


















Support to Northern Rangelands Trust (NRT) Water and clean energy project 2022- 2025

<p>Key results:</p> <ul style="list-style-type: none"> Increased community resilience and adaptation to climate change through sustainable investments in water and renewable energy in Northern Kenya affecting directly over 60,000 people living within the NRT community conservancies. <p>Justification for support:</p> <ul style="list-style-type: none"> This support, which is specific to water, and renewable energy will address development challenges in the arid and semi arid lands of Kenya (ASALs), as water and energy are enabling sectors for development. This contribution is aligned to Denmark Strategy for Development Cooperation 'The World We Share' specifically its focus on climate change resilience and access to water and renewable energy in Africa. There is a high degree of coherence between elements of this support to the NRT program – resilience, peace, and stability – and other DANIDA development initiatives and aid instruments in Kenya in respect to peace, humanitarian, and at a broader level dealing with fragile areas. <p>Major risks and challenges:</p> <ul style="list-style-type: none"> Extreme climatic events – this will be addressed through implementation of activities that support resilience building including climate early warning systems. Unplanned and un-negotiated access by migrating pastoralists and their livestock – mitigate through regional grazing plans and committees as well as dialogue with non-conservancies livestock herders. There is a conflict potential in the NRT model as it in some cases challenges the traditional customs and structures of pastoralist societies. This has from time to time caused negative publicity on NRT's activities, including allegations on violations of the right to land. NRT mitigates this by cooperating closely with the traditional structures and ensuring community engagement. The Embassy is closely following NRT's implementation of recommendations from the donor-initiated Due Diligence report, including the implementation of NRT's human rights policy. 	File No.	2022-30298						
	Country	Kenya						
	Responsible Unit	Nairobi						
	Sector	Climate and Resilience						
	Partner	Northern Rangelands Trust (NRT)						
		<i>DKK million</i>	2022	2023	2024	2025		Total
	Commitment		35					35
	Projected disbursement			10.3	14.2	10.5		35
	Duration	36 Months						
	Ongoing grant	DKK 60Mio						
	Finance Act code	06.34.01.70						
	Head of unit	Ole Thonke						
	Desk officer	Nancy Njenga						
Reviewed by CFO	YES: Charlotte Rosen							
Relevant SDGs								
 No Poverty		 No Hunger		 Good Health, Wellbeing		 Quality Education		
 Gender Equality		 Clean Water, Sanitation		 Affordable Clean Energy		 Decent Jobs, Econ. Growth		
 Industry, Innovation, Infrastructure		 Reduced Inequalities		 Sustainable Cities, Communities		 Responsible Consumption & Production		
 Climate Action		 Life below Water		 Life on Land		 Peace & Justice, strong Inst.		
 Partnerships for Goals								

Strategic objectives

The project objective is to increase community resilience and adaptation to climate change through sustainable investments in water and renewable energy in Northern and Coastal Kenya.

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	100%	50%		
Total green budget (DKK)	35million			

Justification for choice of partner:

NRT has been selected based on the partner's ability to address some of the key concerns in the ASALs and Northern Kenya-related resilience of ASAL communities and green and inclusive growth. NRT are ideally positioned to work closely with County Governments and national government institutions, to influence relevant policies that drive development of the ASALs through sustainable utilization of the natural resources management. They have further demonstrated capacity to deliver on pilot water and renewable projects within their 43 conservancies.

Summary:

NRT is an association of 43 community conservancies covering 10 ASAL counties in the North and coastal Kenya. NRT further works in collaboration with National and county governments in the areas of interest including rangelands, livestock, wildlife, forest, water and security. This support to NRT will strive to increase resilience of vulnerable households through improved access to water and renewable energy in the selected NRT Conservancies communities. It further promote the present DED 2021-2025 Resilient Communities and Natural Resources as well support implementation NRT's water strategy, through investment in integrated water projects, and renewable energy at the community

Budget (engagement as defined in FMI):

Engagement 1 – Water and renewable energy Project	DKK 35 million
---	----------------

Total	DKK 35 million
-------	----------------

Note: In PMI, an interactive version of this appropriation cover note is available at the "Grant" page under "Budget".

Bilateral Development Cooperation
under
Denmark's Strategic Framework for Kenya 2021-2025

Development Engagement Document:

Improved access to water and renewable energy

Project Period:

2022-2025

Partner: Northern Rangelands Trust

Summary

Development Engagement	Outcome	Outputs
Increased resilience of vulnerable households through improved access to water and renewable energy	<p>Increased community resilience and adaptation to climate change through sustainable investments in water and renewable energy in Northern and coastal Kenya.</p> <p>Danish goal in the fight for climate, nature, and environment Objective 1; Denmark must strengthen action to support climate change adaptation, nature, the environment, and resilience in the poorest and most vulnerable countries¹.</p>	<ol style="list-style-type: none"> 1. Increased use of green, clean, or renewable energy technologies. 2. Increased access to potable water.²
Budget	Partner	
DKK 35 million	Northern Rangelands Trust is a registered Trust and a member-based umbrella organisation for community conservancies.	
Description		
<p>This program aims to increase community resilience and adaptation to climate change through sustainable investments in water and renewable energy in Northern and Coastal Kenya. The programme will target to directly impact 60,000 people living within community conservancies. Specifically, the program will support in implementation of NRT’s water programme strategy and contribute to investing in alternative green energy.</p>		
Management arrangements		
<p>NRT is managed by an executive team led by a CEO and working under the guidance and direction of a Board of Trustees representing the community, government, and professional interests. NRT has an overarching governance structure with a council of elders comprising chairmen of the 443-member conservancies. Additional management support will be received as part of donors’ guidelines, rules and meetings provided in terms of contracts, reporting requirements, grants management rules, and frequent meetings to discuss work plans, progress, impacts, and audits. NRT will also submit an annual plan of work in advance and annual results report to RDE for review and strategic dialogue.</p>		

¹ The World We Share, Denmark’s Strategy for Development Cooperation – Aug 2021

² Refer to Results framework – HH using better energy technologies and having access to potable water

Table of Contents

Summary	2
Table of Contents	3
List of Acronyms	6
1 Introduction.....	7
1.1 Parties	7
1.2 Documentation.....	7
1.3 Contribution	7
2 Background	7
2.1 Main issues and strategic considerations.....	7
2.2 Greening/Climate proofing water investments	14
2.3 Justification for Denmark’s support.....	15
3 Programme Objective	16
4 Theory of Change.....	16
5 Results framework.....	19
6 Implementation arrangements and approach	22
7 Management arrangement.....	23
7.1 Governance Structure.....	24
7.2 Reporting.....	24
8 Budget	25
9 Financial management.....	26
9.1 Disbursement.....	27
9.2 Allowances	27
9.3 Accounting.....	27
9.4 Auditing.....	28
9.5 Sub-granting to implementing partners	29
9.6 Anticorruption.....	29
10 Risk analysis, mitigation, and management	30
11 Monitoring, Evaluation, and Learning	31
12 Prerequisites	32
13 Signatures	32
14 Annexes	33
Annex 1: Risk Management Matrix.....	33
Annex 2: Process Action Plan (PAP) for implementation.....	37
Annex 3: Partner Assessment	38

Annex 4: Beneficiary Selection Criteria	42
Annex 5: Signed quality assurance checklist	45
Annex 6 – List of supplementary documents.....	48

List of Acronyms

AFD	French Development Agency
ASAL	Arid and Semi-arid Lands
CCM	Community Conservancy Model
CDCS	Kenya Country Development Cooperation Strategy
CDIP	County Integrated Development Plan
CEO	Chief Executive Officer
CFA	Community Forest Associations
CMDP	Conservancy Management and Development Plan
CoE	Council of Elders
CoMMS	Conservancy Management and Monitoring System
CSO	Civil Society Organization
CWRMS	Conservancy Water Resource Management Strategy
DANIDA	Danish International Development Assistance
DE	Development Engagement
DED	Development Engagement Document
DKK	Danish Kroner
DRR	Disaster Risk Management
EnDev	The Energising Development
EU	European Union
FEWSNET	Famine Early Warning Systems Network
GESI	Gender equality and social inclusion
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German Development Agency)
GoK	Government of Kenya
HH	Household
HRBA	Human Rights-Based Approach
ICT	Information and Communication Technology
Ksh/KES	Kenyan Shillings
M&E	Monitoring and Evaluation
MEAL	Monitoring Evaluation and Learning
NBS	Nature Based Solutions
NRT	Northern Rangelands Trust
NRT-T	NRT Trading
PREG	Partnership for Resilience and Economic Growth
RDE	Royal Danish Embassy
SDG	Sustainable Development Goal
SIDA	Swedish International Development Cooperation Agency
SNV	<i>Stichting Nederlandse Vrijwilligers</i> (Netherlands Development Organisation)
TNC	The Nature Conservancy
TOC	Theory of Change
UN	United Nations
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene
WSP	Water Services Providers
YRS	Years

1 Introduction

The present Development Engagement Document (DED) outlines the background, objectives, and management arrangements for the development cooperation concerning Northern Rangelands Trust (2022-2025) as agreed between the parties specified below. The DED is annexed to the bilateral agreement with implementing partner and constitutes an integrated part hereof together with the documentation specified below. The Development Engagement (DE) is part of the support provided under the Denmark-Kenya Strategic Framework 2021-2025 and will contribute to the objectives identified therein. Parties: The Embassy of Denmark in Nairobi, the Ministry of Foreign Affairs of Denmark, and Northern Rangelands Trust (NRT). Successive meetings have identified the need for additional investment into water and renewable energy.

This new support will continue to promote the present DED 2021-2025 Resilient Communities and Natural Resources but with a focus on improved access to water and renewable energy. This will be achieved through the support of NRT's water strategy, through investment in integrated water projects, and renewable energy at the community level.

1.1 Parties

The Embassy of Denmark in Nairobi, Ministry of Foreign Affairs of Denmark, and Northern Rangelands Trust (NRT).

1.2 Documentation

“The Documentation” refers to the partner documentation for the supported intervention, which is: NRT Strategic Plan 2018-2022³ and NRT's Water programme strategy 2020 – 2024⁴. Renewable energy initiatives directly support, and precipitate expected outputs in community livelihoods and, forest, mangrove and rangeland conservation outlined in the strategic plan, and further detailed in the rangeland⁵ and marine⁶ strategies.

1.3 Contribution

Denmark, represented by the Embassy of Denmark in Kenya of the Danish Ministry of Foreign Affairs, commits to a contribution to the Development Engagement of DKK 35M (thirty-five million) for the 3 years (2022-2025).

2 Background

2.1 Main issues and strategic considerations

Development problems

Northern and coastal Kenya, land supporting 70 percent of the country's livestock and 90 percent of its wild game, are the two most marginalized and under-developed regions of Kenya^{7,8} with years of political and economic marginalization, weak governance structures, human rights violations, poor infrastructural services, and increasing levels of poverty. The regions are characterized by arid, semi-arid lands (ASALs), and marine environment and have the poorest counties in Kenya, with poverty levels of 93% in Turkana, 79% in Marsabit, 78% in Samburu, and 75% in Tana River⁹ usually made worse by conflicts.

³ [Strategic-Plan2018-22FINAL](#). Note that NRT is in the process of developing a new strategic plan for 2023 - 2027

⁴ [NRT Water-Strategy-2020](#)

⁵ [NRT Rangelands Strategy](#)

⁶ [NRT Marine Strategy](#)

⁷ “Boosting Prosperity, Improving Equity in North and North Eastern Kenya”, The World Bank, 8 May 2018

⁸ “Pulling Apart Facts and Figures on Inequality in Kenya”, Society for International Development, 2014.

⁹ ICT Authority, Info Updated February 3, 2017. [County poverty rates estimates based on KIHBS data for Constituencies in 2005/6.](#)

Conflict is historically rooted in competition over scarce natural resources (water, food, and grass) as well as cultural practices and tribal identity. Pastoralist communities have conflicts between ethnic groups with a culture of cattle-raiding or competing for grazing and water in drought periods usually linked to historical ethnic rivalries, and often aggravated by political incitement¹⁰. Conflicts in the coast, just like the north are ethnic motivated and stem from competition for scarce marine livelihood, especially for fish and desalinated water, but also include heightened external security challenges from sea pirates to terrorism¹¹. These conflicts, sustain marginalization, are a barrier to investment, and cost the national economy an estimated 1.2% of the GDP. Additionally, Humans, wildlife, and livestock compete for the available resources including water, which often leads to human-wildlife Conflict (Nature Based).

Shocks are widespread in both areas, with increasing frequency of extreme environmental events including drought, flooding, sea level rise¹², heatwaves, locust invasions and concomitant increase in disease and only expected to get worse¹³. Five of the most severe droughts in the past century have occurred in the last 15 years (2001, 2003, 2006, 2009, and 2011); the 2009 drought cost \$12.1 billion to the national economy¹⁴ and 80% of pastoralist livestock died through lack of pasture and water. The government also declared drought in 29 counties (All NRT counties included) in 2021 with the impact not yet reviewed¹⁵. The droughts, degraded land with low carbon, increasingly variable and scattered rainfall limit the production of grass for the livestock and agriculture and have spill over effects on food security.

Human population growth and pressures on a finite natural resource base are intensifying degradation and resilience. The Kenyan population growth rate is 2.7%, and the human population in these areas has grown six-fold from 1989 to 2009, from 371,000 to 2.3 million¹⁶, perpetuating underlying household stresses of poverty and illness. Local and physical drivers of environmental degradation and poverty have also been heightened by other forms of socio-economic hardship, including gender inequality, insecurity, lack of human and institutional capacities, illiteracy, unemployment, poor infrastructure, and the COVID-19 pandemic. The most urgent need in the community is the need for WASH investments.

Water

Kenya is categorised as a water-scarce country with renewable water per capita at 647m3 against the recommended 1000m3 by the United Nations. Safe drinking water, sanitation, and good hygiene are fundamental to health, survival, growth, and development. Access to safe water and improved sanitation services are key pillars of Kenya's development. The pillars are in tandem with the United Nations' Sustainable Development Goal (SDG) No. 6, 2016 Water Act and Kenya's Vision 2030. The Kenya Vision 2030 goal on water and sanitation under the social pillar is access to water and sanitation for all by 2030.

The estimate of community members with access to sustainable, safe water and basic sanitation in NRT's member conservancies is expected to be below the national average for rural areas (40%) as most are found in arid and semi-arid land (ASAL) areas. Research in Samburu County established that water insecurity is higher in rural pastoralist households, with 91% of rural

¹⁰ Boone, Catherine 2013. Land conflict and distributive politics in Kenya. *African Studies Review*, 55 (1), pp. 75–103

¹¹ Knight W.A., Elmi A.A. (2019) [Combating Piracy in the Horn of Africa Waters](#). In: Shaw T., Mahrenbach L., Modi R., Yichong X. (eds) *The Palgrave Handbook of Contemporary International Political Economy*. Palgrave Handbooks in IPE. Palgrave Macmillan, London.

¹² World bank Group, [CLIMATE RISK COUNTRY PROFILE \(Kenya\) 2021](#)

¹³ Climate Knowledge Portal. [World bank Kenya Climate Projections](#)

¹⁴ World Bank. *The World Development Report 2011*

¹⁵ [Kenya Declares Drought a National Disaster In 29 Counties](#) by Bruhan Makong, Published by Capital News, September 8, 2021.

¹⁶ Fitzgibbon, C. 2012. *Economics of Resilience study – Kenya country report*

households categorised as insecure or highly insecure in the dry season¹⁷. At the height of the 2016/17 drought, women in some parts of Samburu were traveling up to 15km per day to find water, leaving them with little or no time for other chores including childcare and feeding the family.

Water scarcity in northern Kenya is intensified by climate change which is causing rising temperatures, irregular and unpredictable rainfall, and more frequent droughts. A review of water investments in much of northern Kenya highlights the reality that many water projects face sustainability challenges, largely due to poor planning, design, and management of water supply systems¹⁸. A major issue is the failure to put in place sustainable systems of management and maintenance after completing the infrastructure, which leads to the poor operation of infrastructure within a few years.

Within the coastal zones, reticulated water supplies are non-existent, groundwater sources are saline except for *dunal* and coral reef formations, and where shallow wells are sunk, the very high demand for fresh water has accentuated the problem of salinization through over-exploitation and subsequent sea water intrusion¹⁹.

Water projects are often established with political motivation rather than being demand-driven or in response to the priorities of communities. They also often lack input from women, who are predominantly the ones responsible for the provision of domestic water. The investments have also been generally for firefighting as most of them have been done as drought emergency response measures; new water points are placed without consideration for livestock wet and dry seasons grazing areas or pastoral mobility patterns.

The solution to the problems facing the ASALs is too often assumed to be the provision of more water. While there may be localized problems of inadequate permanent water, and while the availability of underground water has not been fully assessed, the more pressing concern is better management of existing sources. Over-abstraction in upstream areas outside the ASALs is affecting downstream users within the ASALs; boreholes are in disrepair and dams and pans have silted up; inadequate use of rainwater harvesting technologies means that the rain that falls, often in flash floods, is lost. Moreover, new water can create rather than solve problems, particularly when it is poorly sited in critical grazing areas or leads to decentralization and localised degradation of range resources.²⁰ While NRT water projects have had a positive localised impact and have been implemented on a case-by-case basis, there has been little investment into the governance and management of the systems at a community level, which continues to rely on NRT support for ongoing maintenance.

Forest degradation

The greatest threats to degradation and deforestation in NRT's landscape are livestock grazing and wood extraction. Most of the communities use wood and charcoal as the main source of energy for cooking and a source of livelihood from the charcoal trade. This has aggravated the cutting down of trees and shrubs. The use of firewood and charcoal consumes a lot of time for women and girls collecting firewood. This not only affects women's time to engage in income-generating activities like beadworks and other household chores but also girls have limited time to attend schools and carry out school homework. In addition, most of the houses are small and carbon monoxide emanating from charcoal or firewood smoke leads to respiratory diseases which is the

¹⁷ Nancy Balfour, Joy Obando, and Deepali Gohil; "[Dimensions of water insecurity in pastoralist households in Kenya](#)", *Waterlines*, 39:1, 24-43

¹⁸ Ibid

¹⁹ E. K. Biamah, J. K. Choge and R. K. K. Cherogony; *DJABIA RAINWATER HARVESTING SYSTEMS FOR DOMESTIC WATER SUPPLY IN LAMU, KENYA*

²⁰ Vision 2030 Development Strategy for Northern Kenya and other Arid Lands

leading ailment in the landscape²¹. Specific threats to the forests of the NRT-Coast landscape are primarily illegal logging of timber for building, especially hardwoods and mangroves; agricultural expansion and illegal settlements, resulting in clearing of forests and unsustainable farming practices such as slash and burn. Traditional use of forest products is also becoming unsustainable because of increasing human-populations and erosion of traditional values and customs governing forest-use²². This underlines the impetus towards low cost and sustainable cooking energy, that not only contributes to healthier households, but also contributes to Gender equality and social inclusion (GESI) structures and global low carbon emission.

NRT and strategies relevant for the DE

NRT is a member-based umbrella trust supporting 43 Community Conservancies across 6.3M HA of ASALs in northern and coastal Kenya. NRT implements five strategic objectives: governance, peace and security, livelihoods and business, natural resources, and sustainability. The work of NRT is organised in twelve integrated strategic outputs, which promote resilience and inclusive green growth in the ASALs. Delivery of the strategic objectives is operationalised in an annual operational plan and budget nested within a five-year work plan. Community-focused objectives are achieved through collaboration with key actors including county government, environmental authorities, bilateral partners, and the private sector. The opportunity will support NRT's Strategic Goal 3 - Livelihood and business investments in conservancy communities - Output 5 - Equitable and responsive livelihood investments in conservancy communities.

NRT's work is financed by a combination of grant and donor funding allocated to core support and specific focus areas. NRT receives support from RDE, USAID, AFD, European Union, The Nature Conservancy, and from a range of private sector collaborative agreements. This increased funding is essential as the need to build resilience of the communities and green transformation is required in these areas.

Strategies contained in the NRT strategic plan are closely aligned with the Denmark-Kenya Strategic Framework 2021-2025. NRT provides a local instrument through which Denmark's strategic framework can be delivered in Kenya. Danish goal in the fight for climate, nature, and environment is directly being addressed through the support.

Delivery of the outputs is adding significant value to wider Kenyan development and has demonstrated relevance to several policies, laws, and national priorities. These include realizing Chapter 5, Article 61 (1) of Kenya's constitution relating to the environment; backing for the 2016 water Act²³ that demarcates water related responsibilities between the county and national governments and provides clear action for WRUAs and WSPs; Alignment with The Kenya Energy Act 2019 that not only defined roles of the National and County Governments in relation to energy but provided for exploration of renewable energy²⁴; supporting Vision 2030 by promoting a vision of holistic and sustainable management of land and natural resources across ASALs; contributing to the Big 4 Kenyan development agenda specifically about obtaining food security; supporting the objectives of the Community Land Act (2016); the Wildlife Conservation and Management Act (2013); Wildlife Conservation and Management Act (Miscellaneous Amendments) (2018); Forest Conservation and Management Act (2016); Environmental Management Act (Revised 2012, original. 1999); Protected Areas Act (1980); Co-ordination Act County-level Conservation, Tourism, and Climate Change Bills; ending drought emergency and delivering on devolution by the government at the county and community levels. Apart from being national priorities, these policies and laws are of specific relevance to the development of the conservancies. Other development priorities that are being advanced in the DE work with conservancies include green

²¹ NRT through the COMMs monitoring systems will collect related data on use of wood fuel and its effects on degradation

²² [NRT-COAST VISION 2018 – 2022](#)

²³ [2016 Water Act - Kenya](#)

²⁴ [Kenya Energy Act 2019](#)

economy, poverty alleviation, income, and decent jobs, human rights, climate adaptation and innovation, and water resource management.

The outputs of this support contribute to several of the UN's sustainable development goals including poverty (SDG 1), SDG 6: Clean Water and Sanitation, SDG 7: Affordable and clean energy, social exclusion, and gender equality (SDG 5&10), climate change adaptation (SDG13), and natural resources management (SDG 14 &15).

Water Investments

NRT recently established a water program with dedicated staff to implement it. This builds on almost a decade of NRT's investment in water development in member conservancies. A Water Programme strategy has been developed and it outlines a new approach to NRT's water investments that is shifting from project-type infrastructure to a more integrated approach. This involves water resource planning, management, and infrastructure development, with conservancies as the entry point for all aspects of the program. The aim is to ensure water is developed holistically with environmental, technical, and financial sustainability built into the design and management of water supplies at a conservancy level.

The investment in water provision in its member community conservancies over the years has been to promote access to safe and reliable water for people, wildlife, and livestock. This includes water supplies in villages and schools, water pans for wildlife and livestock, water supplies for conservancy headquarters, ranger outposts, and tourism facilities. NRT is in the pathway to expand water availability for agriculture in areas where these emergency needs have been sorted. Specific water infrastructure projects have included drilling boreholes, shallow protected wells, pipeline extensions, spring protections, and investment in rainwater harvesting through guttering and storage tanks, and rock catchments. Additional investment has included emergency preparedness by the provision of generators, drilling of emergency boreholes for livestock, lobbying for water trucking by the government. Further, NRT has worked with conservancies on nature-based solutions especially around the Mathews (Namunyak) and Ngare Ndare forests to enhance the protection of water catchment areas, achieved through community sensitisation and collaboration with community forest associations (CFAs). Other NBS activities included rangeland grazing management and reseedling, wetlands management and protection, riparian buffer protection, floodplain restoration, installation of water pans, desalination and protection of natural dams and continuous restoration and protection of forests. At the Coast, the focus has been on mangroves protection and restoration to enhance provisioning of ecosystems services, blue carbon storage and plastic recycling²⁵. The grazing committees within the conservancies in these areas work in collaboration with the CFAs in the protection of water catchment areas aiming to ensure sustainable grazing management practices and protection of spring heads. NRT main aim is to work with Water Resources Users Associations (WRUA), but few are established in these areas, some overlap with the community conservancies management and their functionality is not currently well defined which is attributed to the limited or lack of water resources in the ASALS to undertake their mandate. The government funding that had been used to establish them through the WRUA Development Cycle is insufficient, impairing them from fulfilling their mandate. NRT also recognizes that the WRUAs mandate is limited and unable to cover the intricacies of water management that must be incorporated into all other aspects of the fragile ecosystem. The availability of pasture and its utilization is best governed using strategic water interventions as most livestock, wildlife, and people movement are directly related to water availability. To avert some of the conflicts around water a more holistic and multidimensional approach is required. Conservancies manage their natural resources to improve their livelihoods including water,

²⁵ [NRT's Coast Marine Activities](#)

rangelands, forests, wildlife, livestock and are better placed to manage the water resources. NRT's aim is to ensure that WRUAs become intensely involved with the conservancy management.

With technical support from Rural Focus Ltd, NRT invested in developing water resource management strategies for conservancies which set out water needs and priorities for the communities and map existing water resources. In four conservancies, NRT has supported the construction of water infrastructure in line with the communities' priorities. This includes the construction of several sand dams in partnership with county governments and other development partners.

Renewable Energy

A pilot investment in biogas as alternative energy was previously done in Ngare Ndare Community Forest Association and formed part of the knowledge base that has been instrumental in the scaling up of the NRT Biogas project. NRT additionally invested in 30 biogas digester units (piloting use of cow-dung) in seven community conservancies in Samburu (Kalama, Naluwuon, Nkoteiya and Ltunagi) and Isiolo (Narupa, Nannapa and Nakupurat-Gotu) at the beginning of 2020 through SIDA_IMARA Program. Furthermore, The Water Sector Trust fund has collaborated with Lower Tana Community Conservancy and have successfully installed 38 biogas digesters in villages along river Tana. NRT has also borrowed Lessons and continued learning from The Energising Development (EnDev) programme by SNV GIZ funded program²⁶. Borrowing from these lessons and pilot, NRT has decided to scale up the biogas project and is currently in the process of providing 600 additional biodigesters to cover 20 community conservancies (West Pokot, Samburu, Baringo, Tana River, Marsabit, Laikipia, Isiolo, Garissa, and Lamu) within the NRT landscape. The biogas investments enhance the use of clean energy technologies reducing carbon emissions resulting from deforestation and degradation because of charcoal burning. Increased use of biogas as a means of cooking greatly reduce pressure on forests, families make good savings of money used to buy charcoal and further reduces incidences of respiratory diseases from charcoal and wood smoke.

The proposed Flexi biogas digesters are simple units; a tube with basic plumbing around it. We adopted this since it requires little technical skill and no sophisticated tools to maintain, fix or troubleshoot. The systems can also be disassembled and moved if the location of the kitchen moves. In the current biogas phase, 40 youths are being trained to assemble, disassemble, and fabricate the biogas units so that all future biogas projects will be fabricated by the community youth groups.

NRT targets community Conservancies that have sufficient raw material and water supply all year round. The biogas digester system requires up to 200 litres of water at the start; the daily water needs reduce to a 20L bucket of water a day. NRT realized that the biogas project would not meet the energy needs of some conservancies, and hence investments shall also be made on energy saving Jikos that save up to 50% of the energy used when employing traditional hearth and charcoal. Three types of energy-saving stoves (Jikos) have been identified. Jiko Kisasa is semi-portable and ideal for semi-permanent and semi-nomadic households, KCJ Jiko is improved energy saving and portable Jiko, and the traditional energy-saving Jiko is permanently fixed at the beneficiary's kitchen. The main drivers for the 3 types are based on the mobility of the communities.

In addition to biogas and energy-saving jikos, NRT has over the years supported the improvement of schools and health facilities in member community conservancies through supporting the improvement of basic infrastructure, equipping and solar installation in these amenities. Many of the schools and health facilities are many kilometres from the power grid which undermines their capacity in providing services to the community as compared to other well-

²⁶ [Energising Development Kenya Programme, Energising Development in rural areas. GIZ Worldwide](#)

endowed parts of the county and country at large. NRT has a working relationship with authorised dealers of quality solar equipment such as Centre for Alternative Technologies²⁷ and Davis & Shirliff Group²⁸.

Sampled Case Studies on Renewable Energy and water

- Biliqo dispensary – In 2020 and 2021 with support from the RDE and Hungary Helps, the community of Biliqo Bulesa Conservancy and its surroundings now can access adequate healthcare. Before this support, Biliqo dispensary was a semi-permanent structure with lack of access to laboratory services and reliable medical supplies stock. The maternity unit was a community-built structure which was not fit for purpose and patients were being attended to with no privacy. Currently, the facility has a maternity block, new clinic, renovated old facility which is now being used to house staff and serve as a store, an incinerator for safe waste disposal and a fence, all supported by RDE through NRT. The staff accommodation, laboratory, storage facility, placenta pit and equipping of the maternity wing was funded by Hungary Helps, with the County Government of Isiolo chipping in to support the dispensary with personnel and medical supplies. Solar was installed to provide adequate power for the facility. Access to safe and clean water supply to the facility and the community was also a challenge. To ensure regular supply of clean water to the health facility, the Swedish Government through the IMARA programme supported connection of water to the dispensary with 20,000 litres of water being pumped using solar to the facility daily. Before this investment, the nearest maternal and child health services, and reliable operating facilities were in Isiolo town, approximately 210 kilometres away - a six-hour journey by bus. The nearest sub-county medical facility is in Merti, about 42 kilometres away which only provides laboratory and diagnostics, with no operating theatre services. Sometimes, there is no reliable public transport in the area to ferry women to hospitals during emergencies.
- In 2020, NRT initiated a biogas pilot project aimed to reduce reliance on wood fuel, and targeted Kalama, Nakuprat-Gotu, Nannapa and Nalewuon conservancies in Isiolo and Samburu counties. These selected conservancies said that their member households rely heavily on charcoal and firewood, leading to deforestation and land degradation, which impacts wildlife and pastoral livelihoods alike. 190 households from these conservancies participated in the biogas pilot project where the women are among the hundreds of women whom cutting and collecting firewood is a regular, time-consuming chore. One sack of charcoal costing Ksh. 1,000 (USD 10), and barely lasting a family a month, households result to using firewood to make charcoal last longer. This has continuously threatened forest ecosystems which play a critical role as carbon sinks. To address this challenge, NRT initiated this biogas pilot with each biogas digester costing Ksh.80,000. The biogas digesters were donated to the conservancies for them to start a revolving fund using a household repayment plans. Each household is required to pay Ksh. 1,125 (USD 11.25) - a little over the cost of a bag of charcoal - to their respective conservancies. The funds collected from the biogas revolving fund is then used to purchase more biogas units to benefit other conservancy members. The success of this pilot project funded by the Swedish Government through the IMARA programme enabled NRT to secure funding from the United States Department of Interior for 600 biogas units currently being installed across NRT member community conservancies. This RDE additional grant will further upscale energy project across the selected conservancies.

²⁷ <https://cat.co.ke/>

²⁸ <https://www.davisandshirliff.com/>

- During the implementation of the biogas pilot project, it was observed that there were households that could not afford the biogas units plus biogas requires water and manure for it to function optimally and serve the household. As an alternative to the biogas option in areas where water or manure is hard to get to run the biogas energy-saving jikos were piloted in Marsabit and Laikipia Counties by World Vision a partner in the IMARA programme. Though the energy-saving jikos are not clean, they save on the amount of energy consumed by a household since they are more efficient as compared with traditional cooking methods. Compared with traditional jikos, energy-saving jikos reduce cases of upper respiratory infections among users because they smoke less due to efficient burning of fuel.
- In 2017 NRT initiated into teacher housing project to provide accommodation for teachers in remote schools where the government does not deploy teachers due to lack of proper housing in those schools. The housing project after completion could not be commissioned until a form of power was installed and this led to the installation of solar power in the teacher housing and the teachers are able to use the housing day and night. This additional grant will support additional renewable lighting interventions at selected institutions.

2.2 Greening/Climate proofing water investments

NRT recognizes the need for more climate resilient, low emission and inexpensive investment in technologies and shall include the following strategies in all her programs:

- NRT shall where possible convert diesel generators to solar powered ones and invest in generators that use renewable and green energy i.e., boreholes/wells will be solar powered to supply water for domestic, livestock or wildlife.
- The water resource planning integrates water development to all other components in the conservancies and focuses on holistic and integrated water development which considers climate change, and these include seasonality, possibility of sedentarization and nomadic nature of community. The water resource management strategies are the key investment tools for the water program.
- Water infrastructure like sand dams will be advocated across the dry season *laggas*²⁹ to help in slowing down flows and encourage seepage into the riverbeds. This in essence will replenish ground water and improve its availability while improving riparian vegetation which further improves forage availability, water retention and protection of the riverbeds from erosion.
- Investment in water storage to capture and store rainwater during the rainy seasons for use in the dry periods will be critical including water pans/dams, rock catchments, sand dams, rainwater harvesting especially in institutions.
- Water quality testing and appropriate treatment methods will be embedded into the water infrastructure development. This will include solar desalination investments especially in the coastal areas and most of the saline/mineralized northern rangelands ground water sources.
- Focus on catchment protection to improve on water availability and improved ground water recharge in the climate change era where water availability is reduced will also form the basis for investment with increased capacity building and linkage creation between downstream and upstream users.

2.3 Justification for Denmark's support

Although the development problems of the ASALs, as described above in 2.1, are fundamentally difficult to address, the approach of working with community conservancies has proven effective.

²⁹ Lagga is a seasonal river

The DE support to NRT is an effective way for RDE to address development challenges in the ASALs, which is contributing not only to resilience, peace, and stability but also to green sustainable and inclusive growth and democratic governance and human rights. This contribution is well aligned to Denmark Strategy for Development Cooperation ‘The World We Share’ specifically its focus on climate change resilience and access to water and renewable energy in Africa. According to the Strategy, in sub-Saharan Africa, four out of ten people lack basic clean water for drinking and about 900 Million people lack access to clean energy for cooking exposing them to indoor air pollution with resultant health complications for girls and women. The Programme further advances key objectives of the Strategic Framework for Danish development cooperation 2021- 2025. Furthermore, there is a high degree of coherence between elements of this Programme support to the NRT program – resilience, peace, governance – and other RDE development initiatives and aid instruments in Kenya in respect of peace, humanitarian, and civil society objectives at a broader level dealing with fragile areas.

With the resilience of ASAL communities being the overriding development problem in the ASALs, the Programme support and the NRT way of working with community Conservancies to enhance their performance and contribution to local livelihoods while securing a sustainable natural resource base for resilience and productivity are considered relevant and the most effective way of creating results such as improving productivity, improving socio-economic conditions, and reducing poverty. This is directly in line with the priorities of the Danish development cooperation with Kenya and as such a key justification for Denmark’s support to the DE.

The support will improve access to sustainable and clean water for drinking and livestock, and renewable energy. This will be achieved through integrated water projects, which will address the water supply needs, water resources management, and sanitation. Activities will include water resources mapping and testing, training of communities and water committees on management and governance of water resources, development of new water infrastructure at household and schools (boreholes, *Djabias*³⁰, wells, pipeline extensions and storage tanks), capacity building on repairs and maintenance of the structures and supply of measurement and maintenance equipment. This will result in improved access to safe drinking water and consequently improved community health from reduced water-related diseases. The project will further focus on the alternative green energy and will include review research and provision of solar generators, provision of bio-digesters to households for cooking and lighting - where possible, provision of energy saving Jikos, trainings and community awareness.

Implementation is founded on a human rights-based approach and will address gender inequality and the rights of women and girls by delivering initiatives that increase gender responsiveness, voice, and inclusion. These approaches are key to addressing the governance and equality challenges in northern Kenya. This support will aim to increase community resilience and adaptation to climate change through sustainable investments in water and renewable energy in Northern Kenya. This programme targets to directly benefit 63,900 people living within the conservancies: 28,000 from domestic water points, 2,400 in schools and healthcare points, 11,250 from rehabilitated and restored water points, 7,250 from biogas installations and 15,000 with energy saving Jikos. The NRT model of community conservation, supported by the current Programme, has proven to have impacts on peace, livelihoods, and natural resources³¹ – this support which is from Denmark Climate Envelope will extend that impact.

³⁰ *Adjabia (Diabias)* consists of a man-made (induced) sloping catchment area and a tank to store the water. The catchment area is usually a continuous concrete slab with garlands on the sides to direct runoff water into the reservoir and minimize rainwater losses by splash.

³¹ [NRT State of Conservancies Report 2021](#)

3 Programme Objective

This support aligns with Denmark’s Strategy for Development Cooperation, mainly to “The Fight for Climate, Nature, and Environment”. In the strategy, there is a big emphasis on access to water and clean energy as a constituting factor for all development goals. The grant will specifically contribute to; Objective 1: Strengthen action to support climate change adaptation, nature, the environment, and resilience in the poorest and most vulnerable countries,

Objective 2: Assume international leadership within reductions, green transition, and access to clean energy, and Objective 4: Create hope and prospects for the future through green and socially just economic recovery and poverty-oriented development

It also contributes to; ‘A Green and Sustainable World: The Danish Government's long-term strategy for global climate action’. Mainly to the objective of: “We will drive adaptation and resilience initiatives in the fight against climate change”

The grant also contributes to the 3 SDGs; SDG 6: Clean Water and Sanitation, SDG 7: Affordable and clean energy, and SDG 13: Climate action. The Danish support will contribute to delivering the following overall result as defined within the NRT Strategy:

1. Improved livelihoods, employment, and business opportunities – develop skills and enterprises which generate employment and income thus supporting the improved provision of basic needs.

The DE will support the achievement of the below outputs, which are also contained and fully reflected in the NRT Strategic Plan (2018-2025): Output 5 - Equitable and Responsive livelihood investments in clean water and energy

4 Theory of Change

IF vulnerable households in Northern and Coastal Kenya get increased access to potable water and alternative clean energy through improved water resources management, effective water infrastructure, investment and provision of clean, renewable or green energy infrastructure and technologies both to institutions and households, and building their (communities) capacity on management, inclusivity and adoption of nature based solutions, THEN there will be reduced stressors on natural resources, and community livelihood will advance, emanating from the reduction on incidences of water related diseases, reduction on resources based conflicts and improvement on household economic condition due to reduced cost and time in sourcing for water, energy and health burden. This ultimately leads to thriving communities whose resilience to climate change is enhanced.

The most systemic challenge in these communities is the availability of water resources for vegetation, human consumption, livelihood, and wildlife; worsened by continuous decline in forest resources when used as a source of energy. Without structured access to sustainable clean water, and basic energy there can be no stable livelihood, this gets aggravated by resources-based conflicts, undue efforts in sourcing for basic energy and water, related water borne diseases and resources sourcing risks. Community Conservancies can only begin to stabilize and recover the rangelands if clean water and basic energy are easier to access and such their sources are effectively and collectively managed and appreciated. The sources of energy should be green, renewable, or clean to sustain reduction in wood fuel usage thus contributing to increased forest cover. This will also lead to recovery of the natural resources, reduced green-house emissions and biodiversity.

The Community Conservancies are expected to use information from the CMDP and CWRMS (where this exists) to lobby for the inclusion of community interests in County policies, such as CIDP. This is to be achieved through forums, such as CIDP’s public participation sessions, or through County Officers, such as Ward Administrators and respective Members of County Assembly. NRT influence on County policy aims at an integrated landscape approach on water investment to enhance people's lives, build peace and conserve the natural environment to address the multiple water demands - People, Water and Wildlife. Through different forums, such as public

participation forums, sectoral working groups, and relevant County government departments, NRT will share relevant data and information with County governments to develop the 3rd generation of the CIDP. NRT will equally utilize partnerships such as Partnership for Resilience and Economic Growth (PREG)³², Nawiri [2]³³, KWCA, etc. to influence County policy and legal framework for effective cohesive water and energy actions.

There are several key assumptions and risks in this development hypothesis. The most basic assumption is that the NRT water strategy aligns with the current government strategy and will be adopted by the conservancies and, that the mapped water resources are accurate and shall be able to serve the communities, CSOs in WASH sector and the county government reliably. While the NRT community conservancy model is largely proven, with the history of NRT's success over the past decade, the key continuing assumptions underlying the model are that local leaders will continue to rise to the challenges of governing conservancies well and that conservancies can generate enough finance, through development support, commercial revenues, and County Government support, to sustain the momentum. Additionally, the model assumes that stakeholders will properly be motivated to support the model, that the technical knowledge needed is available and can be sourced, and that available technologies, innovation and nature-based solutions that are applied directly has a causal effect on the recovery of natural resources. A large part of NRT's role as applied within this DE is to ensure that these assumptions are fulfilled.

³² <https://www.usaid.gov/documents/1860/partnership-resilience-and-economic-growth-preg>

³³ <https://www.usaid.gov/kenya/documents/usaid-nawiri-fact-sheet>

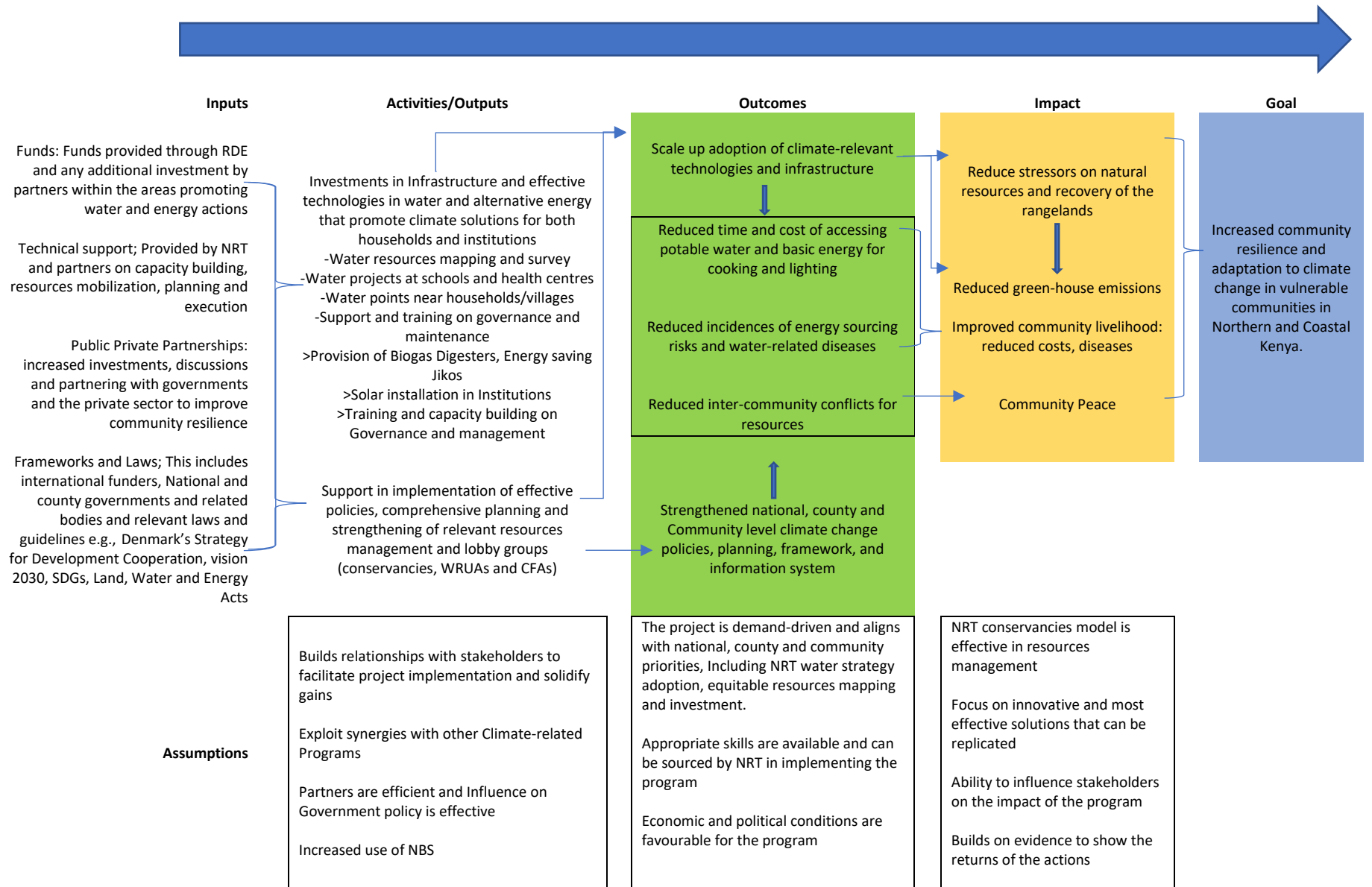


Image 1: Diagrammatic representation of the theory of change

5 Results framework

For results-based management and reporting purposes of the Embassy of Denmark in Nairobi, the following key outcome and output indicators have been selected to document progress.

Denmark will base the actual support on progress attained in the implementation of the grant as described in the documentation. This results framework reflects the NRT results framework that is used to manage the NRT activities. Progress will be measured through NRT's existing monitoring framework.

**Assumption- A household has an average of 5 members*

Development Engagement Title		Increased resilience of vulnerable households through improved access to water and renewable energy	
<u>Development Engagement outcome</u>		>60,000 people directly benefitting from improved access to basic drinking water and renewable energy	
<u>Main Indicator</u>		Increased resilience and adaptation of communities to climate change as a result of increased access to renewable energy, low energy cookers and potable water	
		2022	5%
		2025	90%
Explanatory Note		Measurement of increased resilience will be established through an evaluation study to assess the impact of the program with clear review of the detailed indicators below impact and effect for both human and wildlife. This will be for the targeted beneficiaries.	
<u>Development Engagement outcome Indicator 1</u>		% Of households adopting/using clean energy technologies	
Baseline	Year	2022	2%
Target	Year	2025	37%
Explanatory Note		37% (22,250hh) representing the total number of direct beneficiaries who receive new renewable energy technology against the 60,000 direct beneficiaries targeted and translating to 155,750 community members. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report	
Output 1		Improved access to basic renewable energy and low energy cookers for cooking and lighting within the NRT Conservancies because of this grant	
Output indicator		Number of people benefitting from investments in renewable energy	
Baseline	Year	2022	0
Annual target	Year	2023	6,230 (890 HHs)
Annual target	Year	2024	15,575 (2,225 HHs)
Annual target	Year	2025	9,345 (1,335 HHs)
Explanatory Note		This includes 1,450HHS benefitting from Biodigesters and 3,000HHs from low energy cookers. N: A household is composed of an average of 7 individuals, and these will be water points directly established or rehabilitated by thus grant. Source NRT Social CoMMs report	
Output 1.1		Biogas Digester installations	
Output indicator		Number of Biogas digesters installed	

Baseline	Year	2022	0
Annual target	Year	2023	290
Annual target	Year	2024	725
Annual target	Year	2025	435
Explanatory Note		These are new installations from this project per HH	
Output 1.2		Low energy cookers distributed	
Output indicator		Number of people who have received the energy cookers.	
Baseline	Year	2022	0
Annual target	Year	2023	600
Annual target	Year	2024	1500
Annual target	Year	2025	900
Explanatory Note		New beneficiaries who will receive the energy cookers to help them adopt to clean energy technologies. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by thus grant. Source NRT Social CoMMs report	
Output 1.3		Solar lamps installed in institutions	
Output indicator		Number of institutions installed with solar lamp solutions	
Baseline	Year	2022	0
Annual target	Year	2023	2
Annual target	Year	2024	2
Annual target	Year	2025	1
Explanatory Note		Refers to both schools and health facilities installed with solar lamps solutions	
<u>Development Engagement outcome Indicator 2</u>		<u>The percentage of population accessing improved basic drinking water</u>	
	Year	2022	10%
	Year	2025	90%
Explanatory Note		Refers to percentages of community members from the 60,000 benefiting from both new water points established, and existing water points rehabilitated from these grants. Total of 28 new water points each serving 200HH and 15 rehabilitations each serving 150HHs. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/standpost; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams	
<u>Development Engagement outcome Indicator 3</u>		<u>Reduction in average time taken to fetch water</u>	
<u>Baseline</u>	<u>Year</u>	<u>2022</u>	<u>Over 2 hours</u>
<u>Target</u>	<u>Year</u>	<u>2025</u>	<u>Less than 30 Minutes</u>

Explanatory Note		<u>90% of girls and women trek for over 2 hours an average distance of 24km to fetch basic drinking water to and from. Source Social CoMMs report</u>	
Output 2		Improved access to sustainable water services for domestic and pastoral needs within the NRT Conservancies as a result of this grant	
Output indicator		Number of people gaining access to basic drinking water from the investments in water	
Baseline	Year	2022	0
Annual target	Year	2023	14,000
Annual target	Year	2024	28,350
Annual target	Year	2025	13,650
Explanatory Note		This includes 28 new domestic water points, 28 units serving 200 HHs, 6 water installations in schools and health points each serving an average population of 400 and 15 water rehabilitations serving 150HHs, 6 schools and 3 health facility rehabilitated. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by thus grant. Source NRT Social CoMMs report.	
Output 2.1		Water infrastructure installations - rehabilitated/restored	
Output indicator 2.1		Number of domestic water points available because of new installations	
Baseline	Year	2022	0
Annual target	Year	2023	7
Annual target	Year	2024	15
Annual target	Year	2025	6
Explanatory Note		Refers to both new water points established from this grant. Total of 28 new water points serving each serving 200HH. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by this grant. Source NRT Social CoMMs report. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/standpost; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams	
Output indicator 2.2		Number of domestic water points available because of rehabilitation	
Baseline	Year	2022	0
Annual target	Year	2023	4
Annual target	Year	2024	6
Annual target	Year	2025	5

Explanatory Note		Refers to existing water points rehabilitated from this grant. 15 rehabilitations each serving 150HHs. N: A household is composed of an average of 5 individuals, and these will be water points directly established or rehabilitated by thus grant. Source NRT Social CoMMs report. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/standpost; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams	
Output indicator 2.3		Number of School and Health facilities water points available because of new installations and rehabilitations	
Baseline	Year	2022	0
Annual target	Year	2023	2
Annual target	Year	2024	3
Annual target	Year	2025	1
Explanatory Note		Refers to both new water points established, and existing water point rehabilitated for school and Health facilities from this grant. Total of 28 new water points serving each serving 200HH and 6 new water points serving 6 schools. Basic drinking water sources meeting this criterion include: - Piped drinking water supply on premises, public tap/standpost; tube well/borehole; protected dug well; protected spring, rainwater; and/or sand dams.	
<u>Output 2.4</u>		Increased number of nature based solutions (NbS) adopted by CFAs, WRUAs working with conservancies	
<u>Output indicator 2.4</u>		Number of nature based solutions (NbS) adopted by the Conservancies	
Baseline		2022	0
Target		2025	43
Explanatory Note		NBS (Nature based solution) institutions directly trained around water governance and supported to improve Water resources management through CFAs, WRUAs and Conservancies interventions	
Output 3		Strengthened program Support, MERL, and Communication	
Learning Outcome:		Learning from M&E, program support and communication are used to increase the effectiveness of activities	
Learning Outcome indicator:		# Cases where the use of evidence and learning by NRT has directly contributed to increased effectiveness under one or more of its core areas of activity, measured on a cumulative basis	
Baseline	Year	2021	0
Target	Year	2025	3
Explanatory note		N: Learning cases are to be understood as a major set of activities and strategies that are being gathered from the M&E and used for learning in terms of implementing this programme.	

6 Implementation arrangements and approach

The funds are focused on delivering the results as defined above.

NRT will work through the management system of the conservancies, the county and national governments with support from other partner CSOs. Clear plans and impacts shall be discussed and agreed upon with the conservancies and the communities before the implementation. NRT will arrange inception meetings. The meetings will involve relevant county

government officials, the conservancies and partners working on the ground such as water institutions. The implementation shall be guided by close collaboration with the conservancies and build on the communities need and wishes. There will be a plan for implementation for each of the conservancies that will benefit from the grant. The plan will be developed with technical and reporting input from the NRT team especially NRT Head of Livelihoods, senior water engineer, and the Director of Natural resources management.

NRT maintains strong development partnerships and endeavours to coordinate efforts with other development actors working in the landscape, including County Government and NGOs.

The DE subscribes to a Human Rights-Based Approach (HRBA), which is supported by NRT having mainstreamed an HRBA throughout its work and in 2022 restated through a newly revised Humans Rights Policy and Sexual Exploitation and Abuse policies. A HRBA will guide the project and build on existing/ongoing conflict assessments (Local Capacity for Peace and Do No Harm) which/are be carried out with and by local partners and communities in a participatory way. These assessments will support an analysis that allows for a deep understanding of the similarities and differences both between community groups and counties as well as within them will be used to reveal the causal factors of conflict. Further, NRT are revising their governance strategies to ensure participation and benefit by communities, including women and youths, in program planning, implementation, monitoring, and evaluation.

Any NRT member community conservancy is open to participating and has an opportunity to benefit from this DE. When applying the DE among member conservancies, NRT will use the criteria in annex 4 to ensure fairness and equity.

The DE will be implemented by NRT in collaboration with conservancies through their boards and management. Identified projects for implementation will be approved through community participation (e.g., the CMDP, CWRMS, or the Annual General Meeting).

A Project Implementation Committee (PIC), chaired by a conservancy board representative will be established to lead in the implementation and supervision of identified projects. The PIC composition shall be project and conservancy specific to accommodate local dynamics. The area chief and county government representative will be ex-officials. For infrastructure works, the PIC will be guided by NRT's competitive bidding process and will form part of the tender committee. NRT uses this arrangement to build the capacity of the conservancies in procuring infrastructure goods and services and managing such projects. The PIC will meet regularly to monitor the progress of the implementation of a particular project. On the biogas projects, identified conservancies will identify beneficiaries and a supplier will undertake installation and capacity built at least one individual among current conservancy staff for troubleshooting and proving necessary support on the ground. Where this individual is unable to provide adequate support, the biogas supplier shall send a technician.

NRT will, based on a capacity assessment of the conservancies, either transfer resources directly to conservancies or administer them directly at its headquarters. NRT shall maintain a strong oversight and support role for these funds and scrutiny of budgets to ensure cost-effectiveness when resources are transferred directly to the conservancy based on milestones agreed with the conservancy.

7 Management arrangement

The parties have agreed to the following management arrangement to ensure adequate dialogue and timely decisions regarding this DE. This earmarked support of 35 mil. DKK is additional to the core support of 60 mil. DKK provided to NRT under the Kenya Bilateral Programme 2021-2025. The collaboration between NRT and RDE will follow the management arrangement for the core support. However, more detailed reporting for the earmarked support will be provided for the project in addition to the institutional reporting on the core support.

7.1 Governance Structure

NRT's corporate governance structure is described in the NRT Strategic Plan (2018-2025). NRT management reports to the NRT Board as part of all NRT implemented activities under the strategic plan. The NRT Board endorses annual work plans, and financial and progress reporting. The NRT Board meets biannually in January/February and July/August. The Board in turn reports to the Council of Elders which is NRT's highest governing body. The chairpersons of the conservancies make up most of the council and are joined by several non-state actors and state actors representing institutional members. The Council guides NRT policy, guidelines for its operation and administration, and appoints the NRT Board. Northern Rangelands Trust (a Trust) has a fully owned subsidiary company, Northern Rangelands Company Limited (A limited Company) that incurs and contracts for expenses on behalf of the Trust. The trustees of the trust are the sole shareholders and directors of the company with a single share each. The company acts to limit the liability of the trustees.

This DE will be aligned to the NRT organization, accountability, and annual audit processes. There will be two annual NRT-RDE meetings. One annual meeting could be in Nairobi and the other at the NRT Head Quarters in Lewa. The meetings will discuss work plans, progress, impact, update of the risk matrix, update on the budget and audit and will follow closely from the two semi-annual NRT Board meetings. The meetings will be provided with reports on progress including financial reports and other relevant material. The meetings are for reporting, addressing strategic and emerging issues, and shared learning and understanding. Learnings and emerging issues are then incorporated into program management using the project's MEAL strategy that NRT will develop during the first six months of implementation. The MEAL strategy will build on the NRT M&E system. The dialogue between NRT and RDE and the associated reporting provide a platform for RDE to assess progress against the planned results of the DE.

As part of its management arrangements, NRT will establish an organisational learning and adaptation mechanism with the overall purpose of enabling evidence-informed adjustments to be made to the DE during implementation. In broad terms, the organisational learning and adaptation mechanism are anticipated to incorporate bi-annual reflection sessions to examine whether assumptions underpinning the DE TOCs remain valid and identify what adjustments to the DE approach are required.

7.2 Reporting

Below is a summary of the key reporting outputs for NRT:

Timelines	NRT	RDE
31st January	Prepares and submits a project annual work plan and budget to RDE Prepares and submits Annual project report	RDE provide any comments and approve the project annual work plan and budget RDE receives the annual report and provide comments and feedback.
31st July	Prepares and submits project semi-annual report NRT Conducts the project audit as part of the institutional audit process	NRT submit the approved semi-annual report to RDE
30 th June	NRT informs RDE on the audit process and provide opportunities for RDE to	RDE receives the audit report and provide any comments or questions to NRT.

	engage in the process. NRT submits the approved Audit report to RDE. Together with information on how NRT will follow up on issues.	
--	---	--

NRT will produce semi-annual progress reports (narrative and financial). The semi-annual reports will be submitted to the RDE no later than one month after the end of the half-year in question. The reports will be against the DEs outputs, outcomes, and institutional result areas.

The following shall be addressed in the narrative reporting as a minimum:

- An assessment of developments in the contextual framework during the past year (annual report)
- Implementation of the work plan and budget based on output targets for the reporting period, including brief explanations of challenges encountered and deviations from targets/milestones and how these have been assessed and handled
- Progress to date compared to output and outcome targets for the entire programme period as stipulated in the results framework
- An analysis of risks, including both reflection on the reporting period and the upcoming reporting period
- Challenges encountered and specification of recommended changes and adjustments (including budget re-allocations) for approval by RDE
- Update on implementation of decisions, follow up on recommendations from reviews, audits, monitoring visits, etc.
- Update on the MEAL strategy for the project.

Financial reporting shall as a minimum include:

- The financial reporting shall be drawn up to the same level of detail as the approved detailed and output-based budget
- Include budget figures, actual spending, and variance for the period under-reporting and the entire engagement period
- Funds received during the period and accumulated
- Deviations should be explained and any budget reallocations within the period should be noted and include details on the written approval of the reallocation/adjustment.

8 Budget

This is a DKK 35M support for NRT's water strategy and alternative energy. Presented below is the output-based budget for this support. This support will only provide direct funds to NRT's objective 3; to invest in community priorities for improving their lives and create the conditions for growing jobs and businesses; output 5; Equitable and responsive livelihood investments in conservancy communities. Though the investment will directly go to activities in objective 3 on livelihoods, the activities will also have a direct impact on all the other NRT's objectives; 1 governance (implement NRT water strategy), 2 peace and security (reduce conflict resulting from fighting over scarce natural resources) and 4 Natural Resource Management & Endangered Species Conservation (reducing reliance on natural resources).

The budget includes all programme delivery staff, vehicles, capital, and administration costs. Programme costs are associated with specific goals, for expenditure through the conservancies, using the conservancy institution as a platform for community-led implementation.

NRT will keep a multi-year budget for the period of the project. The budget will be kept in KES (currency) considering the exchange rate to the DKK. The Danish grant is in DKK and disbursements cannot be made in excess of the grant in DKK.

Annual detailed output-based budgets will link up to the multi-year budget to ensure oversight of planned spending on the priorities of the overall objective of this engagement. The budget will include clear budget notes, including notes on the specific expenditure categories included in the overhead costs and in programme costs, ensuring that the budget is self-explanatory and the transaction costs involved with implementation is clearly identifiable.

NRT can do budget reallocation within output budgets. Any budget reallocation across outputs exceeding 10% of the annual output budget needs to be presented to and approved in writing by RDE.

Spending in excess of the allocated budget for the engagement – even when such excess spending has been caused by an increase in costs – cannot be covered by the Danish grant, unless provisions for this have been explicitly agreed upon in advance.

The DE budget per output per year in DKK

	Budget	Year 1	Year 2	Year 3
Output 1 - Improved access to basic renewable energy and low energy cookers for cooking and lighting within the NRT Conservancies because of this grant				
Total direct cost output 1	11,083,944	1,747,869	5,179,802	4,156,273
Share indirect cost output 1	853,464	134,586	398,845	320,033
Total budget output 1	11,937,408	1,882,455	5,578,647	4,476,306
Output 2: Improved access to sustainable water services for domestic and pastoral needs within the NRT Conservancies as a result of this grant				
Total direct cost output 2	15,010,041	5,958,136	5,349,482	3,702,423
Share indirect cost output 2	1,155,773	458,776	411,910	285,087
Total budget output 2	16,165,814	6,416,913	5,761,392	3,987,509
Output 3: Program Support, MEAL and Communication				
Total direct cost output 3	3,522,688	1,040,311	1,421,453	1,060,924
Share indirect cost output 3	271,247	80,104	109,452	81,691
Total budget output 3	3,793,935	1,120,415	1,530,905	1,142,615
Contingency				
Contingency (max 10% of total direct cost excluding contingency)	2,961,667	874,632	1,195,074	891,962
Total direct cost	32,578,340	9,620,947	13,145,811	9,811,582
Indirect cost				
Total indirect cost	2,421,660	720,525	967,266	733,870
Total budget	35,000,000	10,341,472	14,113,077	10,545,451

9 Financial management

Both parties will strive for full alignment of the Danish support to the NRT approved financial rules and procedures. Procurement will be applied according to the NRT Finance and Procurement Manual. NRT can decide on the contracting of possible technical support as required given that the technical support has been budgeted for and support the objective of the project.

The requirement is that NRT ensures value for money and uses appropriate and transparent procurement of equipment and services³⁴.

9.1 Disbursement

Disbursements under the grant will be disbursed in KES into the main joint NRT bank account³⁵, these funds will be fully transferred to Northern Rangelands Company Limited as the contracting arm of the Trust. As funds are transferred to a joint account it is not possible to allocate interest specifically to the Danish grant. As such, it has been agreed that interest should be reinvested in the engagement and registered in the accounts as income. Balance of project funds at the end of each year is reported as the balance and will be rolled over into the next financial year. The financial year of NRT is from January to December. Disbursements to NRT will cover foreseen expenditures for up to six months in accordance with the approved work plan and budget. NRT is to produce an indicative disbursement schedule that covers the duration of the engagement.

Semi-annual disbursements in Kenya Shillings (KSH) will be triggered by RDE approval of the annual work plan and budget beginning of the calendar year in the first quarter (Q1) and second disbursement in third quarter (Q3). Disbursements from RDE will be based on a transfer request from NRT which should include:

- Audited accounts if produced in the reporting period
- Detailed bank account information
- Output based budget for the period by the approved work plan and budget
- Clearly state the cash flow needs, by requesting for funds using the funds request form provided by RDE
- Requests must be signed by two authorised persons

The overall conditions for disbursement of funds from RDE include:

- Satisfactory use of prior transfers (including any funds carried forward from previous engagements)
- Satisfactory programmatic and financial reporting has been submitted on previous periods
- Submitted receipts of all prior transfers
- Submitted satisfactory audited accounts
- Availability of approved work plan and budget for the period to be financed
- No accumulation of Danish funds on NRT accounts i.e. there should be a cash flow need for the funds

NRT must submit a receipt no later than 14 days after receipt of the funds indicating the amount received in the currency of the request and the currency in which the disbursement was received. The receipt should be provided in form of an officially signed letter (scanned copy is accepted).

9.2 Allowances

Allowances should not be paid to owners or employees of implementing partners or beneficiaries for participating in profit-enhancing activities of the company/organisation.

Allowances for NRT staff and governing bodies will follow the rates set out in the relevant NRT manuals. The rates should be justifiable and reflect actual costs level.

9.3 Accounting

The accounting will follow the NRT Finance and Procurement Manual. This implies that accounts are kept in accordance with international standards, ensuring that: (i) The RDE grant is entered into the accounts as income; (ii) Reporting on expenditures is of at least the same level of detail as

³⁴ All financial management will be done from NRT HQ using SAGE Evolution ERP system

³⁵ All transactions in the account record the Donor, Output, C(Conservancy, County, Region) and Activity - DOCA

in the detailed annual approved budget; (iii) All expenditures are documented by vouchers, original invoices and original signed receipts; (iv) Receivables (including any unaccounted for advances) and payables are registered in the accounting system; (v) An adequate register of equipment and other assets is maintained and is updated on an ongoing basis; (vi) Adequate control procedures are put in place and accounts are signed by NRT management; (vii) An accounting manual is maintained including policy for clear segregation of duties; and (viii) Administration adheres to established written procedures.

Accounting and the auditing of the Danish funds will be undertaken by NRT under the guidelines including “Financial Management Guideline for Development Cooperation” <https://amg.um.dk/bilateral-cooperation/financial-management>.

9.4 Auditing

NRT is audited on an annual basis. The audit period follows the financial year January - December.

The Terms of Reference for the audit as well as the appointment of the auditors are approved by NRT Board. The audit is carried out as an appendix statement to the institutional audit. The appendix statement will include detailed income and expenditure information pertaining to the engagement (mainly used for earmarked funding provided to partners with a high level of financial management capacity)

The audits will be conducted in accordance with the International Standards of Auditing (ISA) and should include elements of compliance and performance audit. The audit report shall include a management letter/report.

It is the responsibility of NRT to ensure that funds disbursed and accounted for at conservancy level are audited on an annual basis, that the audit reports are received timely and that these reports are consolidated into the overall audit reports of NRT. Any advance payments and outstanding advances to conservancies must be specified in the consolidated audit report.

The audited financial statement and the management report should as a minimum include:

- Expenditure statement in accordance with the approved detailed annual output based budget
- Show the budget figures in a separate column to ease “actual vs budget” analysis
- Report on opening and closing balances for funds carried forward ensuring that all funds available for activities are included in the income statement
- Report on unpresented cheques, unaccounted for advances, receivables, and payables reported under the project
- Report on any exchange rate gains and losses and the method for calculating these
- A verified (by the auditors) asset register with details on the location, date of purchase, ownership (RDE or partner), identification number (if applicable), condition, and when relevant date of disposal. Any disposals should be included in the register
- Physical inspection of some randomly selected works/activities to provide the auditors view on, in a cost-effectiveness perspective, quality and quantity of activities carried out by the partner and sub-partners.

NRT shall ensure that any material issues raised in the auditor’s report are appropriately and timely followed up and appropriate actions are taken. The issues and planned and actual follow up is to be discussed with RDE during the semi-annual meetings. RDE reserves the right to claim full reimbursement of expenditure regarded as ineligible according to the agreement between the parties.

The accounting documentation shall at any time be available for scrutiny by representatives of the RDE and the Danish Auditor General.

9.5 Sub-granting to implementing partners

In case NRT sub-grants to the community conservancies, NRT will ensure sound grants management. This will include, but not be limited to:

- Thorough pre-grant assessments, including an assessment of the entity's financial and administrative procedures to ensure acceptable fiduciary standards
- Ensure adequate anti-corruption measures (such as adequate anti-corruption clauses in all contracts), procedures for whistleblowing, induction, and continuous follow-up on anti-corruption measures, etc.
- Maintain clear manuals for grants management within NRT, including for financial management of grants
- Maintain accurate information embedded in the accounts system on commitments, disbursements, and remaining provision for each sub-partner in such a way that adequate management information is reliably available
- Maintain and share clear manuals for partners on requirements for implementation and management of NRT funds
- Ensure adequate monitoring set up including both programmatic and financial monitoring of all grants and partnerships including but not limited to monitoring guidelines, monitoring plans, and systems for follow up on monitoring findings and recommendations
- Maintain adequate M&E framework to enable focus on results and on how results at sub-partner level link up to the results at output and outcome level and ultimately to the objectives of this engagement.

9.6 Anticorruption

NRT will strive to prevent corruption, including by actively working with risk management, sound financial management, transparency, and value for money while spending and procuring.

NRT is committed to the highest standards of transparency, probity, and accountability, and will not tolerate fraud, bribery, or corruption.

Upon suspicion or awareness of specific cases of corruption involving staff members and/or implementing partners in programmes and projects, the implementing partner is obliged to immediately notify the RDE in accordance with the Anti-Corruption Policy of the Danish Ministry for Foreign Affairs ("Zero tolerance"). No offer, payment, consideration, or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought, or accepted – neither directly nor indirectly – as an inducement or reward in relation to activities funded under this agreement, including tendering, award, or execution of contracts.

It is the responsibility of the NRT to forward cases, which they assess should be reported to the RDE and further to the National Audit Office of Denmark. Cases reported to the National Audit Office of Denmark are with few exemptions published on DANIDA's website.

The following types of irregularities should be reported:

- Fraud, corruption, theft, highly irresponsible management of funds, non-compliance to this agreement or serious non-compliance to agreements with implementing partners, any issues that interfere or threaten to interfere with the obtainment of the objectives of this agreement or any agreement with implementing partners (e.g. funds spent in accordance with the budget, but results significantly below target resulting in clear lack of value for money), any issues that might result in a financial loss, partnerships ending with unaccounted for funds, qualified implementing partner audits, serious internal audit findings and any other issues deemed relevant.

Substantiated suspicion is when:

- There is sufficient suspicion to initiate an investigation (including an investigation by Internal Audit (excluding desk reviews), excluding Finance Department desk and field

reviews), internal or external review or audits have confirmed irregularities, materialized risks with a financial implication, cases of irregularities reported to the NRT Board and Council of Elders.

10 Risk analysis, mitigation, and management

Contextual Risk

The risk context of northern Kenya is that of a hotspot region that is prone to insecurity and resource-based conflicts. Conflict and insecurity escalate during droughts, floods, and other environmental shocks. The conflict cascades through the landscape and involves communities within the conservancies and outside the conservancies. The main conflict has been common where the outside communities do not observe rules of the conservancies, especially on management of the scarce resources (water, grazing planning, and other natural resources). NRT will mitigate this risk by reducing, minimizing, and eliminating these tensions among the targeted communities. NRT will work through the existing governance structures of the community conservancies to ensure water resources are properly planned, managed and equitably available, this would reduce tension especially related to water for household use, for livestock and for farming. In the case of non-conservancy communities, NRT will work through the government structures, these include ensuring co-ownership and management of resources using official government recognized structures like the county government, CFAs and WRUAs, to reach an acceptable resource sharing structure.

NRT will monitor the situation carefully and ensure there is proper community ownership and understanding of the project plan and outcomes.

Extreme environmental events, such as droughts, flooding, and locusts, could render certain programme interventions insufficient or ineffective. To this end, NRT will work with the Meteorological department and market actors, utilize FEWSNET information to anticipate and respond with strategies including county and ward level DRR strategies to alleviate the impacts on the program. Extreme weather events can also influence physical access to the ASALs as road infrastructure is poor.

Programmatic Risk

The program's women focused activities (fetching of water and fuel wood and cooking are traditionally women activities in the targeted areas) could potentially cause community tension or problems for households or women. The risk is that more income-generating opportunities for women increase their workload in unsustainable ways, and that customary decision-making may resist women's participation. This will be remedied by undertaking activities targeting women and by involving men leaders in planning and implementation of the projects and to support women's involvement in decision making. Gender impact of the project (positive & negative) will closely be monitored.

Potential risk on getting quality supplies for the needed resources. Different versions of the Biogas installation have been tested over time and the quality of the other alternative energy has not been tested. NRT will continue using the high-standard procurement system and expert input to reduce this risk.

Accurate research in water solutions has not been done, and there is a need for wider community and government involvement to ensure sustainability. NRT has involved the conservancies' management and the county officials in co-creating plans and continue to work on co-creation, co-management, learning, and continuous improvement to ensure that the best strategies and technologies are invested in, which ensures value for money and the highest potential for sustainability.

Institutional Risk

There is a conflict potential in the NRT model as it in some cases challenges the traditional customs and structures of pastoralist societies. This has from time to time caused negative publicity/reporting on NRT's activities, including allegations on human rights violations and violations of the right to land. NRT mitigates this by cooperating closely with the traditional structures and ensuring community engagement. NRT needs to continue working on engaging both communities and surrounding non-conservancy communities (i.e. pastoralists that move around). The Danish Embassy will continue to monitor how NRT is implementing the recommendations from the donor-initiated Due Diligence report, including how NRT is implementing their human rights policy and how they are insuring Free, Prior and Informed Consent regarding interventions. Further, a review / evaluation will be carried out in the beginning of 2023. The lessons learnt will be incorporated into the cooperation with NRT. RDE will work closely with other NRT donors on ongoing conflict sensitive analysis.

This is linked to an institutional risk identified of managing negative media. In November 2021, a California-based organization, the Oakland Institute published an article that had grave allegations against NRT and her partners. Viewed in isolation this could create the perception that the public sentiment regarding NRT, and Community Conservancies is negative. A comprehensive communications strategy has been developed focusing on proactive and inclusive engagement with stakeholders to provide accurate information. NRT's also closely involve Government and other institutional partners and seek integration with the County government and CIDPs to creating partnerships in an effort to place NRT in relation rather than in competition.

11 Monitoring, Evaluation, and Learning

NRT is responsible for monitoring and reporting on the achievement of the results framework. NRT has an institutional M&E system to assess the delivery of the outputs of the DE. NRT has developed a devolved Conservancy Management and Monitoring System (CoMMS) for wildlife, rangeland vegetation, livelihoods (social), and natural resource management. NRT has also developed a comprehensive Governance Index, which tracks Conservancy performance and reflects the level of transparency, accountability, financial management, and community engagement. Risks and assumptions for this project will be monitored by NRT and discussed with RDE during the semi-annual meetings.

The NRT M&E system informs the actual management of NRT activities and guides the management of each of the conservancies. Monitoring, evaluation, and learning are used in four key areas i) adaptive management - targeting programs to areas, which might be most vulnerable, might be experiencing negative or no impacts, and using the data to better inform decision-making; ii) innovation - using the information to create new programs and activities that better address the needs and wants of the community; iii) donor reporting - monitoring trends that indicate that donor funding is creating a positive change in the local communities; iv) creating transparency - providing a platform for the community to provide feedback on the management of the conservancy. This data is useful for conservancy managers and boards to understand demographics, identify vulnerable zones or populations, and target activities to create strategies or provide livelihood support (through the conservancy management plans, conservancy livelihood funds, and other avenues) to these marginalized households. Additional information on livelihoods, water and nutrition, and rangelands can be used to validate arguments to support these causes and to track the impact of programs on vulnerable populations. In addition to targeting support for livelihood development, Social CoMMS information provides a gauge on household perception towards the conservancy and the environment.

Results gained through evaluation are interrogated by NRT management teams and Conservancy boards to distil learning. Learnings are then used to adapt management approaches. M&E results also provide information for reporting on progress achieved in relation to the strategic goals of NRT. The results from the M&E will be utilised for sharing in dialogues with partners. The M&E results will for the purpose of learning also be fed into organisational learning and adaptation mechanism referred to in the Management section.

Close monitoring of the results and risks frameworks is the foundation for continuous learning and adaptable engagement management that takes implementation progress and emerging contextual developments into account. The Embassy of Denmark in Nairobi shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the programme.

12 Prerequisites

This grant is an additional grant to the core support provided to NRT by RDE 2021-2025. This grant will be governed by this project document and the existing bilateral agreement through an addendum to the bilateral agreement.

13 Signatures

Signature

Signature

Ambassador,
Embassy of Denmark in Kenya

Chief Executive Officer,
Northern Rangelands Trust

Date _____

Date _____

14 Annexes

Annex 1: Risk Management Matrix

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Risk to conservancy model from communities pushing for land sub-division	Likely	Major	Work with community to ensure proper engagement in governance and decision making and agreed rewards and punishment sharing	Minor	The Community Land Act 2016 is anticipated to become a significant threat to the conservancy model as communities begin to push for subdivision of land
Community conflict over scarce resources	Definite	Major	Work with community and government structures to ensure community ownership and equity	Significantly decreased	This is in an ongoing situation in the area, dominance exercised by access to illegal arms.
Unplanned and un-negotiated access by migrating pastoralists and their livestock.	Likely	Major	Regional grazing plans and committees. Dialogue with non-NRT livestock herders.	Minor	No exclusion is practiced; migration is the norm in pastoralist communities. Unplanned and un-negotiated grazing has a negative impact on livestock production in conservancies.
Insecurity and cross-border violence	Likely	Significant	Conservancies address security and peace. Government programme on disarmament. Regional and local planning, dialogue, and coordination.	Major	Insecurity is a major problem in ASALs. There is spill over and radicalisation from Somalia to northern Kenya. Economic, political, and social disruption caused by violence and extremism.
Extreme environmental events	Likely	Major	DRR planning. Planned grazing, rangeland rehabilitation, increased livestock trade, and economic diversification to build resilience.	Major	Extreme environmental events – floods, drought, locust invasions – are becoming more frequent in the ASALs. Can also affect physical access to conservancies due to poor road conditions.
Unplanned and uncoordinated development, e.g., of water resources.	Likely	Major	Strong conservancy management plans, with good county government coordination on development priorities	Minor	Developments motivated by short-term political gain and uncoordinated actors. Incorrectly cited boreholes (e.g.) disrupt settlement and grazing plans and lead to overgrazing.

Political interference or inadequate political good will and cooperation.	Unlikely	Major	Strong governance - empowered communities in conservancies less likely to be subject to political incitement.	Minor	After the general elections in August there is new leadership both at the national and the local level. Over the coming months it is anticipated that the new governments will continue to cooperate and invest, both technically and financially with the community conservancies as per the MoU between NRT, conservancies and the county governments.
---	----------	-------	---	-------	--

Programmatic risks (for country programmes/regional programmes filled out for each thematic programme)

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Gender inclusion efforts inadvertently place a greater burden on women or customary decision-making resists women's participation.	Possible	Major	Sensitisation and community engagement processes, improving male awareness of gender issues. Close monitoring of programme effects on women participants.	Minor	Communities within the ASALs are largely paternalistic with limited recognition or inclusion of women.
Other donors' funds cease impacting the broader capacity of NRT and Community Conservancies	Possible	Major	Multi-layered sustainability plan initiated. 25-year partnership with TNC; strong support from GoK, County, and International Development Community.	Medium. While this risk can be mitigated in the long term, short-term effects would have a marked impact.	NRT is a multi-source funded institution with commitment from a range of partners. High donor dependency until commercial and local government support is developed. The current global Health crisis is placing pressure on funding organisations.
Funds transferred directly to or revolving funds at community conservancies are not used for the intended purposes; do not achieve value for money; and/or are not properly accounted for	Possible	Major	NRT maintains a strong oversight and support role for funds and scrutiny of budgets in order to ensure cost-effectiveness when resources are transferred directly to the conservancy. Disbursement to the conservancies is based on milestones agreed with the conservancy	Minor. NRT has a strong oversight on funds transferred directly to conservancies. The use of a Project Implementation Committee whose membership includes NRT allows for oversight.	NRT is building the capacity of conservancies to ensure that they are able to utilise funds for intended purposes; achieve value for money; and/or are properly accounted for.
The inability of conservancies overseeing the procurement of infrastructure	Possible	Major	NRT has a robust procurement policy that will be applied in the procurement of infrastructure. NRT supporting community	Medium. This risk can be mitigated, and procured infrastructure guided by the NRT's procurement	Conservancies are at different stages of institutional growth. Continued assessment of capacity gaps is conducted and deliberate actions to strengthen these are implemented.

			conservancies develop and adopt operational policies including procurement under capacity development initiative.	policy. Community conservancy representatives are involved throughout the process for transparency reasons	
--	--	--	---	--	--

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
There is a conflict potential in the NRT model as it in some cases challenges the traditional customs and structures of pastoralist societies. This has from time to time caused negative publicity/reporting on NRT's activities, including allegations on human rights violations and violations of the right to land.	Possible	Major	<p>NRT mitigates this by cooperating closely with the traditional structures and ensuring community engagement. NRT needs to continue working on engaging both communities and surrounding non-conservancy communities (i.e. pastoralists that move around).</p> <p>The Danish Embassy will continue to monitor how NRT is implementing the recommendations from the donor-initiated Due Diligence report, including how NRT is implementing their human rights policy and how they are insuring Free, Prior and Informed Consent regarding interventions.</p> <p>Further, a review / evaluation will be carried out in the beginning of 2023. The lessons learnt will be incorporated into the cooperation with NRT.</p>	Medium.	NRT work with community conservancies. There are surrounding communities that are not part of NRT. NRT are working in traditionally known pastoral areas. With the coming of the conservancies some of the communities feel restraint in their access to grassing areas. NRT aim to integrate traditional grassing systems with the a scientific rangelands management system.

			Further, RDE will work closely with other NRT donors on ongoing conflict sensitive analysis.		
Negative campaign by international organizations and dissent from local elites and competing organizations, issuing negative statements and reports about Conservancies and NRT give the impression that public sentiment is negative.	Possible	Medium	Strong communications presence by NRT in terms of explaining the work of NRT in a transparent way. Proactive and inclusive engagement with stakeholders to provide accurate information. Detailed implementation of inclusive management policies and adoption of conflict sensitive approaches.	Medium.	Viewed in isolation this could create the perception that the public sentiment regarding NRT and Community Conservancies.

Annex 2: Process Action Plan (PAP) for implementation

Timing and deadline	Activity	Document /output	Responsible
11 th July – 15 th Aug 2022	External Appraisal	Appraisal Team hired and working	Nancy/Mette/ELK
16 th Aug 2022	Draft External Appraisal report shared with the Embassy	Draft Appraisal report	Nancy/Mette/ELK
23 rd Aug 2022	Embassy submits comments on Appraisal report	Comments on Appraisal report	Mette/Trine
31 st Aug 2022	Final external appraisal report integrating comments from the Embassy and NRT	Final appraisal report	Appraisal Team
5 th Sept 2022	Finalize the Project Document based on Appraisal comments and follow-up on recommendations (e.g., meeting with relevant external stakeholders like Human Rights Watch, KNCHR)	Final Project document	NRT/RDE
5 th Sept 2022	Quality Assurance Checklist (Annex 9): documentation of the appraisal process	Annex 9	Mette & Nancy
10 th Sept 2022	Checklist for approval by the Under-secretary for development policy: QA of required documentation	The filled-in checklist to be attached to the project/programme document, appropriation cover note and Annex 9	Trine, Mette & Ole
15 th Sept 2022	All documentation are sent in F2 for the Under-secretary's endorsement via the Head of unit and ELQ (Modtagelse i Bevillingssekretariatet)	Appropriation cover note, Final Project Document, including annexes Quality Assurance Checklist (Annex 9) Checklist for approval by the Under-secretary for development policy	Ole and Trine
20 th Sept 2022	ELQ presents the grant for final approval by the Minister	Grant documents	ELQ
30 th Sept 2022	The minister approves the project		ELQ
5 th October 2022	ELQ facilitates that grant proposals are published on DANIDA Transparency after the Minister's approval		ELQ
15 th Oct 2022	Signing of addendum Agreement with NRT	Bilateral Agreement	Ole/Trine
31 st Oct 2022	Register commitment(s) in MFA's financial systems within the planned quarter		Charlotte/Nancy
1 st Nov 2022 – June 2025	Implementation, monitoring, and annual reporting of the Project	Bi-annual and Annual technical and financial Progress reports; Annual Audit reports	NRT & RDE
June – December 2025	Programme/project closure	Closure reports (technical and financial)	NRT & RDE

Annex 3: Partner Assessment

Stakeholder analysis

Few organisations are working on integrated needs of the people in the ASALS. Due to limited government resources and the vastness of the ASAL areas there is a need to work through civil society organisations to compliment government efforts in service delivery. NRT works directly at the community level and aim to works holistically for cohesive and multi-layered solutions. NRT works with in and support existing structures by facilitating already existing conservancies. They are working towards graduating community conservancies in order for them to work in a self-sustainable manner for the benefit of the community. Further, NRT has strong accountability structures and the fiduciary risks involved in working with NRT is significantly lower than working with local governments (which are supported through other engagements under the Kenya bilateral programme). This has been confirmed through several financial monitoring visits, MEAL visits and the external appraisal carried out prior to the core support engagement and this engagement. NRT has a great potential and are ideally positioned to be a key player in protecting and building livelihoods for the populations living in and around the conservancies while at the same conserving the natural resources through the community conservation model.

Criteria for selecting project partner

NRT has been selected based on the partner's ability to address some of the key concerns in the ASALs and Northern Kenya-related resilience of ASAL communities and green and inclusive growth. Water and renewable energy is one of the key drivers for development in the ASALs and through pilot projects, NRT has proved to have the capacity to deliver the water and renewable energy projects within its conservancies. They have developed their own water strategy which this project will contribute to its implementation. NRT will work closely with County Governments and national government institutions, to influence relevant policies that drive development of the ASALs through sustainable utilization of the natural resources management. NRT's ability to deliver effectively and work with many beneficiaries in the Conservancies across its integrated result areas: conservancies governance strengthening, peace and conflict management, skills and jobs development, enterprises and livelihoods improvement, and habitats and species management, is an important criterion for selection. Further, the selection of NRT is based on its ability to work with the fundamental basis for improving the productive capacities in the ASALs, namely the natural resources basis of land, range, and water. NRT has also proven to be very adaptive to emerging issues while incorporating lessons learnt from previous programmes to better deliver services to communities in their conservancies.

Brief presentation of partners

NRT is a member-based umbrella trust supporting 43 Community Conservancies across 6.3M HA of ASALs in northern and coastal Kenya. NRT implements four strategic objectives: natural resource conservation, governance, peace and security, employment and enterprises. The work of NRT is organised in nine integrated strategic outputs, which promote resilience and inclusive green growth in the ASALs. NRT's vision is that Community Conservancies become the leading community institutions for building resilient communities and ecosystems in Northern and Coastal Kenya, that are

better able to cope with climate shocks, help build peace and security, effectively tackle the illegal wildlife trade, provide a focus for investments in social and economic development, stimulate diversification and growth of the green economy, and underpin the sustainable management of northern Kenya's rich wildlife and natural resources.

Summary of key partner features

Partner name <i>What is the name of the partner?</i>	Core business <i>What is the main business, interest, and goal of the partner?</i>	Importance <i>How important is the programme for the partner's activity level (low, medium high)?</i>	Influence <i>How much influence does the partner have over the programme (low, medium, high)?</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
Northern Rangelands Trust (NRT)	<p>NRT's core business is to address the support to its member Community Conservancies in governance, peace and security, livelihoods, business development, and management of natural resources. NRT has been able to ensure substantial development funding that can be directed at the development of the Community Conservancies</p>	<p>High. The DE is an important enabler to the work within water and energy activities of NRT and Community Conservancies. Service delivery and resilience among the NRT communities are among the key factors to support the delivery of the NRT overall strategic objectives. RDE is a key donor to NRT not least due to the core support. The grant is significant for NRT's efforts within water and energy. However, not significant compared to the overall budget of NRT.</p>	<p>High. NRT is an important enabler of Community Conservancies and a key stakeholder within the landscape.</p>	<p>Enabling community-led Conservancies that transform lives, secure peace, and conserve natural resources in northern and coastal Kenya. NRT's main contribution is knowhow based on the pilots already carried out within water and energy solutions, access at community level, building on the conservation model and existing governance structures. Further, NRT are contributing with a strong delivery set-up that provides for a low fiduciary risks.</p>	<p>Strength: NRT has a strong track record of development performance at grassroots level and strong stakeholder relationships. This has proved to be a very successful development model.</p> <p>Weakness: These areas are amongst the most fragile, conflict sensitive and are very dependent on aid support for transformation. There is a conflict potential in the NRT model as it in some cases challenges the traditional customs and structures. NRT mitigates this by cooperating closely with the traditional structures and ensuring community engagement. NRT needs to continue working on engaging both communities and surrounding non-conservancy communities (i.e. pastoralists that move around)</p>	<p>Development impact at this scale is a long-term endeavour. As the capacity of Community Conservancies is built, they will graduate to a high degree of self-reliance. This evolution is entrenched in the NRT sustainability strategy. The strategy include tourism opportunities, sustainable solutions, co2 credits, partnerships with private actors etc.</p>

					<p>Opportunities: NRT has created a unique platform for structural access in this landscape at a significant scale.</p> <p>Threats: Insecurity in all forms can create a volatile environment for operations. Insecurity is characteristic of the targeted landscape and NRT therefore must continuously build its resilience at all levels.</p>	
--	--	--	--	--	--	--

More information on the partner can be accessed on <https://www.nrt-kenya.org/>

Annex 4: Beneficiary Selection Criteria

Any NRT member community conservancy is open to participating and has an opportunity to benefit from this DE. The NRT recognizes the need for community development initiatives in conservancies that help build peace, develop livelihoods, improve access to education, health, and water, manage wildlife, improve rangelands, forests, and water bodies, and empower local communities to prioritize. NRT is cognizant of the importance of working closely with both the County and National Governments. The following selection criteria will guide identifying beneficiary conservancies and projects. This being said, there is a limit to how thinly the grant can be spread out. With 35 mil. Efforts need to be focused to some degree. Further, some activities are only suitable for certain conservancies and not in others. The criteria below will guide the final selection. The criteria will be fine-tuned during the inception phase. Consideration will be given to transparency and non-biased approach of selection.

Water

Conservancy Management and Development Plans

Conservancy Management and Development Plan (CMDP) highlight the great needs of the conservancy. The DE will focus on the high priority needs as per the CMDP and look at the needs/intervention possibilities to ease the stress that relates to the water needs. Where a conservancy lacks a CMDP, the conservancy community will be engaged via the conservancy board to identify the water needs.

Conservancy Water Resource Management Strategy

In instances where a conservancy has a Water Resource Management Strategy in place, the conservancy's priorities will be followed. For those without a CWRMS, the focus for such will be the development of their CWRMS to guide their water development under this grant/sharing with other stakeholders including county governments.

Availability of alternative funding Opportunities

In scenarios where conservancies have other funding opportunities earmarked for water, these will fall down the pecking order of beneficiary conservancies for this investment. Priority focus will be given to conservancies that lack alternative intervention for their water needs. These alternative funding included and not limited to County government funding, other donor funding opportunities with NRT, water project funding from conservancy partners or NRT partners, and Carbon Community Fund allocated to water priorities for conservancies participating in the Northern Kenya Rangeland Carbon Project.

However, consideration will be given to such conservancies or projects that require co-financing for a bigger impact on the conservancy water needs as well as obvious greater needs within the conservancies.

Collaboration with other development partners

Consideration will be given to collaboration with other development partners in the landscape where such collaboration ensures greater impact for water investments in community conservancies. This is especially true for areas where the county governments are lacking, and our concerted efforts will be needed to solve the existing needs.

Emergency Humanitarian

Emergency response to humanitarian needs a key consideration, especially where institutions are involved like health facilities and schools' water interventions. However, these are usually included in emergency preparedness plan WRM plans. Additionally, NRT will record case by case and consider use of the contingency fund.

Clean Energy

1. Solar Powering of Schools and Health Facilities

The criteria on which schools or health facilities to install power will be based on

- Conservancy Management and Development Plan (CMDP) will be used to identify the health and education needs of conservancies. Where a conservancy lacks a CMDP, the conservancy community will be engaged via the conservancy board to identify the energy needs.
- Consideration will be provided to schools in counties with the lowest level of literacy or access to health.
- School selection will also be guided by
 - Primary and Secondary schools with functional boarding facilities will be prioritized. However, Secondary Day Schools will be considered if they meet bullet 2 below
 - amenities available in the school that needs power
 - School enrollment numbers
- Health facility selection will also be guided by
 - Catchment area
 - Guidance by county government
 - Distance from the nearest referral health facility

2. Biogas

There are two levels of beneficiary selection in the NRT biogas project.

First, is the high-level beneficiary conservancy selection. This selection is done at the NRT level. The criteria are based on several factors.

- The conservancy must be suitable for this kind of project. For example, the conservancy must have access to sufficient water as the biogas digesters require sufficient water regularly to make it work.
- The conservancy must have been in good standing with loan repayments. NRT has implemented numerous small loan projects in its member conservancies either in form of cash or asset financing. The repayment of these loans is very critical for the continuity of the project, and it enables the project to reach more target demographic groups. A biogas beneficiary repays 40% of the value of the biogas unit for 2 years. However, there is room for extending the repayment period on a case-by-case basis.

The second beneficiary selection criterion is for beneficiary conservancies in level one above to select beneficiary households. This selection is based on a participatory process where the conservancy board members and management supported by NRT conduct community awareness and sensitization to create understanding among community members. Community members interested in participating in the project apply to the conservancy by registering their interest with the conservancy management. The reason for this selection devolution to the conservancy is to build ownership of the process and can ensure prolonged longevity of the project.

At this level, some of the considerations for a household to participate are

- The household must be a consumer of firewood, charcoal, or LPG gas
- The household must have access to sufficient water since the biogas digester is supported by sufficient manure feed mixed with copious amounts of water.
- The household must be willing to pay back into the revolving fund to increase the project's impact on the community.
- The household must have a good record of loan repayment for the previous project that came through the conservancy.
- A household is a functional unit with up to a maximum of 12 persons. The biogas digester installed can cook for 1-12 persons per day and the unit needs to be fed once a day with manure and water.
- The household distribution must be equitable in the conservancy zones. Essentially all zones must be represented in the beneficiary list unless there are zones that are not ideal for this project either logistical, geographical, or social reasons.

- The biogas project criteria for selection will consider women, youth, and people with disabilities ensuring that these groups are represented in the beneficiary households.
- The household must have a source of manure or feed for the digesters otherwise the digester will not work.

Annex 5: Signed quality assurance checklist

File number/F2 reference: **2022-30298**

Programme/Project name: **Improved access to water and renewable energy**

Programme/Project period: **2022-2025**

Budget: **DKK 35Million**

Presentation of quality assurance process:

An external appraisal was carried out during July and August 2022. A desk study of the relevant document was made, followed by a field visit to Isiolo by the Appraisal Team.

A debriefing was held with the partner (NRT) as well as with the Embassy (28 and 29 July, respectively). The Appraisal Team delivered its report on August 15. Thereupon the RDE informed the NRT as concerns the adjustments needed. These were made in collaboration between the NRT and the RDE. A final quality control was carried out by the SMT at the RDE.

The design of the programme/project has been appraised by an independent person who was not involved in its development.

Comments: Confirmed. Two external consultants carried out the appraisal through a desk study and a field visit which took place from 25 to 29 July. Before that they had no involvement in the development of the project.

The recommendations made in the appraisal are reflected in the final design of the programme/project.

Comments: Yes, the recommendations have been adopted and used to improve the design of the programme.

The programme/project complies with Danida policies and Aid Management Guidelines, including the fundamental principles of Doing Development Differently.

Comments: The external consultants confirmed this during the appraisal, and also included an assessment of the adaptive management and learning which will be part of the project/ Development Engagement.

The programme/project addresses relevant challenges and provides adequate responses.

Comments: The appraisal indicated that relevant challenges are being addressed. The responses are adequate, although there is a need for continued monitoring of its implementation. For example, the use of biodigesters as part of the strategy for promotion of clean energy has been affected by the drought, as a minimum of water and livestock waste is required for them to function properly. The current drought has meant there are areas with no water at all, for which reason the livestock has moved to areas with better possibilities for finding water.

Issues related to HRBA, LNOB, Gender, Youth, Climate Change, Green Growth and Environment have been addressed sufficiently in relation to content of the project/programme.

Comments: The appraisal has included reference to all the aforementioned issues. There is a particular need for following up on human rights aspects, given that institutions such as the Kenya National Commission

on Human Rights and Human Rights Watch either are presenting or will present information according to which NRT is alleged to have committed human rights abuses. Although the donors have undertaken their own specific research regarding the allegations made by the California-based NGO Oakland Institute, there remains a need to request additional information from the KNHCR and HRW in order to ensure that human rights abuses, should any have taken place, are being dealt with in an appropriate manner. It is important to note that NRT has also developed a Human Rights Policy which was approved in June 2022. They have also developed implementation matrix for the recommendations arising from joint donors DDR report.

Comments from the Danida Programme Committee have been addressed (if applicable).
Comments: N/A

The programme/project outcome(s) are found to be sustainable and in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

Comments: The external appraisal has reviewed this and indicated a number of recommendations to strengthen the issue of implementation modality. This has been taken into account in the final review of the programme. A beneficiary selection criteria has been annexed in the engagement document.

The theory of change, results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

Comments: the external appraisal provided recommendations, and these have been followed.

The programme/project is found sound budget-wise.

Comments: The budget is sound and was revised to incorporate the appraisal recommendations.

The programme/project is found realistic in its time-schedule.

Comments: The external appraisal had recommendations regarding the results framework. These have been used to improve the final results framework to ensure the project is realistic regarding its timeframe.

Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

Comments: All the main donors have been consulted. As this is earmarked funding from the climate envelope it involves separate support and therefore separate reporting.

Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented.

Comments: The external appraisal recommended to strengthen the documentation regarding criteria for selection of the partner, especially in the fields of water resources management and renewable energy. This has been done and annexed in the programme document.

The implementing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear.

Comments: The appraisal has reviewed capacity especially in the two areas of water resources management and renewable energy. Regarding the latter, the appraisal recommended to prepare a strategy that will help to strengthen the focus and prioritise key interventions.

Implementing partner(s) has/have been informed about Denmark's zero-tolerance policies towards (i) corruption; (ii) child labour; (iii) sexual exploitation, abuse and harassment (SEAH); and (iv) support for terrorism.

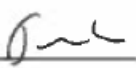
Comments: The current partner was already a Danida partner before the onset of this programme, meaning that these issues have been highlighted in the agreement between them. They will also be included in any future agreement.

Risks involved have been considered and risk management integrated in the programme/project document.

Comments: The appraisal has suggested revisions to the risk matrix including related risk management. The same has been addressed in the final programme document.

In conclusion, the programme/project can be recommended for approval: yes / no
Yes

Date and signature of Desk Officer:  28/09/2022

Date and signature of Management:  28/09/2022

Annex 6 – List of supplementary documents

1. NRT Human Rights Policy, 2022
2. NRT DKK 35Mio Appraisal report
3. NRT Water Strategy 2020
4. NRT DED 2021-2025
5. NRT BA 2021-2025
6. NRT Joint Donors Due Diligence Report, 2022 to Oakland Allegations
7. NRT Strategic Plan 2018-2025

Follow-up Actions for the Appraisal Recommendations


Title of Development Engagement	Ear marked support to Northern Rangelands Trust for improved access to water and renewable energy	
File number/F2 reference	2022-30298	
Appraisal report date	29 August, 2022	
Summary of possible recommendations not followed (to be filled in by the responsible unit)		
All the recommendations have been considered and adopted in the revised programme document.		
Overall conclusion of the Appraisal		
The overall conclusion of the appraisal is that the proposed project should be recommended for approval with adjustments taking the recommendations of the Appraisal Team (AT) into consideration.		
Recommendations by the appraisal team		Follow up by the responsible unit
R#1: Recommendation related to justification for partner selection.		
<p><i>The AT noted that the Danish Embassy used a set of criteria for selection of the partners for the Kenya Bilateral Programme in 2020, including the continuation of the support to the NRT. The Danish Embassy should consider updating the set of criteria for selection to justify the selection of the NRT for this project.</i></p>		<p>Included additional information in the partner selection criteria- Annex 3 Further, as an additional follow up an in-depth review of NRT will be carried out in early 2023 and lessons learnt will be incorporated into the Danish engagements with NRT.</p>
R#2: Recommendation on assumptions in the theory of change and linkages between NRT and county policy.		
<p><i>The ToC indicates that “The most basic assumption is that the NRT water strategy will be adopted not just by the conservancies but by the county governments”. However, the county governments are duty bearers in the water sector and cannot be expected to “adopt” an NGO strategy. The ToC should rather explain how the NRT contributes to the development of county policies. In this regard, the linkage between the counties’ water policies and the NRT’s interventions should be further explained in the DED. In general, NRT should carry out water projects within the framework of the counties’ plans unless it can be documented that the counties’ policies do not address the needs of specific vulnerable communities</i></p>		<p>The ToC has been revised based on the AT recommendation including aligning it to the climate envelope ToC. Additional information on how the project will support implementation of Counties Integrated development Plans included in the document.</p>
R#3: Recommendation related to results framework		
<p><i>NRT and the Danish Embassy should consider adjusting the results framework to (1) ensure that the indicators selected will clearly measure progress on the outcome defined, (2) consider including increased resilience and adaptation to climate change as a high level indicator, (3) integrate the infrastructure outputs into the access outputs as infrastructure is a prerequisite for increased access, and (4) consider developing separate outputs for each type of improved access (domestic water points, water installations in schools and health points, and water infrastructure rehabilitation).</i></p>		<p>The Results Framework has been revised to accommodate the recommendation.</p>
R#4: Recommendation on further detailing the implementation approach and modality		

<p><i>NRT and the Danish Embassy should consider revising the DED to (1) explain whether NRT will work in all 43 conservancies, (2) better describe the process and criteria for conservancy selection, to ensure clarity and transparency, and (3) outline in detail the modality for project implementation and NRT's role in this (including the different implementation modality options for stronger and weaker conservancies and provision of technical assistance).</i></p>	<p>A criteria for selecting the beneficiaries for the water and renewable energy has been prepared and included as Annex 4 to the Programme document. Point 3 is covered and will be further expounded during the inception.</p>
<p>R#5: Recommendation related to the budget.</p>	
<p><i>NRT should prepare the budget in the DED on the outputs defined in the results framework, following the budget template presented in the AMG.</i></p>	<p>The budget has been revised as per the recommendation. Further, a detailed budget for the implementation period will be developed and updated on an annual basis with actuals for the previous year and updated budget for the remaining implementation period.</p>
<p>R#6: Recommendation on financial management, reporting and monitoring</p>	
<ul style="list-style-type: none"> • <i>Administrative expenditures in the DED should be reduced to 7 % of direct costs (if higher, it should be justified in the DED and agreed with the Embassy). The 'De minimus IDRC' budget line should be relabeled to 'contingency', noting that the contingency cannot exceed 10 % of the total direct costs. Alternatively, if the De Minimus cannot be considered contingency funds, the De Minimus IDRC should be allocated under the relevant outputs and relabeled "direct costs of technical teams related to program implementation and support".</i> • <i>The fiduciary risk related to the administration of Procurement and the Revolving Fund at the Conservancy level should be included in the DED Risk Management Matrix and risk mitigating activities defined and presented in the DED by NRT.</i> 	<p>Revised as per recommendation.</p>
<p>R#7: Recommendation on updating the risk matrix.</p>	
<p><i>The risk matrix should be updated to reflect risks related to conservancies overseeing the procurement of infrastructure and how to mitigate such risks.</i></p>	<p>The risk matrix has been updated – pg 32</p>
<p>R#8: Recommendation related to human rights.</p>	
<ul style="list-style-type: none"> • <i>The Danish Embassy should continue to monitor how the NRT is implementing the recommendations from the Due Diligence Report, including (1) how they are implementing the recently approved human rights policy and (2) how they are ensuring Free, Prior and Informed Consent regarding interventions.</i> • <i>The Embassy should consider (1) taking into account the on-going Human Rights Watch research findings on NRT in the overall assessment of future support to NRT, (2) The Embassy should also consider requesting the Kenya National Commission for Human Rights for a meeting to receive an update on the status for the allegations of the NRT.</i> 	<p>The Embassy jointly with other NRT donors are following closely the implementation of Due Diligence Report recommendations by NRT.</p> <p>The Embassy has requested for meetings with HRW and KNCHR to discuss the human rights issues and how best NRT can be supported to address them. Further, the planned in-depth review also focus on these aspects.</p>

I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in Nairobi on the 28/9-22
Appraisal Team leader/TQS representative

I hereby confirm that the responsible unit has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in Nairobi on the 28/09-22
Head of Unit/Mission

TRINE GRØNBORG