Joint Programme Document

Title	Tree Growing & Sustainable Forestry Finance Management for Kenya
MPTF Office Project Number	TBD
Description	The Joint Programme is a nationally driven initiative, uniting stakeholders from a variety of backgrounds in concerted action, with an aim of accelerating attainment of 10% national forest cover in Kenya through sustainable financing, partnerships, improved national resources management and strengthened governance in the forestry sector, as part of Kenya's commitment to the UN Decade on Ecosystems restoration and other Multilateral Environmental Agreements
Universal Markers	Gender Marker: a) Make a significant contribution to gender equality and/or the empowerment of women and girls
Fund Specific Markers	Gen2 TBC
Participating UN Organizations (PUNOs)	UNDP, UNCDF, UNEP, FAO,
Implementing Partners	The Ministry of Environment and Forestry,
Responsible Partners	The National Environment Trust Fund (NETFUND), Kenya Forestry Research Institute (KEFRI), Kenya Water Towers Agency (KWTA), Kenya Forestry Service (KFS), National Environment Management Authority (NEMA), KEPSA, Kenya Association of Manufacturers (KAM), County Governments.
Programme and Project Cost	Total Budget: USD 45,000,000
Financial Commitments	Government of Kenya: USD 4,500,000 UNDP: USD 150,000 UNCDF: USD 50,000 FAO: USD 75,000 UNEP: TBC **Total Commitments: 4,775,000** **Parallel Programme Financing** UNDP: USD: 2,600,000
Funding Gap	USD 40,225,000
Programme Duration	Estimated Start Date: June 15, 2022 Duration (months): 60 Estimated end date: July 15, 2026
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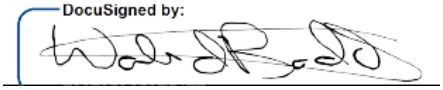
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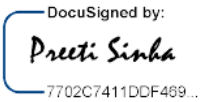
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1. Executive Summary

Kenya has a relatively low forest cover that has been steadily decreasing from a high of around 20% at independence in 1963 to the current of approximate of 7.2%. This low forest cover is attributed to a variety of factors including poor forest governance, limited public and private investment in forestry, limited financing mechanisms for tree growing as well as low levels of public awareness, leading to low participation in tree growing activities. It is important to also emphasize that the 10% forest cover target is a major enabler towards realization of the Government of Kenya's Big Four Agenda (affordable housing, manufacturing, agriculture, and food security). Sustainable forestry management would be expected to strengthen the efforts to implement Kenya's Nationally Determined Contributions (NDC) Update that was submitted to the UNFCCC in December 2020.

This United Nations Joint Programme on Tree Growing and Sustainable Forestry Finance Management Programme (UNJP-TG&SF) incorporates key components of this National Strategy to help Kenya meet her national plans and commitments as well as her noble global commitments under various Multilateral Environmental Agreements. The most recent and significant Multilateral Environmental Agreement (MEA) is the Paris Agreement, where the country submitted an ambitious NDC Update to the United Nations Framework Convention on Climate Change (UNFCCC). In addition, Kenya submitted her Land Degradation Neutrality targets to the United Nations Convention on Combating Desertification (UNCCD) in 2020, which also identifies land restoration and re-afforestation as major commitments. At the regional scale, this Programme supports Africa's Agenda 2063 sustainable forest management targets and contributes to the Kigali Declaration on Forest Landscape Restoration in Africa and African Forest Landscape Restoration Initiative (AFRI100).

In order to achieve the target of 10% forest cover and in line with the Presidential directive of attaining this ambitious target, United Nations Development Programme (UNDP) is promoting this UN Joint Programme on Tree Growing and Sustainable Finance in collaboration with other important UN partners including the United Nations Capital Development Fund (UNCDF), the United Nations Environment Programme (UNEP), and the Food and Agricultural Organization (FAO) to support the Government and the people of Kenya realize the ambitious tree growing plans. This Joint Programme proposes to address the key systemic challenges and barriers affecting sustainable tree growing through a five-point strategy 1. Enhanced sustainable financing and private sector investment; 2. Establishment of two billion quality seedlings in public and private nurseries; 3. Increased national forest cover by 2.8%; 4. Enhanced Forest governance for sustainable forestry management; and 5. Improved programme coordination and implementation structures. The programme will be implemented in a phased-out approach, with the first phase focusing on establishing sustainable financing mechanism, enhancing the production and uptake of five hundred million quality seedlings, and facilitating restoration and rehabilitation activities. The second phase of the programme will focus on rehabilitation and restoration of degraded areas, protection of the planted trees as well as enhancing forest governance at national and county levels. To achieve the objectives and outputs of this UN Joint Programme will require total financing of USD 45,000,000 with GoK, UNDP, UNCDF and FAO contributing USD 4,500,000; USD 150,000; USD 50,000 and USD 75,000 respectively. UNDP will provide additional parallel programme financing of USD 2,600,000. To address the deficit, UNDP will support fundraising of USD 37,625,000 being the funding gap for a period of 5 years.

The Programme is an important component of Kenya's Covid 19 Socio-Economic Response Strategy. The ravaging Covid 19 pandemic has impacted on forests leading to loss of jobs and livelihoods, especially for women, and generally unhealthy ecosystems.

The strategic interventions in this UN Joint Programme on Tree Growing and Sustainable Finance Programme would consequently realize several key outputs. These include enhancing production capacity and accessibility of good quality certified seeds and seedlings; piloting and scaling up appropriate technologies for tree growing; sensitization and mobilization of the public to participate in tree growing activities; development of land use plans and maps to facilitate tree growing initiatives; establishment of innovative public and private financing mechanisms for tree growing; mainstreaming of tree growing in county government policies, plans and budgets; development and operationalization of innovative forestry financing instruments, including incentive schemes to encourage private sector investment among others. It is envisaged that this Programme will ultimately contribute to Kenya's

long-term financing frameworks for the realization of Kenya's Nationally Determined Contributions (NDC) Update 2020.

The organizing Theory of Change for this UN Joint Programme is the recognition of the importance of predictable, reliable, and structured financing for Kenya's re-afforestation strategies, plans and initiatives as a catalyst for realizing permanent change in the forestry situation, stemming the continued loss of Kenya's important forestry resources. Increased tree/forest cover will enhance climate change mitigation while availing enormous adaptation co-benefits, supporting ecosystems restoration, unlocking ecosystem goods and services, ensuring sustainability of the national forest cover for economic, social, cultural, and, promoting healthy ecosystems in these times of spread zoonoses.

This UN Joint Programme has been designed in close consultation with the Government of Kenya, under the leadership of the National Environment Trust Fund (NETFUND), which is the main institution charged with mobilizing finance for environmental management under the Environmental Management and Coordination Act 1999 (Cap 387 of the Laws of Kenya). Other national government partners that provided important contributions in the design of this project include the Ministries of Environment and Forestry, National Treasury and Planning, Education, Devolution and ASALs, as well as other specialized technical agencies including the Kenya Forest Service (KFS), the Kenya Forestry Research Institute (KEFRI) and the Kenya Water Towers Agency (KWTA), Kenya Prisons Service (KPS), Kenya Wildlife Service (KWS) and the Council of Governors (CoG). The UN Joint Programme – Tree Growing & Sustainable Forestry Finance Management for Kenya is designed to promote rapid and intensive tree growing activities in the country to accelerate afforestation and reforestation while limiting the impacts from the underlying drivers of deforestation (population explosion, urbanization, agricultural practices). The UNJP will therefore contribute towards the achievement of the 10% national tree cover and promote the effective implementation of the national environmental and development policies, strategies and plans, including the aspirations in the development blueprint, the Vision 2030 and its Medium-Term Plans.

The UN Joint Programme is established by the United Nations Development Programme (UNDP), the United Nations Capital Development Fund (UNCDF), the United Nations Environment Programme (UNEP) and the Food and Agriculture Organization (FAO), with the Multi-Partner Trust Fund Office (MPTFO) providing the administrative agent services, to mobilize national and global funds for the successful implementation of the Project.

2. Situation Analysis

A. Context: Understanding the Forestry Sector in Kenya

Kenya boasts of a very rich and diverse natural resource base, in which the well-being of its people (both urban and rural) is firmly anchored. This natural resource base is increasingly under pressure from evolving human activities and the aggravated impacts of global climate change, resulting in environmental degradation and depletion of epic proportions. Depletion of the country's natural resources, especially its forestry products, does not only present environmental threats but portends even more grave impacts to the economy, therefore requiring urgent remedial actions. The Kenyan forestry sector is of utmost importance to the country's prosperity, as trees and forests continue to provide livelihood base for the majority of Kenyans through fuelwood energy for 82% of Kenya's households, direct employment for over 750,000 Kenyans and indirect benefits to over 4 million citizens (KFS, 2016)1. Forests in Kenya are categorized into montane & Western rainforests, coastal and mangrove forests, dryland forests and plantation forests (Figure 1). The montane dense forests are stable, with coverage increasing from 773,672 ha in 2002 to 834,862 ha in 2018. This is unlike dryland dense forests that had large fluctuations from 303,805 ha in 2006 to 344,985 ha in 2018. The plantation forests have not exceeded 65,000 ha in all years, occupying only half of the designated public plantation forest areas[2].

1 Ministry of Environment and Natural Resources, 2016. National Forest Programme of Kenya. MENR, Nairobi, Kenya
2 Ministry of Environment & Forestry, 2019. The National Forest Reference Level

Forests provide critical ecological services with significant economic implications. For example, the Total Economic Valuation (TEV) of Mau Forest Complex, Cherangany Hills, and Mt. Elgon ecosystems conducted in 2017, indicates that the three water towers provide ecological benefits worth more than KES 339 billion per year, translating to about 5.0% of Kenya's GDP (MEF, 2019). Kenyan forests are critical in supporting the social, environmental, and economic development of East African countries and beyond. The Mau Forest Complex is a catchment and source of twelve rivers, including Mara River (a lifeline for Mara-Serengeti game reserve with developed wildebeest migration), Southern Ewaso Ng'iro River (the main tributary for Lake Natron, a unique breeding ground for lesser flamingos), Turkwell and Kerio Rivers (draining into Lake Turkana, the world's largest permanent desert lake), etc.

Kenya's forest ecosystems also support productive and service sectors, including agriculture, fisheries, livestock, energy, wildlife, water, tourism and recreation, trade, and industry (KFS, 2014)[3]. These sectors contribute to around 33-39 % of the country's GDP (MEF 2020)[4]. According to the 2020 Kenya National Bureau of Statistics Annual Economic Survey, the average overall share of the environment and natural resources sector in the country's GDP stands at 3.2% in 20205, with forest and logging activities contributing at least 40.8% of the amount (Table 1).

Table 1: Trends in environment and natural resources gross value added, 2015 – 2019

Industry	2015	2016	2017	2018	2019
Forestry & Logging	79,697.4	91,824.6	100,869.1	114,988.8	125,642.6
Fishing & Aquaculture	40,299.8	34,909.0	36,607.8	43,579.9	48,815.0
Mining & Quarrying	54,584.2	59,149.1	61,224.9	67,647.8	67,329.6
Water Supply[6]	46,813.7	50,500.3	56,046.2	60,595.0	65,377.4
Total	221,395.2	236,383.0	254,748.0	286,811.5	307,164.6
GDP at current prices	6,284,184.8	7,022,963.1	8,165,842.2	8,892,110.9	9,740,360.0
Resource as % of GDP	3.5	3.4	3.1	3.2	3.2

Source: KNBS, Economic Survey 2020

Continued destruction of these important forestry resources is therefore a major challenge that requires urgent remedial action by all stakeholders, including the United Nations players. A major underlying driver to this forest destruction is the unsustainable harvesting of forests for fuel wood and charcoal, which has been acknowledged as one of the drivers of deforestation in the country. To sustainably respond to this challenge, a wholistic approach that brings together all the key stakeholders is extremely important. Kenya's forests continue to suffer from deforestation because of mismanagement, illegal logging, unsustainable charcoal production and conversion of forest land to agriculture. Restoring these forests is a significant and urgent task, and the national Tree Growing Sustainable Finance and Management Programme seeks to contribute to the acceleration of this important constitutional obligation. To enhance sustainable livelihoods to youth and women, the promotion of non-wood forestry products such as apiculture, production, access and utilization of biological and genetic resources from forestry, promotion of eco-tourism initiatives would strengthen ecosystem restoration, important for food security, women economic empowerment and creation of sustainable jobs and livelihoods.

[3] KFS, 2014. KFS Kenya Forest Service Strategic Plan 2014 -2017. KFS. Nairobi Kenya.

4 Ministry of Environment & Forestry, 2020. Draft National Forest Policy

5 KNBS, Annual Economic Survey 2020

6 Includes sewerage and waste management

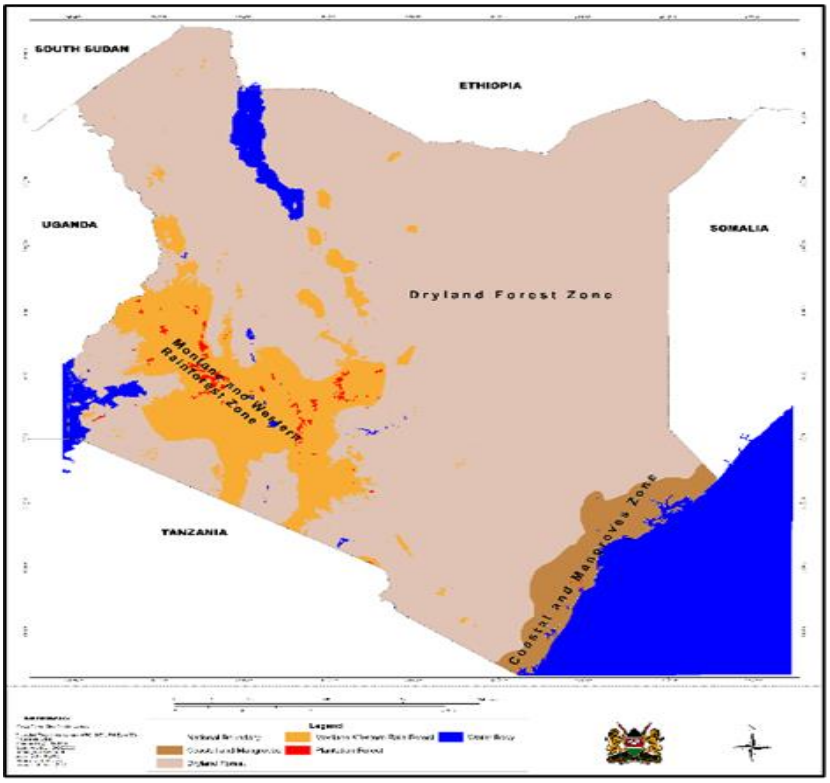


Figure 1: Classification of Forests in Kenya

Source: The National Forest Reference Level, December 2019

B. Use of Forest Resources in Kenya

The success of many productive sectors in Kenya is closely linked to forest ecosystems. State and publicly owned plantations regulate more than 75 percent of the country's renewable water resources and are acknowledged to be vital to the 5 key water towers sustaining development of many sectors (KFS 2013). Forests also prevent soil erosion and provide habitats for plant and animal species. In addition, forests supply fuelwood, which is the major form of biomass energy in Kenya. Over 75% of bioenergy in Kenya is generated from 'traditional biomass such as charcoal and firewood', and up to 80% of Kenyan households are dependent on firewood for cooking and heating[7]. The charcoal industry remains a leading contributor to job creation, employing approximately 700,000 people, and is estimated to support between 2.3–2.5 million dependents (MENR, 2016). With the gap between supply and demand for wood currently estimated at 13 million m^3, over-reliance on forests for production of wood energy, especially for charcoal, is likely to lead to deforestation if not addressed in the most urgent manner.

The use of private forest plantations has gradually increased and is estimated to cover about 100,000 Ha across the country. Most of these forests consist predominately of fast-growing eucalyptus species grown to provide wooden posts, transmission and building poles, sawn timber, fuelwood, and charcoal. The tea and tobacco industries are among the leading investors in fuelwood plantations, using them to dry their products8. The Draft National Forest Policy 2020 commits to reversing this trend by a number of proposals, including a) promoting the establishment and management of commercial forests on public, private and community land and increasing the productivity of plantation forests through science-based management; (b) promoting private sector participation in establishment and management of plantations on public land; and (c) facilitating management of plantation forests on a commercial basis through appropriate forest management arrangements and incentives. The importance of the forestry sector to the country's development is the reason concerted efforts by the Government to reverse the deforestation trends through a robust Greening Kenya Initiative that was launched by the Government in 2020.

7 Dr. Andrew W., Salome C. & Alisher K. (2020). Decarbonizing Kenya's Domestic & Industry Sectors through Bioenergy. Biomass& Bioenergy Journal (Volume 142), Elsevier.

8 Richard P. Vlosky. (2019). Overview of the Forest Sector in Kenya, Forests Product Journal, pp. 6-7.

C. Legal and Policy Basis for the 10% Forest Cover Programme

Forest management and restoration is high on the Government's priority list, which is reflected in key laws and policies. The main anchor informing this UNJP is the Constitution of Kenya 2010, with Article 69 (1.b) emphasizing the need to "work to achieve and maintain a tree cover of at least ten per cent of the land area of Kenya". The Greening Kenya Initiative is one of the main high-level programmes unveiled by the Government of Kenya to realize this aspiration.

Table 2: Key Legal and Policy Provisions in the Kenyan Forestry Sector

Provision	Summary
Vision 2030	Kenya's development blueprint aimed at transforming Kenya into a middle-income country providing high quality of life to all citizens. It places environment inside the social pillar and emphasizes the need to conserve natural resources to support economic growth. Regarding forestry, the goal is to increase area coverage and sustainably manage resources in the interest of environmental protection and enhanced economic growth.
Constitution 2010	Kenya's progressive constitution places great impact on forest conservation. In Article 10, the Constitution mentions sustainable development as one of the key governance principles. Articles 42, 69 and 70 enshrine the right to a clean environment into the Bill of Rights, while specifying the means to achieve it. The Constitution also articulates an aspiration of attaining a 10 percent forest cover nationally.
Kenya Forestry Service	Corporate body established under the Forest Act 2005. The Service's mandate includes enhancing development, conservation, and management of Kenya's forest resource base in all public forests and assisting the county governments in development and management of forest resources on community and private lands for the equitable benefit of present and future generations.
Forest Conservation and Management Act 2016	Legal framework that notes the importance of the forest strategy with details on existing forests and forest resource measures for protection, conservation, and management (Section 3). The Act also requires the specification of the minimum forest reserve areas at national and county levels. Sub-section 3 © outlines the need for programs to achieve and maintain tree cover of at least ten percent.
Climate Change Act 2016	As an active party to and champion of the UNFCCC, Kenya has committed to working on climate change adaptation and mitigation, having submitted its Nationally Determined Contribution (NDC) in line with the Paris Agreement. In December 2020, Kenya has submitted updated NDC with more ambitious goals, placing nature-based solutions at the heart of emission abatement and climate change adaptation. In the updated NDC, the forestry sector has been identified as key to achieving national ambitions due to its comparatively high abatement potential and adaptation co-benefits.
Cap 387 (EMCA 1999)	Kenya's legislative element, providing a framework for integrating environmental considerations into the country's economic and social development. It specifically aims at harmonizing various sector-specific legislations regarding environment to ensure greater protection of the physical and social benefits nature provides. Its implementation is guided by the principle of public participation in the development of policies, plans and processes for environmental management.
Draft Forest Policy	This Policy proposes a broad range of measures and actions responding to the challenges faced by the forest sector. It is based upon the views and expert opinion of those participants drawn from the public and private sector, and civil society organizations. Several strategic initiatives have been introduced to improve and develop the forest resource base; integrate good governance, transparency, and accountability, equity and poverty reduction into the forest. It also presents the issues and the policy recommendations that have been identified, analyzed, and debated by the stakeholders. It will provide the basis upon which the on-going governance, administrative and legislative reform process will be continued.

In addition to the legislative frameworks, Kenya's devolved government system is supportive of good practices in forest governance. The Constitution provides for a robust governance framework for natural resource management by the two-tier government system. It specifies the counties' duty to implement specific national government policies on natural resources and environmental conservation. It also highlights the importance of devolution and equity in benefit sharing, setting a target of a minimum 10% forest cover as well-managed forests have tremendous potential to contribute to sustainable development. With forestry devolved, Kenya Forest Service designated national and county forest reserves through the Transition Implementation Plans (TIP). The TIPs provide for devolution of specified forestry functions, including farm forestry extension services, forests and game reserves formerly managed by local authorities. Counties are required to establish County Forest Conservation Committees (CFCC) to manage these assets and carry out the designated devolved forest functions for community participatory forest management (PFM).

Devolving forestry functions ensures that the Kenya Forest Service supports county governments in identifying forest potential, while building counties' individual and institutional capacities to develop and manage local resources. The Kenya Forest Service has recently developed the National Strategy for Achieving and maintaining over 10% Tree Cover by 2022. The strategy provides a framework for improved forestry governance, resource allocation, partnerships, and collaborations with state and non-state actors, monitoring, and evaluation to enable the sector to contribute to the achievement of the country's growth within a sustainable environment framework. This ambitious goal coupled with the identified potential of afforesting up to 5.1 million ha[9] in the different strata of Kenya is envisaged to double the current forest area and therefore exceed the 10% forest cover target.[10]

Table 3: Forest Restoration Opportunities in Kenya

CONSERVATIVE SCENARIO				
RESTORATION OPPORTUNITY	TOTAL AREA (MILLION	RESTORATION POTENTIAL (MILLION HA)	PROPORTION IMPLEMENTED BY 2030	TOTAL RESTORATION TARGET FOR 2030
Forest Lands	4	5.2		1.0
Afforestation/reforestation of natural forests and tree-based ecosystems		1.3	10%	0.1
Rehabilitation of degraded natural		3.5	20%	0.7
Buffer zones along water bodies and wetlands		0.1	50%	0.1
Commercial tree and bamboo plantations in unstocked forests		0.3	25%	0.1
Croplands	9.9	7.6		2.1
Farm forestry with less than 10% tree cover		2.7	50%	1.4
Farm forestry with tree cover between 10% and 30%		2.2	20%	0.4
Commercial tree and bamboo plantations or agroforests on		2.7	10%	0.3
Rangelands	42.6	25.7		1.9
Silvo-pastoral and grasslands restoration		25.7	7.5%	1.9
Roads		0.3		0.2
Tree buffers along roads		0.3	50%	0.2

9 Forest Landscape Restoration Project for Kenya

10http://www.kenyaforestservice.org/index.php/2016-04-25-20-08-29/news/437-forests-and-landscape-restoration-a-key-component-of-climate-change-mitigation-and-adaptation

Other (wetlands, settlements, bare lands)	2.7	n/a	n/a	n/a
TOTAL	59.2	38.8		5.1

Source Technical Report on the National Assessment of Forests and Landscape Restoration Opportunities in Kenya 2016, MEF

3. Problem Statement

Kenya has a relatively low forest cover that has steadily decreased from independence in 1963 to date. The Draft National Forest Policy 2020 places the current forest cover at around 7.2% of the land area of the country, below the constitutional requirement of 10% tree cover. According to the 2019 National Forest Reference Level Report (NFRL), the area of deforestation in Kenya (average 338,863 ha) has slightly exceeded the area of reforestation (average 326,794 ha), resulting in net loss of Kenya's forest cover (Figure 2). Several studies attribute trend to encroachment, conversion of forestland to farmland, unsustainable extraction of timber and charcoal, and climate change. If coordinated measures are not taken to avert this process, the trajectory points to a situation where it may be difficult to reverse deforestation. In addition, Kenya's arable land at independence was 25% while the arid and semi-arid lands (ASALs) were estimated to cover 75%. The situation has deteriorated, with the current estimate of arable land at 16% and ASALs at 84%, implying that the country could be failing in its effort to avert the desertification challenge (NDC Update 2020). Compounding this challenge is the lack of updated, accurate and reliable data on forestry finance and management. Sustained data and information processing, on important forestry indicators is critical for measuring progress on the 10% forest cover campaigns. Such data strengthening efforts are required at the national and at the devolved governance unit levels, to strengthen transparent reporting and calculation of emission reductions as per the Kenya's Green House Gas inventory.

H.E. President Uhuru Kenyatta acknowledged this and made a firm commitment during the 2019 Climate Summit in New York, stating that Kenya will make every effort to "*….reach a minimum of 10 percent forest cover as a way of also ensuring that we play our part both as a government and as members of the global community...*". This has also been exemplified in Kenya's NDC Update, seeking to scale up nature-based solutions as a measure of increasing emission reductions, while strengthening adaptation measures. In this regard, the re-afforestation agenda has become a major rallying call and organizing principle for the country, culminating in the Greening Kenya Initiative that targets planting at least 2 billion trees by 2022. The Tree Growing Sustainable Financing and Management Programme is the framework through which all partners will be encouraged to join the Government's efforts to mobilize at least USD 45 Million (48 billion KES) for tree growing.

Mobilizing finance is however a key problem attributed to inadequate budgetary allocation by the Government due to competing needs to a constrained exchequer, and the low private sector investment in afforestation. Another key challenge is attributed to numerous uncoordinated disparate projects on reafforestation by multilateral and bilateral partners, generally resulting in poor implementation of Kenya's strategies and plans for increasing forest cover. The other factors include the lack of valuation of the forestry sector and its contribution to economic growth (GDP) and provision of environmental goods and services; lack of appropriate incentive schemes to spur private sector investments; inadequate financing mechanisms to harness private sector resources; bureaucracies and conflicting policies and laws on private forests products; weak capacity and unclear pathways to access climate change funds among others. With many donors channeling development assistance and aid through the central budgets, the reduced trickle-down of assistance to the forestry sector is further weakening capacity and hindering efforts to effectively devolve forestry management as expected in the Constitution 2010. Moreover, civil society organizations are concerned this new approach forces them to rely more on government funding, potentially compromising independence, and objectivity. Establishing a coordinated financing framework for the forestry sector that strengthens the nexus between development partners and government, with optimal private sector engagement is therefore useful to pushing the forestry agenda to the next level.

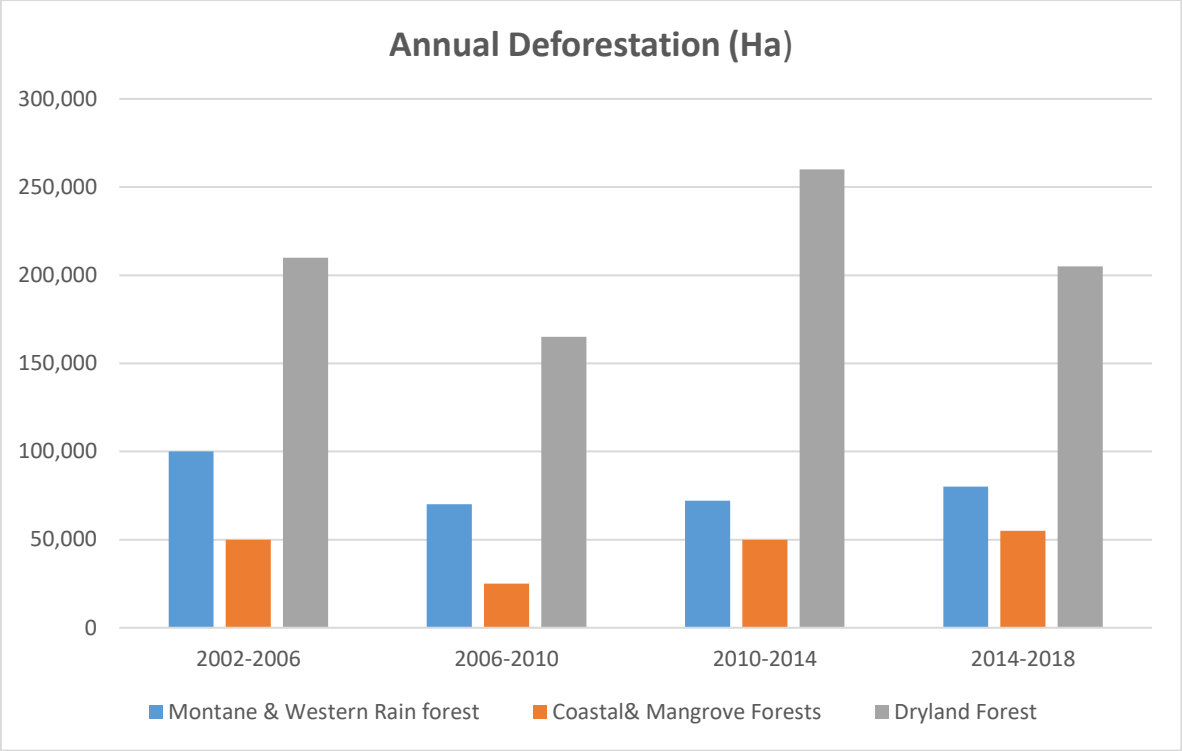


Figure 2: The Contribution of Strata to the Annual Deforestation in the Reference Period [11]

4. Proposed Strategy

The UN Joint Programme on Tree Growing and Sustainable Forestry Finance Management is premised on the strategy for Kenya to plant at least 2.2 billion seedlings between 2019 and 2022 to accelerate the achievement of the 10 percent forest cover. This JP is in line with the United Nation's Sustainable Development Goal 15 which aims to "protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss." Additionally, the JP has a strong nexus to supporting realization of Kenya's commitments to the UNFCCC's Paris agreement through reducing emissions from deforestation and forest degradation (REDD+) and adopting nature-based solutions. The JP also fulfils other international multi-lateral environmental agreements including the United Nations Forum on Forests (UNFF), Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD) among others.

Although previous efforts have been made to sustainably manage and grow Kenya's forests, the robust policy and regulatory edifice have not realized sustainable results. In essence, the UNJP acknowledges that the country still faces numerous challenges, key of which is the need for sustainable, predictable, reliable, and sufficient finance flows to the sector. The UNJP on Tree Growing and Sustainable Forestry Finance Management Programme seeks to catalyze action through dedicated focus on the following key programmatic challenges:

a) **Weak forest governance, coordination, and collaboration in the management of public, community and private forests**

The main drivers of illegal logging and other forest crimes include poverty and poor governance. Over the last decade however, there has been significant political will and commitment to address Forest Law Enforcement and Governance issues, as depicted in the 2010 Constitution, the Vision 2030, and its subsequent Medium-Term Plans (MTPs), the National Land Policy among other legislations and regulations. It is worth noting that Kenya has made significant progress towards success in improved frameworks for forest law enforcement and governance for the management of its forest resources. As a matter of fact, Kenya has undertaken key institutional, legal and policy reforms to create an enabling environment for participatory forest management; a draft forest policy and a comprehensive Forests Act (2005) that are consistent with the principles embodied in regional and international

[11] *National Forest Reference Level Report, 2019*

agreements and conventions are in place, with a Forest Board and the Kenya Forest Service established under the act. The challenge remains that of robust implementation and coordination of the various layers of governance architecture that are rapidly evolving, including the devolved governance units.

Resolving the lack of a coherent and synergetic governance framework for Kenya's forest resources, currently augmented by separate legal instruments, as well as weak devolution practices requiring concerted coordinated action bringing together all the counties in re-afforestation key stakeholders. Specific engagements and inclusion of communities' neighboring forests through Community Forest Associations (CFA), Water Resource Users Association (WRAU), community groups and indigenous communities along with generating and disseminating useful information on forest resources and their use as well as related revenue streams available to the wider public is essential. Availability of reliable data, statistics and information is also fundamental for any future forest investment. Integrating local communities, county governments, state and non-state actors, private sector and civil society is key to effectively strengthening forest governance required for tree growing.

b) Inadequate financial mechanisms and updated data for forestry investment support

Financial investment in forestry has remained relatively low, resulting in massive resource degradation and lost opportunities for producing and processing forestry products, especially non-timber related biological and genetical resources. Scattered and uncoordinated forest funds and programmes in various public and private entities, together with their inadequate informational coverage and diminishing budgetary allocation at national and county levels, hinders effective enforcement of the robust policies and regulations. Innovative finance schemes integrating private sector players (payment for ecosystem services, results-based performance payments, crowdfunding, carbon markets) are expected to sustainably provide the private finance required, given the dwindling public finance situation. The UN Joint Programme approach seeks to better align aid to government priorities for forestry development, improve harmonization within the donor community, and enhance collaboration among line ministries, agencies, parastatals, and Semi-Autonomous Agencies (SAGA's). Compounding this challenge is the lack of updated, accurate and reliable data on forestry finance and management. Sustained data and information processing, on important forestry indicators is critical for measuring progress on the 10% forest cover campaigns.

c) Poor awareness of deforestation impacts

Deforestation in Kenya is estimated at 50,000 ha annually, with a consequent yearly loss to the economy of over USD 19 million.[12] Rapidly increasing population along forest edges, extensive cultivation of virgin forest lands and climate change are some of the contributing factors augmenting this challenge. Integration of environmental concerns in development activities is an approach that provides an important entry point to influencing decisions on issues affecting forestry that originate outside the sector. Research has proven that when the environment was singled out as a priority, forestry was given greater prominence in part because of the harmful impact that unsustainable exploitation can have. The UN Joint Programme approach will upscale public awareness, sensitization, and engagement of all key stakeholders in the forestry sector, especially private sector actors, to channel all efforts in meeting the 10% forest cover target. In this regard, the development and implementation of this project will be guided by a dedicated publicity plan. Refer to Annex 1.

d) Poor rate of technology uptake in forestry sector

Poor uptake of new technologies is another key challenge noted by several studies. Deployment of the latest technologies utilizing Geographic Information Systems in forest regeneration, rehabilitation, protection, and planting will go a long way in enhancing the capacity of Kenya Forestry Research Institute (KEFRI) and other agencies to undertake research; identify and promote appropriate and innovative technologies for forest restoration, reforestation, management; and apply indigenous knowledge on conservation and utilization. This will also serve as a significant area of intervention because this challenge is compounded by systematic dismantling of cultural and indigenous systems and practices of forest resource conservation, adversely affected by population

[12] *Draft National Forest Policy 2020*

growth and changes in land use systems in private and communal lands that had allowed sanctions for misuse such as taboos, customary regulations, and rules[13].

e) Climate change-caused water stress that impacts on tree growing

Climate change continues to manifest in Kenya through increased incidences of droughts and extended periods where rainfall seasons fail. The droughts in turn lead to water stress, impacting on the forestry sector, and especially affecting the survival rates of newly planted trees. With reduced forestry, the carbon sinks are greatly impacted since trees and wood stocks are important in arresting rising Green House Gas emissions. As a result, many countries, including Kenya, are impacted by prolonged dry seasons, water shortage contributing to reduced agricultural productivity and other key existential problems. The complex interplay of these leads to conflicts, thereby exacerbating the poverty situation among communities. Therefore, the UNJP strategy to sustainably increase forest cover, will also include the use of fruit trees to open new livelihood opportunities for communities, even as it increases the emission abatement potential in this sector.

f) Lack of a sustainable system for seedlings production, distribution and use for tree growing

A sustainable supply of forestry and agroforestry tree seeds and seedlings is fundamental to successful reforestation and scaling up of farm agroforestry initiatives and tree planting. The lack of high-quality seeds and mismatched sites with inappropriate tree species have been identified as a major limitation to successful reforestation in agroforestry production systems. KEFRI is mandated to conduct research and provide information and technologies for sustainable development of forestry and allied natural resources for socio-economic development. Quality seed processing and distribution is highly centralized around the national seed center, thus limiting community access to improved germplasm, technologies in tree seed processing, handling, storage, and high-quality seedlings. This has left supply of most of the tree germplasm inaccessible to the informal sector, characterized by road-side tree nurseries and seed dealers who have limited knowledge on seed sourcing and collection and seedling production. Providing farmers with access to affordable and superior tree seeds and seedlings is a way to increase forest production nationally. To decentralize the production of seedlings, this programme will deliberately engage the most vulnerable groups in the society especially women, youth, and Persons Living with Disabilities in the production of quality seedlings as well as tree planting and growing activities.

g) Whole-of-government/society approach

Afforestation efforts are everybody's concern, especially those who own land, given the interplay of various land tenure systems in Kenya (community, private and public lands). As such, uncoordinated approaches to tree growing greatly impacts the success of achieving the constitutional 10% tree cover target. Adopting a whole-of-government and society approach will therefore galvanize national action towards tree growing with state and non-state actors, communities, private sector, and development partners working in concert to enhance success of the afforestation programmes. To address these challenges, the UN Joint Programme will seek to accelerate the attainment of the 10% national tree cover through sustainable financing, partnerships facilitation, improved national resources management and governance of the forestry sector. It will also seek to enhance implementation of devolved forestry functions, considering the limited areas of public forest reserves and the fact that over 76% of the project's intervention is targeted towards increasing the forest / tree cover under private and community lands, which are largely under the jurisdictions of county governments.

5. Proposed Theory of Change

This UNJP is in line with the United Nation's Sustainable Development Goal 15 which aims Sustainable Development Goal 15 which aims to "protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss." Additionally, the programme has a strong nexus to supporting realization of Kenya's commitments to the UNFCCC's Paris agreement through reducing emissions from deforestation and forest degradation (REDD+) and

[13] *Moses Imo, Forest Degradation in Kenya: Impacts Social, Economic and Political Jan 2012*

adopting nature-based solutions. The UNJP also fulfils other international multi-lateral environmental agreements including the United Nations Forum on Forests (UNFF), Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD) among others.

Kenya has a relatively low tree cover of (7.2%) that has steadily decreased since independence. The low forest cover is attributed to poor governance, limited public and private investment in forestry, limited financing mechanisms for tree growing as well as low levels of awareness for the public to participate in tree growing activities. In order to achieve the 10% tree cover by 2022 as per the presidential directive, the project proposes to address the key challenges and barriers related to tree growing through enhancing production capacity and accessibility of certified seeds and quality seedlings; piloting and scaling up appropriate technologies for tree growing; sensitization and mobilization of the public to participate in tree growing activities; development of land use plans and maps to facilitate tree growing initiatives; establishment of financing mechanisms for tree growing; mainstreaming of tree growing in county policies, plans and budgets; development and operationalization of forestry financing instruments; development of an incentive scheme to encourage private sector investment; establishment of long-term financing frameworks with development partners; operationalization of forest governance structures as well as strengthening the capacity of national agencies and county governments on protection and management of forest resource. In terms of financing, UNJP will utilize existing financing structures both within the Government and the UN, including the allocation of funds from the National Treasury, development partners, private sector as well as members of the public through publicized crowdfunding campaign.

Other long-term strategies to be pursued include the endowment funds to be capitalized through periodic replenishment (through defined contributions based on agreements with donors, or financed from environmental fines, taxes, fees or payments for ecosystem services annually invested in the fund). Others could include strategic appeals for Kenya to apply for the Debt for Nature Swaps, green and blue forest resilience bonds, carbon markets, results-based payments schemes provided for under the dynamic REDD+ mechanisms and the voluntary market mechanisms anchored in Article 6 of the Paris Agreement. The UNJP will also build synergies and leverage on the existing financing pipeline in the Green Climate Fund (GCF), Global Environmental Facility (GEF) while guiding structural transformation that would breathe life into sustainable environmental financing schemes such as the Payment for Ecosystem Services (PES), Polluter-Pays, Environmental Performance Deposit Bonds, among others. The result will be a robust fund with various capitalization models that will be accessible to all the key actors, specifically incentivizing production of seedlings and growing of trees by the private sector, women groups and youths. The fund will also leverage on various government agencies to support production of seedlings at subsidized rates.

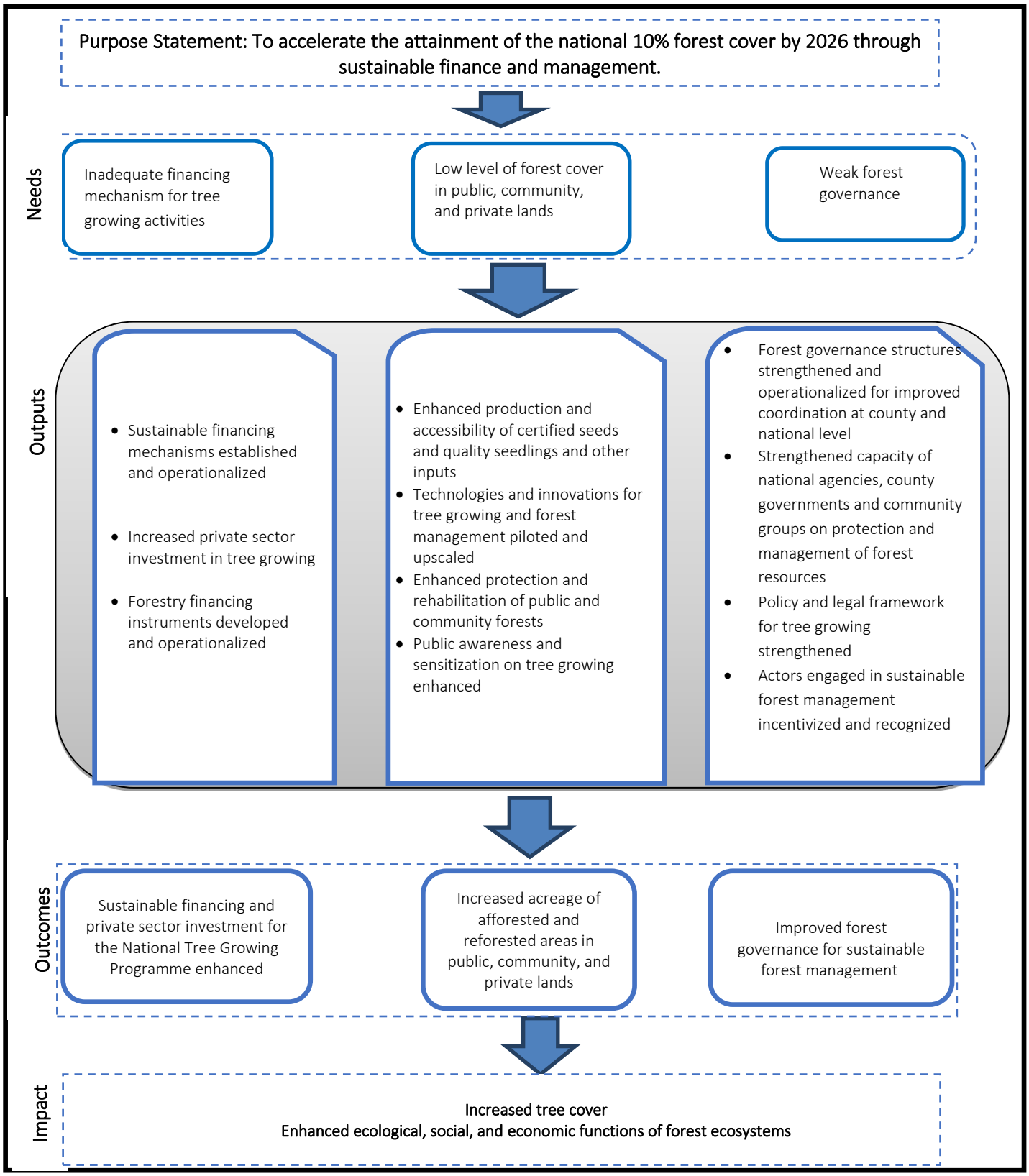


Figure 3: The Theory of Change for the Tree Growing and Sustainable Forestry Finance Management Program

The UNJP's design emphasizes the fundamental need to build upon and complement the Government of Kenya's initiatives on increasing forest cover. Globally, the Punyarut seeks to complement the Africa Forest Restoration Initiative (AFR100) and the Bonn Challenge requiring the restoration of 5.1 million Ha of degraded landscapes by 2030. Since the launch of the National Strategy for Achieving and Maintaining Over 10% Tree Cover, a lot of efforts have been made by the Ministry of Environment and Forestry and other partners towards achieving this target. For example, the government has mainstreamed attainment of the target into performance contracting commitments requiring state agencies to make budgetary allocations towards the goal.

However, given the time frame and amount of resources required to achieve this target there is a need for radical action to accelerate achievement of this target. As such, this UNJP will focus on progressively developing and executing sustainable financing mechanisms, growing strategic partnerships in the area, and improving governance to contribute to the attainment of the 10% forest cover. To do this, the programme will adopt a broad institutional and multi-stakeholder approach.

6. Proposed Program Logical Framework

Outcome 1: Sustainable financing and private sector investment for the National Tree Growing Programme enhanced

Project Outputs

1. Financing mechanisms for tree growing programme developed and operationalized
2. Increased private sector investment in forestry

Outcome 2: Two billion quality seedlings produced in public and private nurseries

Project Outputs

1. Production of high-quality seeds by KEFRI & registered private stockists increased
2. Production of high-quality seedlings by KFS, MDAs, Counties and private sector increased.

Outcome 3: National tree/forest cover increased by at least 2.8%

Project Outputs

1. Forest cover under public natural forest reserves increased
2. Water catchments hilltops and ecologically sensitive areas outside public forests rehabilitated
3. Forest cover in ASALs, rangelands and conservancies increased
4. New forest lands gazetted
5. Mangrove forest cover increased
6. Restocking of commercial plantations in designated public forests
7. Forest cover in private commercial forest plantations increased
8. Tree cover in farmlands increased
9. Transitional Implementations Plans (TIPs) operationalized
10. Tree cover in schools and other institutions increased
11. Tree cover in urban forests, green spaces and infrastructure increased
12. Public awareness, education and sensitization on tree growing enhanced.
13. Forest extension services enhanced at the county level

Outcome 4: Governance for sustainable forest management improved

Project Outputs

1. Capacity of National Agencies and County Governments to protect and manage forest resources strengthened
2. Capacity of organized community conservation groups strengthened
3. Nature based enterprises led by indigenous people, forest adjacent communities, youth, women, and other vulnerable groups established and upscaled.
4. Actors engaged in sustainable forest management recognized and incentivized
5. Adoption of improved technologies to enhance efficient utilization and conversion of wood and sustainable management of forest resources increased
6. Policy and legal framework for tree growing strengthened at the national and county level

Outcome 5: Improved programme management

Project Outputs

1. Project management systems and structures established and operationalized
2. Effective programme coordination, monitoring, and reporting
3. Enhanced knowledge management

7. Program Sustainability and Stakeholder Mapping

Elaborate stakeholder consultations have been carried out at the national level especially driven by the urgency and amount of resources necessary for achieving the 10% forest cover. These efforts have driven the need towards the design and development of this project, securing optimal national ownership which is critical for sustainability of the tree growing initiatives. The programme design team has been drawn from the National Treasury, relevant sector agencies, international and national development partners, and the private sector under the oversight of the Ministry of Environment and Forestry. Multi-stakeholder engagements with the MoEF began in November 2020 with the formulation of a technical committee to fast track implementation of the 2 Billion tree growing campaign. The widespread engagement in formulating the programme seeks to build on expertise from different fields to address sustainable financing mechanisms, partnerships, and improved governance to contribute to the attainment of the 10% forest cover. By employing lessons learnt from other projects, the programme can effectively realize the goal of tree growing campaign. Table 4 shows an analysis of the stakeholders and the level of influence in the programme.

Table 4: Stakeholder Analysis and their Influence in the Programme

Stakeholder	Level of influence	Engagement Strategy
MoEF: KFS, KEFRI, KWTA, NETFUND, KMD, NEMA	High Power/ High Interest	Through inter-ministerial committees established to support attainment and achievement of the 10% national forest cover goal; workshops; emails/ letters
Other National state agencies that can support in realization of the goal	High Power/ High Interest	Through the National inter-ministerial Steering Committee
National Treasury	High Power/ High Interest	Through the National inter-ministerial Steering Committee
Development Partners	High Power/ High Interest	Incorporate into inter-ministerial committees established to support attainment and achievement of the 10% national forest cover goal: emails/ letters
Council of Governors/ County governments	High Power/ High Interest	Through the County Implementation and Coordination Committee; workshops
Private Sector	High Power/ Low Interest	Incorporate into inter-ministerial committees established to support attainment and achievement of the 10% national forest cover goal: emails/ letters
Local CSOs	Low Power/ Low Interest	Through the County Implementation and Coordination Committee; workshops
Community Forest Associations, Water Resource Users Association and indigenous people and local communities	Low Power/ High Interest	Through the County Implementation and Coordination Committee; workshops

8. Proposed Financing Mechanisms

Forest management is capital intensive and a long-term investment. This is particularly true in the case of tree planting. Considering the characteristics of sustainable forestry finance as well as the current situation in Kenya with its reliance on public forest plantations (which outsize private plantations by a factor of 2), public financing will remain the major source of financing for forestry activities in Kenya in the short and medium-term perspective (over a 10-year horizon at least). This raises the strategic question of how additional domestic finance can be mobilized for sustainable forest management and what could be the appropriate approaches and mechanisms for this. In the process, it is also necessary to re-examine the effectiveness and efficiency of the existing mechanisms as well as the roles and responsibilities of the various actors involved with the aim to increase the impact, including central and county governments, the private sector and development partners.

The Joint Programme will pursue a double-track strategy targeting both public and private finance for sustainable forestry. The public finance track will investigate the existing financing mechanisms, approaches and models including those at the county level. The project will apply the subnational version of the Public Expenditure and Financial Accountability (PEFA) framework for assessing climate responsive public financial management (PFM)—the PEFA Climate framework—based on a set of supplementary indicators that builds on the PEFA framework to collect information on the extent to which a country's PFM system is ready to support and foster the implementation of government climate change policies, i.e. is "climate responsive". In particular, close collaboration will be established with the UN Joint Programme on Devolution to build on the ongoing efforts to improve local PFM in order to make it climate responsive and enhance discretionary fiscal space for forestation and forest management activities. The Joint Programme will expand tax administration diagnostic at the county level in cooperation with the IMF TADAT Secretariat to incorporate climate responsiveness. These efforts will include a review of climate related tax management with the view to design user fees or local (green) taxation across the portfolio as well as localized PPP models in the context of climate-responsive public investment management and climate responsive non-financial asset management where the policy and regulatory contexts allow.

The private finance track will seek to leverage the existing mechanisms to unlock additional philanthropic, development and concessional finance, particularly in the early stages of this project. It will explore the use of innovative financing instruments such as the Payments for Ecosystem Services (PES), access to carbon markets, REDD+ financing, market-based mechanisms, including those in Article 6 of the Paris Agreement, results-based payment schemes, etc. as sources of predictable and affordable finance without endangering the country's fiscal stability. For example, the Kasigau Corridor REDD+ project in Taita Taveta County has accessed voluntary payments for REDD+ emissions reductions generated by avoiding deforestation through conserving 200,000 hectares of dryland woodland.

The programme will work on establishment of a Trust Fund scheme with the aim to mobilize public and private donations using the existing platforms including the NETFUND. The advantage of a trust fund model is that, in principle, it can be financially self-sustainable because of its interest-bearing investments and does not necessarily require re-capitalization (in which cases it technically becomes an endowment). It is also possible for a fund to be periodically capitalized to cover for losses and increase the sums payable to beneficiaries. The objective is to use the project finance as seed capital to leverage 4-5 times of additional finance from multiple classes of investors including the public and private sectors.

In the short term, the fund will use a periodic replenishment model through defined contributions based on agreements with the donors. Such a model creates predictability in the funding flows and allows the Fund to increase the scope of operations and cover for possible losses. This model may use either contribution agreements that specify periodic contributions (usually, annually but possibly over a shorter period) or a membership fee system (which may include various levels of fees depending on the type of membership, such as platinum, gold or silver). The latter is the model used for the One Dollar Initiative in Uganda designed to mobilize domestic resources in partnership with the private sector organizations to leverage and intensify government efforts in the national HIV&AIDS response. In addition, the Fund may be capitalized through targeted fundraising campaigns and crowd funding models.

The Joint Programme will carry out the following activities in this area:

- Design the Fund structure and its interlinkages with the other existing platforms, such as the NETFUND,
- Identify the sources of finance and replenishment modalities,
- Design the fund operational arrangements,
- Design and implement targeted partner outreach and resource mobilization campaigns including crowdfunding,
- Design the trust fund arrangements and the long-term financial sustainability model.

Medium- to long-term strategies to capitate the fund will be developed in close collaboration with the Government, and the UN partners (UNCDF, UNEP, FAO) and they may include the following:

1. Debt for Nature Swaps: This is a foreign public finance solution that can be explored for financing the tree growing activities. The country has applied for the Debt Service Suspension Initiative (DSSI), a clear indication of the creditors' recognition of the country's challenging debt situation. Building on this recognition and adding a determined effort to address a critical environmental issue and recover greener in the context of the Tree Growing Initiative, Kenya may well initiate discussions with the main creditors (bilateral and multilateral) on debt-for-nature swaps. The UN as a trusted and impartial partner of the government and multilateral and bilateral financial institutions is well positioned to initiate and facilitate such discussions.

   Furthermore, the UN can play the following roles:
   - Prepare the negotiating position and help the government develop a convincing value proposition for a debt for nature swap,
   - Structure the swap deal in a way that maximizes the country's benefits,
   - Play the direct role of the Conservation Investor ("broker") in a three-party DFN swap (if preferred).

   Considering the positive momentum for debt restructuring initiatives in the context of COVID-19, a debt for nature swap may not be such a distant prospective. This is facilitated by the existence of *debt conversion programs* with some bilateral creditor governments (such as the US and Switzerland) which provide for the conversion of Official Development Assistance (ODA) debt and sometimes for buy-backs of publicly guaranteed export credits or even commercial debts. Other governments (most notably, China) are currently considering measures in the context of COVID-19 response to facilitate debt-for-nature swaps (including a comprehensive bilateral debt conversion programme) in the Belt and Road Initiative, in which Kenya participates.

   This Joint Programme will be an additional factor to build traction with bilateral and multilateral creditors about such a swap and demonstrate the commitment of the Government of Kenya and the UN to a comprehensive and realistic tree-growing initiative. If the deal can be realized within the two years since the start of the Joint Programme, the DFN proceeds will become the major source of finance for capitalization of the revolving Trust Fund described above.

2. Green/Blue Bonds: This instrument for financing green projects can provide low-cost, long-term sources of debt capital. Green bonds help tap into a deep global pool of capital with a diverse base of investors. Bonds connect investment needs with the latent demand for sustainability-themed investments from institutional investors. Bond structuring takes a long time (5 years or more) and requires significant upfront investments for development. Thus, for a green bond to be used as an instrument for financing tree growing activities, this will require more time and will be done in a phased approach.

3. Forest Resilience Bond: This model could be considered in the long term, after stabilization of Kenya's debt levels. The Forest Resilience Bond is a multi-stakeholder model that uses upfront investment from private and philanthropic investors to fund forest restoration activities. Beneficiaries, including public agencies reimburse investors with principal and returns following project completion. Development of the FRB is a lengthy and expertise-demanding process but its reliance on philanthropic finance helps avoid the challenges associated with the national credit rating.

   In both cases, the bond issuance will target external providers' capital, primarily early green bond issuers such as the World Bank and other multilateral development banks, bilateral agencies, and impact investors with the intention to mobilize concessional finance and finance at below the market rates. Despite the effort- and time-consuming nature of bond preparation, structuring and issuance, the Joint Programme intends to start working with the Kenyan Government and other relevant international and domestic partners immediately on the following activities:
   - Conducting technical and financial feasibility studies for a green bond and forest resilience bond
   - Determining the issuer's criteria/definitions for "Green" ("Forest Resilience)
   - Identifying eligible projects and activities
   - Identifying the sponsors, lead arranger, second party entity for review and other relevant roles

It is hoped that, subject to positive findings of the feasibility studies, the essential structures required for bond issuance will be in place to continue this work under the leadership of the government with the support of the lead arranger.

9. Results Framework

Outcome 1	Sustainable financing and private sector investment for the National Tree Growing Programme enhanced				Total outcome budget 1,950,000 (USD)
		Baseline	Target	Means of Verification	Responsible Organization
Proposed Outputs	1.1. Financing mechanisms for tree growing programme developed and operationalized				
	1.2. Increased private sector investment in forestry				
Proposed Output Indicators	1.1.a Increase in project funding from national and county governments (The National Treasury & Revenue from GoK owned forests)	USD 12.8M	TBD	Project reports (financial, technical and expenditure reports)	**NETFUND**, MEF, UNDP, UNCDF
	1.1.b Short term project financing mechanisms in place for; Nature based Eco-tourism including conservation conservancies, Payments for Ecosystem Services (PES), (including freshwater levies, landscape recreation & other payment for forest services), Polluter Pay Principle, access to carbon markets, REDD+ financing,	TBD	TBD		**NETFUND**, MEF, UNDP, UNCDF, KFS, KWTA
	1.1.c Increase in funding allocation for forestry from global funds (GCF & GEF)	TBD	TBD		**NETFUND**, MEF, UNDP, UNCDF
	1.1.d Increase in bilateral funding for forestry	TBD	TBD		
	1.1.e Increase in parallel funding from ongoing projects	TBD	TBD		
	1.2.a Increase in project funding from private sector and foundations	TBD	TBD		
	1.2.b Long-term financing mechanisms designed for; Green Bonds, Forest Resilience Bonds and Debt for Nature Swaps	TBD	TBD		
	1.2.c No. of incentive schemes for sustainable forest management developed	TBD	TBD		
	1.2.d Increase in in-kind funding	TBD	TBD		
Outcome 2	Two billion quality seedlings produced in public and private nurseries				Total outcome budget 13,181,000 (USD)
		Baseline	Target	Means of verification	Responsible Organization
Proposed Outputs	2.1. Production of high-quality seeds by KEFRI & registered private stockists increased				
	2.2. Production of high-quality seedlings by KFS, MDAs, Counties and private sector increased				
Proposed Output	2.1.a Quantity. of seeds collected, processed, distributed	40	50MT	NTPC project reports,	**KEFRI,** KFS

Indicators	2.1.b No. of seed centers refurbished and expanded	7	8	Certificates and reports for centers, List of registered and certified private dealers	**KEFRI**
	2.1.c Certification standards for tree seeds developed and implemented	0	1		**KEFRI,** KFS, CGs
	2.1.d No. of private seed dealers and stockists registered and certified	0	1		**KEFRI,** KFS, CGs
	2.2.a No. of seedlings produced by KFS and KWTA	0	200M	Project reports, Certificates and reports for refurbished KFS TNs, List of registered and certified nurseries	**KFS &KWTA**
	2.2.b No. of seedlings produced by MDAs and RAs	0	100M		**MEF**, KFS, MoE, KPS, KEFRI, CGs, MDAs, KWTA
	2.2 c No of seedlings produced by county government	0	50M		**County Governments**
	2.2.d No. of seedlings produced by private TNs, community groups and youth groups.	0	150M		**NETFUND,** Community Groups and Private Tree Nursery
	2.2.e Certification standards for tree nurseries developed and implemented	0	1		**KEFRI,** KFS, CGs
	2.2.f No. of registered and certified private tree nurseries	100	600		**KEFRI,** KFS, CGs
	2.2..g. No. of technologies and innovations developed and upscaled for tree growing and forest management	0	5		NETFUND/**KEFRI**
Outcome 3	**National tree/forest cover increased by at least 2.8%**				**Total outcome budget 15,600,500 (USD)**
		Baseline	Target	Means of verification	Responsible Organization
Proposed Outputs	3.1. Forest cover under public natural forest reserves increased				
	3.2. Water catchments hilltops and ecologically sensitive areas outside public forests rehabilitated				
	3.3. New forest lands gazetted				
	3.4. Mangrove forest cover increased				
	3.5. Restocking of commercial plantations in designated public forests				
	3.6. Forest cover in private commercial forest plantations increased				
	3.7. Tree cover in farmlands increased				
	3.8. Transitional Implementations Plans (TIPs) operationalized				
	3.9. Tree cover in schools and other institutions increased				

	3.10. Tree cover in urban forests, green spaces and infrastructure increased				
	3.11. Public awareness, education and sensitization on tree growing enhanced.				
	3.12. Forest extension services enhanced at the county level				
Proposed Output Indicators	3.1.No. of Ha of degraded public natural forest reserves rehabilitated	0	10,000	Project reports, KFS FIS reports, Forest resource assessment report	**KFS,** KWTA, MDAs & Private sector
	3.2 a. No. of Ha of water catchments hilltops and ecologically sensitive areas outside public forests rehabilitated	0	0.5Million		**KWTA**,CGs NEMA, Private sector KWTA, NEMA, KWS, CGs
	3.2 b. No of frameworks for engagement with natural forest owners developed and implemented	0	47		**KFS,** CGs, KWS, CoG, KWTA
	3.3. b. No. of sustainable charcoal production management plans implemented by counties	0	23		KFS, CGs, **KEFRI,** CoG
	3.4 No. of Ha of new forest land and water towers gazetted	0	TBD		**CoG**, CGs
	3.5.No. of Ha of mangrove forest rehabilitated	0	5,497		**KFS,** KMFRI, KEFRI, KWS
	3.6 No of Ha of restocked commercial plantations in designated public forests	0	3,000		**KFS**
	3.7 No. of Ha. of private forest plantations established	0	3,000		**KFS**, KEFRI CGs, TGAs, KWTA, MEF
	3.8. No. of Ha. of trees on farmland established including agroforestry	0	1,400		**CGs,** KFS, TGAs, FFSPAK, KEFRI
	3.9 No of Transitional Implementation Plans (TIPs) operationalized	0	47		**CGs,** KFS, TGAs, KEFRI
	3.10 No of trees planted in schools	0	TBD		**MoEd**
	3.11a No of Ha of arboreta and green spaces rehabilitated	0	500		**MEF**, CGs, NEMA, MoLa, KENHA, KERRA, KURA, LAPSET, KFS
	3.11b No of Ha of tree cover established along roads, highways, and infrastructure projects	0	1000		
	3.12 a No of tree planting campaigns conducted	0	250		**MoEF**

	3.12 b No. of people utilizing tree growing information from the established Forestry innovation Centre	0	TBD		KEFRI
	3.13 No. of counties with forest extension services	0	47		KFS, CoG, CGs
Outcome 4	Governance for sustainable forest management improved				Total outcome budget 10,267,500 (USD)
		Baseline	Target	Means of verification	Responsible Organization
Proposed Outputs	4.1. Capacity of National Agencies and County Governments to protect and manage forest resources strengthened				
	4.2. Capacity of organized community conservation groups strengthened				
	4.3. Nature based enterprises led by indigenous people, forest adjacent communities, youth, women, and other vulnerable groups established and upscaled.				
	4.4 Actors engaged in sustainable forest management recognized and incentivized				
	4.5 Adoption of improved technologies to enhance efficient utilization and conversion of wood and sustainable management of forest resources increased				
	4.6 Policy and legal framework for tree growing strengthened at the national and county level				
Proposed Output Indicators	4.1 b Integrated Forest management information system operationalized	0	1	Project reports,	MEF, KFS, KWTA, NETFUND, Survey of Kenya, KNBS, DRSRS, KEFRI, FAO, UNDP, UNEP
	4.2 No. of organized community conservation groups with strengthened governance systems and structures	0	50		NETFUND, private sector, CFAs, FFSPAK
	4.3.No. of nature based enterprises led by indigenous people, forest adjacent communities, youth, women and other vulnerable groups established and upscaled	0	50		NETFUND, KEFRI, KWTA, FFSPAK
	4.4 No. of actors recognized and incentivized on sustainable forest management	0	50		NETFUND, KFS and KWTA, KEFRI
	4.5. No. of improved technologies to enhance efficient utilization and conversion of wood and sustainable management of forest resources promoted	TBD	5		KFS, KEFRI, CGs, KEREA, NETFUND
	4.6 No. of Counties with an enabling legal and policy framework for tree growing	TBD	47		MEF, CGs and COG

Outcome 5	Programme coordination and implementation structures established				Total outcome budget 4,001,000 (USD)
		Baseline	Target	Means of verification	Responsible Organization
Proposed Outputs	5.1. Project coordination, monitoring and evaluation system enhanced				
Proposed Output Indicators	5.1.a No. of national coordination structures established and functional	0	3[14]	Project reports	NETFUND, **MEF,** UNDP
	5.1.b No of County project implementation committees strengthened and operationalized	0	47	Committee minutes and reports	**County governments**
	5.1 c No of progress review meetings/field missions undertaken	0	20	Project progress/field reports	PTC, **Programme Coordination Unit**

[14] *PSC, PTC and Programme Coordination Unit/Secretariat*

BUDGET AND WORKPLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Y1	Y2	Y3	Y4	Y5	RESPONSIBLE PARTY	FUNDING AGENCY	PLANNED BUDGET
Sustainable financing and private sector investment for the National Tree Growing Programme enhanced	1.1.a Development and implementation of a resource mobilization plan for the project targeting GoK, Development Partners and Private Sector						MEF/TNT/**NETFUND**	UNDP, UNCDF, UNEP & FAO	1,000,000
	1.1.b. Development and operationalization of innovative financing mechanisms such as PES and carbon trading						MEF/KFS/KWTA/ **NETFUND**		750,000
	1.1.c. Development of an incentive framework to encourage the private sector to invest in commercial forestry						MEF/TNT/KEFRI/KFS/ **NETFUND**		200,000
SUB-TOTAL									1,950,000
Two billion quality seedlings produced in public and private nurseries	2.1.a. Collection, processing, and distribution of seeds						**KEFRI,** KFS	UNDP, UNCDF, UNEP & FAO	257,000
	2.1.b. Refurbishment and expansion of seed centers						**KEFRI**		500,000
	2.1.c. Development and implementation of certification standards for tree seeds						**KEFRI,** KFS, CGs		50,000
	2.1.d. Registration and certification of private seed dealers and stockists						**KEFRI,** KFS, CGs		8,500
	2.2.a. Production of seedlings by KFS and KWTA						**KFS, KWTA**		4,500,000
	2.2.b. Production of seedlings by MDAs and RAs						**MDAs**		1,600,000
	2.2.c. Production of seedlings by counties						CoG, **CGs**		2,000,000

	2.2.d. Production of seedlings by private TNs						**NETFUND**, Private Tree Nursery		3,500,000
	2.2.e Development and implementation of certification standards for tree nurseries						**KFS**		30,500
	2.2.f. Registration and certification private tree nurseries						**KFS,** KEFRI, FSK		235,000
	2.2.g. Development and upscaling of technologies and innovations on tree growing and forest management						NETFUND, **KEFRI**		500,000
SUB-TOTAL									**13,181,000**
National tree/forest cover increased by 2.8%	3.1.Rehabilitation of public natural forest reserves						**KFS**	UNDP, UNCDF, UNEP & FAO	1,375,000
	3.2.a Rehabilitation of water catchments, hilltops, and ecologically sensitive areas outside public forests						**KWTA,** NEMA, KWS, CGs, EOP		1,500,000
	3.2.b Development and implementation of frameworks for engagement with natural forest owners						KFS, **CGs,** KEFRI, KWS. NDMA		10,000
	3.3.a Rehabilitation of ASAL forests, rangelands and conservancies						**KFS,** CGs, KEFRI, KWS. NDMA		2,400,000
	3.3.b Implementation of sustainable charcoal production management plans in target counties						KFS, **CGs,** KEFRI, KWS. NDMA		32,200
	3.4. Gazettement of new forests and water towers						KFS, **CGs**, KWTA, COG		3,000
	3.5. Rehabilitation of mangrove forest						**KFS,** KEFRI, KEMFRI, KWS		2,403,600

	3.6. Restocking of commercial plantations in designated public forests						**KFS,** CFAs		3,000,000
	3.7. Establishment of private forest plantations						KFS, **CGs,** TGAs		810,000
	3.8. Establishment of trees on farmland including agroforestry						**CGs**, KFS, TGAs, KEFRI		1,811,000
	3.9. Operationalization of Transitional Implementation Plans (TIPs)						**CGs,** KFS, TGAs, KEFRI		114,100
	3.10. Establishment of trees in schools						**MEF,** MoE, KFS, KEFRI CGs		142,000
	3.11.a. Rehabilitation of arboreta and green spaces						**MoEF**, CGs, NEMA, KFS, MoLa, KENHA, KERRA, KURA, LAPSET, KFS		1,040,100
	3.11.b. Establishment of tree cover along roads, highways, and infrastructure projects								-
	3.12.a. Conduct tree-planting campaigns						**MEF** & all its SAGAs, MoE MINGC, CGs,		782,000
	3.12.b. Equip and strengthen the Forestry Innovation Center						**KEFRI**		25,000
	3.13 Enhance forest extension services at the county level						**KFS**, CGs, COG		152,500
SUB-TOTAL									**15,600,500**
Forest governance for sustainable forest management improved	4.1.a Strengthening capacity of existing human capital on protection and conservation of forests						MEF, **KFS,** KEFRI, KWTA, NETFUND, NEMA	UNDP, UNCDF, UNEP & FAO	1,242,500
	4.1.b Operationalize the forest management information system						MEF, **KFS,** KWTA, KNBS, DRSRS, KEFRI, NETFUND		350,000
	4.2.a Strengthen governance systems and structures for organized community conservation groups						**NETFUND**, Private sector, CFAs, FFSPAK		470,000

	4.3. Support the establishment and scale up of nature-based solutions around the forestry and agroforestry sectors					**NETFUND,** KEFRI, KWTA, FFSPAK		7,390,000
	4.4. Recognize and Incentive actors engaged in sustainable forest management					**NETFUND**		500,000
	4.5. Promotion of efficient energy technologies					NETFUND, **KEFRI,** CGs		215,000
	4.6. Strengthen Policy and legal framework for tree growing					**MEF**, CGs and COG		100,000
SUB-TOTAL								**10,267,500**
Programme coordination, monitoring and evaluation systems enhanced	5.1.a Establishment and operationalization of national coordination structures					NETFUND, **MEF**	UNDP	35,000
	5.1.b Strengthen and operationalize county project implementation committees					NETFUND**, CGs**		200,000
	5.1.c Establishment and operationalization of the Project secretariat					**MEF,** NETFUND		1,516,000
	5.1.d Monitoring and Evaluation					**NETFUND**		2,250,000
SUB-TOTAL								**4,001,000**
GRAND TOTAL								**45,000,000**

10. Implementation, Management and Coordination Arrangements

10.1 Implementation

The Joint Programme is implemented by the Participating UN Organizations in partnership with the Ministry of Environment and Forestry and her relevant agencies and in collaboration with other Ministries, State Departments and Agencies, Private Sector Actors, and the Civil Society organizations. The Ministry of Environment and Forestry is the key Ministry of the Government of Kenya charged with the responsibility to ensure protection, restoration, conservation, development and management of environment and forestry resources in the country. The Ministry offers the leadership by facilitating the enabling policies, legal and regulatory reforms for promoting sustainability of the environment and forest resources. In this programme, the Ministry will offer the leadership role by coordinating the sector players and formulating relevant policies and facilitative legislative and regulatory reforms as per the programme's outcome areas. The Ministry has state agencies with various mandates within the environment sector. These agencies implement enforcement laws, policies and regulations and undertake pragmatic interventions related to their respective mandates.

a) National Environment Trust Fund (NETFUND): The Fund is established by the Environmental Management and Coordination Act 1999 (rev.2015) with the mandate to facilitate research intended to further the requirements of environmental management, capacity building, environmental awards, environmental publications, scholarships and grants. The organization will play the role of establishing funding mechanisms and mobilizing, managing, and availing resources to different actors. The Fund will also play a key role in promoting innovations and technologies that will accelerate attainment of the 10 percent national tree cover.

b) Kenya Forest Service (KFS): The agency was established by the Forest Conservation and Management Act no 34 of 2016 with a mandate to provide for the development and sustainable management, including conservation and rational utilization of all forest resources for the socioeconomic development of the country and for connected purposes. KFS will be the key agency in the implementation of the programme by offering the required technical expertise, establishment of tree nurseries through its field stations, mapping out planting areas and engagements with local stakeholders for planting activities.

c) Kenya Forestry Research Institute (KEFRI): The organization is anchored in both Science, Technology, and Innovation Act No. 28 of 2013 and the Forest Conservation and Management Act, 2016 with the sole mandate to under forestry research. This institution will provide the scientific and technological knowledge and information required for tree growing including seeds production and supply, site matching and general advisory.

d) Kenya Water Towers Agency (KWTA): The organization was through an Executive Legal Notice No. 27 of 2012 to coordinate and oversee the protection, rehabilitation, conservation, and sustainable management of all the critical water towers in Kenya. The agency's role in the programme will be to spearhead afforestation and reforestation activities in water towers in the country. The agency will map out planting areas in water towers and collaborate with local stakeholders for tree planting activities.

e) National Environment Management Authority (NEMA): The Authority is established by the Environmental Management and Coordination Act 1999 (rev.2015) with the mandate to ensure sustainable management of the environment through exercising general supervision and coordination over matters relating to the environment. NEMA's role will be to spearhead restoration and protection efforts in wetlands and riparian areas. It will support in enhancing environmental education and public awareness on the program's activities and to render advice and technical support for enhanced and environmental protection.

f) County Governments: The functions of County Governments in Kenya are enshrined in the Constitution. The counties are charged with, among other functions, enhancing environmental conservation and natural resources management including sustainable management of forest resources. All the project interventions will be carried out at the county level. Therefore, the role of the County Governments will be to provide space for restoration activities within their jurisdiction and maintaining and enhancing forest

cover in their areas. Additionally, local community participation in managing forest resources is key. The Counties will therefore be expected to mobilize their communities to participate especially in restoration activities as envisaged in the programme.

g) Civil Society Organizations and community groups: The CSOs and community groups will be engaged in restoration, rehabilitation, and protection of degraded forest areas.

Each Participating UN Organization implements the Joint Programme's activities according to its specific mandate, but as clearly outlined below:

1. UNDP's Role in the TGSFFM UN Joint Programme

UNDP works with countries to expand people's choices for a fairer, sustainable future, to build the world envisioned by Agenda 2030 with planet and people in balance. UNDP's work is guided by the normative framework of the UN Development System that was recently emboldened by the expanded mandate to act as an integrator of SDGs within the UN system. It is also the most transparent organization in the world for the last 10 years, which encourages accountability with our major funders. UNDP has and continues to play a convening around major development issues such as climate change, nature-based solutions, human rights, elections, peacebuilding, and specifically providing top-notch technical assistance for sustainable development. UNDP's Kenya Country Programme (2018-2022), aims to achieve the following:

(a) Better respond to varied localized governance contexts through area-based and integrated programming to reach the marginalized in ASALs and border counties, including women, youth, and persons with disabilities.

(b) Support alignment of subnational policy with the 2030 Agenda and of national macroeconomic policy to national targets: and

(c) In line with Sustainable Goal 17, drive sustainability through philanthropic and private sector partnerships and with international financial institutions (IFIs).

The UNDP programme in Kenya has three strategic priorities on (a) governance, peace, and security; (b) inclusive growth and structural transformation; and (c) environmental sustainability, climate change and resilience. Within the Environmental sustainability area, UNDP has a robust portfolio of programmes and projects that are supporting Kenya's quest to realize the sustainable development goals, as well as the ambitious aspirations enshrined in the Constitution 2010, Vision 2030 and its Medium-Term Plans, the legislations, regulations, policies, guidelines, and standards. UNDP has over 7 projects with the Ministry of Environment, with a cumulative budget of over 30 Million USD. The key ones that are quite strategic in Sustainable Tree Growing include the REDD+ Readiness project, the Green Economy Youth Activation Project (GrEYAP), the NDC Support Project, the NDC Implementation Acceleration Project, the BESNET. These initiatives provide the firm building blocks for the Tree Growing and Sustainable Forestry Management UN Joint Programme.

In terms of the UNJP, UNDP has helped design an institutional strengthening plan for the NETFUND. Through this transformational plan, that includes a proposal for the amendment of the constitutive act (EMCA 1999 Cap 487 of the Laws of Kenya), sustainability of the TGSFFM will be realized. The capacity of NETFUND will be further strengthened to play a more strategic role in Kenya's innovative finance terrain, to leverage on the growing private sector to finance environmental management. Through the UNDP REDD+ Readiness project, the REDD+ Strategy and Investment Plan will be developed and applied to promote the creative mobilization of resources for the Tree growing fund. The GrEYAP will avail opportunities for widescale youth inclusion in the Tree Growing Fund and program activities.

2. UNCDF's Role in the TGSFFM UN Joint Programme

UNCDF makes public and private finance work for the poor in the world's 46 least developed countries (LDCs). UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative

municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.

In the context of the Joint Programme, UNCDF will support the design and implementation of innovative financing approaches, models, and mechanisms to increase public and private finance for tree growing, sustainable forestation and forest management. UNCDF will support the review and redesign of the county public financial management systems to make them climate responsive with the view to increase discretionary fiscal space for tree growing activities and improve implementation modalities. It will work on the establishment, capitalization, and operation of the Tree Growing Fund, and on the design and preparation of other private sector financial solutions, such as debt for nature (DFN) swaps and green/forest resilience bonds. In doing so, UNCDF will introduce and apply relevant digital solutions to enhance transparency, reduce transaction costs and increase efficiency.

UNCDF will link these efforts to its ongoing activities in the framework of the UN Joint Programme on Devolution in Kenya, particularly Output 1.2: Public finance management institutions have strengthened processes and systems for equitable, efficient, and accountable service delivery. In addition, UNCDF will leverage its existing cooperation with the IMF TADAT Secretariat to enhance the climate responsiveness of county tax administrations. It will also deploy the expertise and tools of its Local Climate Adaptive Living Facility (LoCAL) mechanism, a standard, internationally recognized mechanism designed to promote climate change–resilient communities and local economies.

3. UN - FAO's Role in the TGSFFM UN Joint Programme

FAO, as a specialized agency of the United Nations, was mandated to sustain forest timber values towards ensuring "continuous productivity of existing forests". Today's FAO, as part of the larger global forest architecture, attempts to protect the multiple values of forests through addressing the drivers of deforestation and forest degradation and the challenges they present to conservation and sustainable forest management (SFM). FAO combines technical knowledge in forests and forestry with a visible role as a key "steward of the world's forests. The promotion of the sustainable management of forests and trees has been an integral part of FAO's mission since its establishment. FAO's forestry activities include monitoring, assessing and sharing information on forests, participating in global forestry processes, supporting national forest policies and institutions, and more broadly work on forest resources management, the socio-economic aspects of forests, and cross-cutting themes such as watershed management and climate change. These activities are intended to contribute to all three global goals of the Organization, namely food security, poverty reduction, and the sustainable management and utilization of natural resources

FAO's main comparative advantage compared to other international organizations dealing with forests is the fact that it has, under one roof, the expertise to deal with technical issues in forestry and also with most kinds of land and natural resource uses (other than mining). FAO has the expertise and capacity to deal with the interactions between resource uses that are manifested in cross-sectoral challenges and opportunities existing in many countries.

FAO' Programme in Kenya provides support to the government through the Country Programme Framework (CPF) with focus in four thematic areas: (i) Developing an Enabling Policy and Investment Environment, (ii) Strengthening Inclusive Value Chains (iii) Increasing Resilient Food and Livelihood Systems and (iv) Improving Governance of Natural Resources. FAO Kenya will provide co-finance to the Tree Growing Fund through ongoing programmes on forest and landscape restoration under GEF funding and support to smallholder forest and farm producers under the Forest and Farm Facility (FFF).

4. UNEP's Role in the TGSFFM UN Joint Programme

The United Nations Environment Programme (UNEP) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment. Its mission is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of

future generations.

UNEP will support the Government of Kenya to meet their commitment on the recently launched UN Decade on Ecosystem Restoration. This includes, among other activities, pursuing large scale assessment of land degradation using remote sensing, cloud technology and on-the ground proofing in partnership with international scientific institutions (e.g., NASA, European Space Agency). UNEP will leverage on its ongoing work on the ongoing UNREDD initiative in Kenya through providing technical expertise and promoting South-South technical exchanges to secure the mitigation potential of its forests. Using its convening power, UNEP will enhance institutional capacity building to improve forest law enforcement and governance, including pursuing its efforts to strengthen Civil Society and local actors' participation to the ecosystem restoration initiatives. UNEP will champion the Landscape Restoration through the Network of Women Environmentalists (NAWE). UNEP will also rally other UN Agencies through the Issue-Based Coalition on Climate Change. Finally, UNEP will spearhead the development of a joint initiative (UNDP, UNWOMEN, FAO, UNEP) on resilient agriculture for improved livelihood of rural women, as well as on promoting non-wood forest products. All these efforts will greatly support the UN Joint Programme on Tree Growing and Sustainable Forestry Finance and Management.

10.2 Management and Coordination

This Project is designed under a National Implementation Modality (NIM)[15], where the National Implementing Party (IP), in this case the Ministry of Environment and Forestry, assumes overall authority during the Project Implementation stage. In instances where other implementation modalities will be required by the Participating United Nation Agencies, exceptional approvals will be secured from the Government of Kenya. The Ministry will facilitate coordination of project results at the national and county levels as the designated government focal point for this programme. The programme will establish Project Steering Committee, Project Technical Committee and Programme Coordination Unit to support successful implementation of the programme.

The Project Steering Committee

The Joint Programme Steering Committee (JPSC) is the overall oversight body responsible for policy guidance and approvals. It is chaired by the Principal Secretary of the Ministry of Environment and Forestry and co-chaired by UNDP Resident Representative. The Cabinet Secretary for the Environment and Forestry shall convene and chair a high-level policy meeting at least twice a year, where the partners, including Cabinet Secretaries and Governors will discuss the project implementation progress.

The JPSC will have the following key functions:

a) Provide overall guidance and direction to the programme, ensuring it remains within scope and budget;
b) Approve workplans and related budgets;
c) Address programme-related issues as raised by the Senior Joint Programme Manager/Programme Coordinator;
d) Provide guidance on new risks and agree on possible countermeasures and management actions to address them;
e) Review the progress and provide recommendations to ensure agreed deliverables are met according to plan;
f) Approve the UNJP annual and final reports;
g) Provide ad-hoc direction and advice for exceptional situations when Programme Coordination Unit's tolerances are exceeded;
h) Assess and decide to proceed on Programme changes through appropriate revisions, including the programme extensions.

The JPSC will meet minimum twice a year and as required and will take decisions by consensus.

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NIM – Nationally Implemented Modality is where Government development coordination authority implementing partner and UNDP sign the project document

Programme Technical Committee (PTC)

The PTC will be chaired by a MoEF appointed representative and will be accountable to the PSC for the achievements of the project objectives and targets. It will be responsible for providing technical expertise and guidance to the Project Steering Committee (PSC) and Programme Coordination Unit (PCU) throughout the implementation of project activities as detailed in programme document and log frame.

The PTC membership will comprise of membership from key implementing entities including; Kenya Forest Service, Kenya Forestry Research Institute, Kenya Water Towers Agency, National Environment Trust Fund, National Environment Management Authority, Council of Governors, Kenya Private Sector Alliance, as well as the technical focal points from UNDP, UNEP, FAO and UNCDF..

Specific roles of the PTC will be to:

1. Provide strategic advice to the PCU for the implementation of project activities to ensure that the project activities are aligned with national policies and priorities.
2. Provide guidance on participation of stakeholders in project activities
3. Provide technical backstopping to the project through review the project activities for technical soundness and provide inputs

Programme Coordination Unit

The day-to-day management and coordination of the Joint Programme will be overseen by a Programme Coordination Unit (PCU) hosted and led by UNDP in its capacity of Convening Agency of the Joint Programme and in conjunction with the Ministry of Environment and Forestry as the main implementing entity for the program. The PCU is headed by a Senior Joint Programme Manager or Programme Coordinator, appointed by UNDP as the national-level focal point of the UNJP, providing overall coordination support of the national entities' activities. Additionally, the programme will recruit key staff to support the Programme Coordinator in the effective implementation of the proposed activities by handling the day-to-day tasks and other logistical support. These will include a Project Officer, Monitoring and Evaluation Officer, Finance Officer, Procurement Officer and a Knowledge Management and Communications Officer. This team will work with the PCU to ensure delivery of the programme targets

The List of implementation focal points is found in Annex 1.

The Programme Coordinator is responsible for establishing the most efficient and cost-effective coordination structure according to the scope of annual work plans and for overseeing the coordination. This structure should be looked at as a function and not necessarily a specific unit. PCU functions are expected to be split between activity planning and coordination with the Programme partners and government counterparts for the respective area, supporting government counterparts in programme coordination, undertaking monitoring, and facilitating review exercises in the respective outcome/output area.

The Senior Joint Programme Manager/Programme Coordinator will report to the Joint Programme Steering Committee and has the following responsibilities:

a) Provide overall coordination to the Programme, ensuring it remains within any specified constraints and in accordance with the results and resources framework;
b) Facilitate annual work planning and review exercises and ensure the preparation of Programme annual work plans and budgets, monitoring and evaluation framework and plan, substantive Programme or budget revisions and annual review reports, making recommendations to the Joint Programme Steering Committee as required;
c) Liaise with the Administrative agent and request funds transfers as decided/allocated by the JP Steering Committee;
d) Facilitate the Joint Programme and PCU meetings;
e) Review and consolidate narrative quarterly progress, annual and final reports, and endorse any proposed deviation from agreed work plans/budgets before they are submitted to the Joint Programme Steering Committee for approval. Provide directions and recommendations to ensure that the agreed deliverables are

produced satisfactorily according to work plans. Provide ad hoc direction and advice for exceptions when tolerances are exceeded, and make recommendations to the Joint Programme Steering Committee when required;

f) Give input to resource mobilization efforts and make recommendations to the Joint Programme Steering Committee as necessary;
g) Propose to the Project Steering Committee resource allocations when applicable (including JP Direct Costs), following the policy set by the Joint Programme Steering Committee, through the applicable fund management modality (passthrough);
h) Exchange relevant information, share lessons and examples of best practices and consider any matters related to the enhancement and implementation of the Joint Programme and its various components;
i) Analyze possible countermeasures/management actions to address specific risks and make recommendations to the Joint Programme Steering Committee as required according to the scope of the risk.
j) Lead all Programme reviews and evaluations, including the mid-term and final evaluations.
k) Notify operational completion of the Joint Programme to the Joint Programme Steering Committee.
l) Review the need for colocation of UN agency staff involved in the Joint Program to ensure maximum coordination and teamwork, and advice the PUNOs accordingly;
m) Review the options for using the capacity of agency specific project managers in addressing cross cutting issues such as policy, capacity building, and institutional development.

11. Fund Management Arrangements

The Joint Programme uses a pass-through fund management modality, where the Multi-Partner Trust Fund Office acts as the Administrative Agent (AA). The funds flow mechanisms that will be adopted by the project will be the revenue and AIA model in line with the Public Finance Management Act of 2012 and Public Financial Management Regulations 2015.

12. Monitoring, Evaluation and Reporting

The UNJP provides for efficient oversight, monitoring, and reporting to ensure efficient and effective implementation and that the project is on course to realizing defined outputs and outcome in a timely manner and to assist project management timely information for decision making. In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

12.1. Monitoring

The project management team will elaborate an integrated monitoring and evaluation mechanism. Quarterly monitoring field visits and regular narrative and financial reports will also be carried out in conformity with UNDP procedures and agreements with the funding partners to the UN Joint Programme. The UNDP Country Office will regularly submit a mid-term report and a final report (incl. narrative and financials) to the MPTF. The monitoring and evaluation process will include gender-responsive quantitative and qualitative performance indicators detailed against each of the outputs. The programme coordination unit and the PSC are responsible for monitoring performance on these indicators and devising corrective action if required. The coordination unit will ensure that lessons learnt in promoting gender equality and women's empowerment are captured and shared with stakeholders.

12.2. Evaluation

Two evaluation exercises will be undertaken for the project as follows:

a) Mid-term evaluation: A mid-term independent evaluation will be commissioned to review progress made against set targets and recommend change in project scope and/or implementation modalities to inform

the remaining project period. A mid-term workshop will be organized to discuss the finings with project implementers and stakeholders.

b) End-term evaluation: An independent end-term evaluation at the end of the project will be commissioned to assess the general achievement of set objectives and attainment of outcomes and impacts and document key experiences including best practices. The end term evaluation report will be shared with stakeholders and development partners.

12.3. Reporting

The Programme Coordinator will prepare quarterly programme progress reports based on field assessments and reports prepared by the implementing partners. These reports will be submitted for review to the PMTG.

Narrative Reports

The Participating UN Organizations will present the following reports to the Programme Coordinator for consolidation and further submission to the Administrative Agent:

(a) Annual narrative reports to be provided no more than three months (March 31st) after the end of the calendar year.
(b) Final narrative reports after the end of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than four months (April 30th) in the following year after the operational closure of the Joint Programme.

Annual and final reports will exhibit results based on evidence. Annual and final narrative reports will compare actual results against estimated results in terms of outputs and outcomes and explain the reasons of higher or lower performance.

Financial Reports

The Participating UN Organizations' HQs will submit the following financial statements and reports to the Administrative Agent for consolidation:

(a) Annual financial statements and reports to December 31st, regarding the funds received from the AA; these shall be provided no more than four months (April 30th) after the ending of the calendar year.
(b) Final certified financial statements and financial reports after the completion of activities contained in the program-related approved document, including the final year of such activities, to be submitted no more than six months (June 30th) in the following year after the financial closure of the Joint Programme.

The MPTF Office will:

- Ensure the consolidation of the narrative and financial progress reports, based on the narrative consolidated report prepared by the Convening Agency and the financial statements/ reports submitted by each of the Participating UN Organizations in accordance with the timetable established in the MoU;
- Provide those consolidated reports to each donor that has contributed to the Joint Programme Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
- Provide the donors, Steering Committee and Participating Organizations with:
  - Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year;
  - Certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the Joint Programme.

13. SDG Targets and Indicators

Sustainable Development Goals (SDGs)			
☒	SDG 1 (No poverty)	☐	SDG 9 (Industry, Innovation, and Infrastructure)
☐	SDG 2 (Zero hunger)	☐	SDG 10 (Reduced Inequalities)
☐	SDG 3 (Good health & well-being)	☐	SDG 11 (Sustainable Cities & Communities)
☐	SDG 4 (Quality education)	☐	SDG 12 (Responsible Consumption & Production)
☐	SDG 5 (Gender equality)	☒	SDG 13 (Climate action)
☐	SDG 6 (Clean water and sanitation)	☐	SDG 14 (Life below water)
☐	SDG 7 (Sustainable energy)	☒	SDG 15 (Life on land)
☐	SDG 8 (Decent work & Economic Growth)	☐	SDG 16 (Peace, justice & strong institutions)
☐	SDG 17 (Partnerships for the Goals)		

Relevant SDG Targets and Indicators		
Target	Indicator # and Description	Estimated % Budget allocated
1.2	1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	
13.2	13.2 Integrate climate change measures into national policies, strategies, and planning	
15.1	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements	
15.2	15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	
15.b	15.b: Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation	

14. Risk Assessment

Event	Categories Financial Operational Organizational Political (regulatory and/or strategic)	Level 3 – Very High 2 – Medium High 1 - Low	Likelihood 6 – Expected 5 – Highly Likely 4 – Likely 3 – Moderate 2 – Low Likelihood 1 – Not Likely 0 – Not Applicable	Impact 5 – Extreme 4 – Major 3 – Moderate 2 – Minor 1 – Insignificant	Mitigating Measures (List the specific mitigation measures)	Responsible Party
Risk 1 Inefficient use of seedlings	Operational, organizational	Medium	Moderate	Extreme	• Capacity building in seed collection and storage, nursery management • Protection of land for planting, incl. provision of alternative livelihoods • Using research and technology for suitable distribution schemes and forest management	Project Technical Committee
Risk 2 Not reaching intended beneficiaries	Organizational	Medium	Low	Major	• Developing identification criteria for CFAs, WRUAs, community groups • Conducing due diligence on beneficiaries and pot	Project Technical Committee

Risk 3 Insufficient national and international support for the Programme	Financial, organizational, political	Medium	Moderate	Extreme	• Developing clear fundraising strategies • Sensitizing national and international communities on risks and impacts of deforestation • Ensuring stakeholder engagement on all project stages • Ensuring political support • Developing and implementing communications strategies • Developing and implementing transparent funds monitoring mechanisms, ensuring accountability	Project Steering Committee and Participating UN Organizations
Risk 4 Corruption and failure to effectively utilize resources	Financial	Medium	4	5	• Strong anti-corruption measures including reporting and whistle blower's policy • Strict adherence to the Project Work Plans and regular trainings and capacity building	Project Steering Committee

Annex 1. Implementation focal points

Agency	Personal details	Position	Contact details
Ministry of Environment and Forestry	Alfred Gichu	Head- Directorate of Forest Conservation	alfredgichu@yahoo.com; +254722787403
NETFUND	Samson Toniok	CEO – NETFUND	info@netfund.go.ke +254 20 2369563
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