (G-FLLoCA)* |
| **Still to be financed** | ***788.6*** | | |
| Soft commitments by other donors (for each donor) | *30.0 grant* | | *KfW in support of G-FLLoCA (not channelled through WB FLLoCA)* |
| **Uncovered balance** | ***758.6*** | | *Approved and effective* |

The FLLoCA Program is designed to strengthen existing country systems with targets defined in accordance with the current available budget. Therefore the uncovered balance has no implications on the effectiveness of FLLoCA ( the uncovered balance is in reference to the overall G-FLLoCA program). The FLLoCA program can be built on and expanded, as can its set targets, as more climate finance is mobilized.

**Grant with a repayment obligation, loans, equity investment or guarantee**

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured.
- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made.

This is not applicable for the Dutch contribution

**Audit opinion**

- Is an audit opinion required for the activity (see Help)? Briefly explain.
- Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)?

Audit as per World Bank regulation