REPUBLIC OF KENYA

DRAFT PUBLIC INVESTMENT MANAGEMENT GUIDELINES

AUGUST 2018
BACKGROUND

An efficient public investment management framework is a panacea for efficient project cycle management. Currently, the country does not have a public investment management framework. Without any methodological guidance on efficient public investments, the basis for consistent and comprehensive project appraisal is missing. This not only leads to projects entering the budget without verification of their quality and their cost effectiveness but also a greater likelihood of ad-hoc decisions on project funding. The result is a bloated project portfolio, unpredictable funding, stalled projects, and inflated costs contributing to the under-execution of budgets and delayed translation of the investment in projected economic growth.

Public Investment Management (PIM) framework has therefore been proposed to outline procedures for project selection, appraisal, monitoring, evaluation and reporting. The PIM Guidelines have been developed to facilitate national and county government’s entities to strengthen processes for project selection, appraisal, budgeting, monitoring, evaluation and reporting. The PIM Guidelines are therefore aimed at supporting expenditure control and spending by providing standard processes for project identification, appraisal, budgeting, monitoring, evaluation and reporting, and by doing so ensure that only priority projects are financed and fully implemented.

1. AUTHORISATION

These guidelines are issued under Section 12 (1) (e) of the Public Finance Management Act, 2012, which empowers the National Treasury to prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting as contemplated by Article 226 of the Constitution.
2. DEFINITIONS
Terms used in these guidelines are as defined in the Constitution, Public Finance Management Act, 2012 and its Regulations, the Environmental Management and Coordination Act, 1999, Public Private Partnerships Act, 2013, and Public Procurement and Asset Disposal Act, 2015 unless otherwise specified.

Other terms used in these guidelines shall be taken to have the meaning assigned to them hereunder:

a. Accounting Officer - has the same meaning as assigned under Section 2 of the Public Finance Management Act, 2012.

b. Bottom-up Approach - this approach identifies projects in response to stakeholder needs, through relevant stakeholder consultations.

c. Cabinet Secretary - has the same meaning as assigned under Section 2 of the Public Finance Management Act, 2012.

d. Constitutional Commissions and Independent Offices - has the same meaning as assigned in the Constitution.

e. Contract Implementation Team - has the same meaning as assigned under Section 2 of the Public Procurement and Asset Disposal Act, 2015 and its Regulations.

f. Environmental Impact Assessment - this has the same meaning as assigned in the Environmental Management and Coordination Act, 1999.

 g. Feasibility Study - a study undertaken to explore the technical, legal, economic, financial, social and environmental viability of undertaking a project.

h. Logical Framework Analysis - this is a project planning approach that analyzes incremental causal relations in project execution including risks and assumptions.

i. Logical Framework Matrix - a systematic tool for designing, planning, implementing and monitoring and evaluating of a project or a Programme.

j. National Government Entity - has the same meaning assigned Section 2 of the Public Finance Management Act, 2012.

k. Outcomes – expected changes or effects on the intended beneficiaries occurring as a result of project or programme implementation.

l. Outputs – direct products or services stemming from the implementation of a project or programme.

m. Pipeline Project - projects that have been appraised and granted the necessary approvals for implementation and have been uploaded in the Public investment Management information system.

n. Procuring Entity – has the same meaning as assigned in the Public Procurement and Asset Disposal Act, 2015.

o. Project - a temporary developmental undertaking for the purpose of delivering specific products, services or results within a given budget and timeframe.

p. Project Appraisal - an analysis of a project to establish its fiscal, financial and technical viability, economic worthwhile, benefits to stakeholders and how risks associated with the project are identified and mitigated.

q. Project Cycle – a series of sequential phases from project, identification, planning, appraisal, budgeting, implementation, monitoring, evaluation and reporting.

r. Public Investment – this is the development or an acquisition, hiring or leasing of an asset or service(s) by the Government and its entities to deliver public goods and services.
s.  *Public Private Partnership* – has the same meaning as assigned in the Public Private Partnerships Act, 2013.

t.  *Project Impact Assessment* - this is an assessment of a project’s potential positive and negative consequences such as effects on income distribution, poverty, unemployment, gender equality and minorities.

u.  *State Organ* - has the same meaning as assigned in the Constitution.

v.  *Top-down Approach* -this a project implementation approach that identifies projects in response to policy objectives highlighted in national and county development plans, Sectoral and Strategic plans and other policy documents such as Budget Policy Statements and County Fiscal Strategy Paper.

3.  **PURPOSE**
The purpose of these guidelines is to provide a framework for efficient and effective public investment management that includes project planning, selection, budgeting, implementation, completion, reporting, monitoring, evaluation, asset management and sustainability to ensure value for money and optimal use of public resources.

4.  **OBJECTIVES**
In particular, the Guidelines are intended to achieve the following objectives:

a.  Provide a standard approach in project cycle management to facilitate the National and County Governments and their entities in the identification, project selection, appraising, implementing and financing viable projects that meet development needs;

b.  Establish and maintain a public investment management information system to inform decision making on public investments;

c.  Clarify roles and responsibilities of various institutions in the Public Investment Management cycle.

5.  **SCOPE**
These guidelines shall apply to:

a.  National and county governments and their entities, including constitutional commissions, independent offices, and state organs when planning and implementing public investments.

b.  Public investment projects whether wholly or partially funded through public finances, irrespective of the source.

c.  Projects considered for implementation through Public Private Partnership arrangements, in so far as the guidelines are not in contradiction with the provisions of the Public Private Partnership (PPP) Act, 2013.

6.  **INSTITUTIONAL FRAMEWORK**

6.1  **The Cabinet/County Executive Committee shall:**

a.  Provide strategic leadership and interventions during implementation of public investments;

b.  Issue policies required for proper, efficient and effective implementation of public investments; and
c. Provide necessary approvals, where required.

6.2 **The National Treasury**

6.2.1. The National Treasury shall have the following responsibilities for both National and County Governments and their entities:

a. Review the Public Investment Management Guidelines with the approval of the Cabinet and communicate any changes to Accounting Officers in National and County Governments and their entities;

b. Review the Public Investment Management Schedules annexed hereto and communicate any changes to Accounting Officers in National and County Governments and their entities;

c. Oversee implementation and ensure compliance with these Public Investment Management guidelines;

d. Formulating, developing and overseeing of Public Investment Management policies;

e. Designing and maintaining an efficient, effective and reliable Public Investment Management Information System to be used by National and County Governments;

f. The overall Public Investment Management Information System administration assigning role based user and access rights to Accounting Officers and officers designated by them;

g. Building and strengthening the capacity of National and County Governments and their entities on the use of Public Investment Management processes and systems;

h. Establishing a Public Investment Management Department, which shall be the focal point for public investment management.

i. Prescribing a criteria for appraisal of concept notes and feasibility studies.

j. Developing a public investment management information disclosure framework.

6.2.2. **Where** national government projects are concerned, the National Treasury shall be responsible for:

a. Develop and maintain a framework for project planning, design and implementation;

b. Reviewing project concept notes, and recommending whether or not feasibility studies should be undertaken;

c. Reviewing feasibility studies and approving the projects for inclusion in the pipeline;

d. Carrying out independent mid-term and end term evaluations for medium, large and mega projects;

e. Monitoring the public investment management information system to ensure that approved and pipelined projects are uploaded;

f. Monitoring, tracking and reporting on the physical status of projects and programmes in collaboration with relevant Accounting Officer;

g. Consolidating portfolio of public investment projects in the pipeline, which have been approved by Accounting Officers;
h. Approving new projects for funding where there is fiscal space;
i. Preparing analytical reports based on project data in the Public Investment Management Information System to inform decision making on policy planning and budget execution;
j. Sharing project analytical reports during the Intergovernmental Budget and Economic Council for coordination;
k. Organizing annual public investment management forums for knowledge sharing.

6.3 The County Treasury shall:
   a. Establish a Public Investment Management Unit at the County Treasury, which shall be the focal point for public investment management;
   b. Review project concept notes, and recommending whether or not feasibility studies should be undertaken;
   c. Review feasibility studies and approving the projects for inclusion in the pipeline;
   d. Carry out independent mid-term and end term evaluations for medium, large and mega projects;
   e. Monitor the public investment management information system to ensure that approved and pipelined projects are uploaded;
   f. Monitor, tracking and reporting on the physical status of projects and programmes in collaboration with relevant Accounting Officer;
   g. Consolidate portfolio of public investment projects in the pipeline, which have been approved by Accounting Officers;
   h. Approve new projects for funding where there is fiscal space;
   i. Prepare analytical reports based on project data in the Public Investment Management Information System to inform decision making on policy planning and budget execution;
   j. Share project analytical reports with the National Treasury during the Intergovernmental Budget and Economic Council for coordination;
   k. Organize annual public investment management forums for knowledge sharing.

6.4 The Department responsible for Planning at the National Government shall:
   a. Convene public participation and stakeholder consultation forums in order to identify strategic national and sectoral priorities to be included in national development plans;
   b. Coordinate development of national and sectoral development plans.
   c. Issue guidelines to guide the development of County Integrated Development Plans;
   d. Develop and maintain a framework for monitoring and reporting on non-financial performance of projects;
   e. Provide adequate and skilled staff for units responsible for Project Planning and Monitoring in Ministries and State Departments;
   f. Undertake independent impact assessment of projects;
   g. Provide quality assurance on monitoring and evaluation data uploaded in the Public Investment Management Information System;
6.5 **The Department responsible for Planning at the County Government shall:**
   a. Convene public participation and stakeholder consultation forums in order to identify county, sectoral and strategic priorities to be included in county integrated development plans;
   b. Coordinate development of county, sectoral and strategic plans;
   c. Provide adequate and skilled staff for units responsible for Project Planning and Monitoring in county governments;
   d. Undertake independent impact assessment of projects.
   e. Provide quality assurance on monitoring and evaluation data uploaded in the Public Investment Management Information System;
   f. Prepare quarterly and annual consolidated project monitoring reports and submit to the County Executive Committee Member responsible for Finance to inform policy and decision making.

6.6 **The Cabinet Secretaries/County Executive Committee Members shall:**
   a. Provide strategic leadership and interventions during implementation of public investments;
   b. Provide policies required for proper, efficient and effective implementation of public investments;
   c. Provide necessary approvals, where required.

6.7 **An Accounting Officer shall:**
   a. Approve and facilitate resources necessary for effective implementation of projects.
   b. Be accountable for successful implementation of projects based on key performance indicators.
   c. Be responsible for efficient and effective utilization of resources that will be expended in project execution.
   d. Be responsible for all procurements to ensure the success of the project on time, on schedule and within budget.
   e. Ensure that project agreements / contracts are consistent with the Financing Agreement for effective and efficient implementation of the project.
   f. Declare to the National/County Treasury all projects within their jurisdiction using development partners support.
   g. Provide the primary link and enhance collaboration between the relevant stakeholders, including Government, development partners, project financiers and champion implementation to ensure efficient and effective delivery of the project objectives.
   h. Ensure emerging issues are resolved to ensure effective implementation of the project.
   i. Be responsible for monitoring, evaluation and reporting of the project including uploading and updating project monitoring and evaluation data in the system.
j. Be responsible for successful project closure and transfer of assets and liabilities in accordance with the provisions of the project contract, project document or financing agreement and any other relevant laws.

k. Be responsible for carrying out end-term or summative project evaluation upon completion of the project.

l. Ensure that project emanating from a state or county corporation, or autonomous or semi-autonomous government agency are cleared by the Project Committees, Accounting Officer, and the Board of the respective corporation/agency and the relevant Cabinet Secretary/County Executive Committee Member before submission to the National or County Treasury.

m. May appoint public officers who are immediately in charge of implementation of a project or program to be the holders of authority to incur expenditure on his/her behalf.

n. In order to promote information sharing and coordination in public investment projects in accordance with the Inter-governmental Relations Act 2012:
   i. Participate in Sector Working Groups in both National and County levels
   ii. Submit a status report to the IBEC on all ongoing and pipelined projects
   iii. Constitute joint committees

o. Establish a Project Committee comprising appropriate Officers from the following:
   i. Chairperson – Head of a Directorate or a Department
   ii. Finance Department - Member
   iii. A maximum of four members appointed on ad hoc basis based on their technical knowledge and depending on the project to be implemented - Member
   iv. At least one member from any departments of the MDAs/CDAs
   v. Head of Planning – Secretariat

The Project Committees shall:
   i. Review project concept notes and make recommendations to Accounting Officer;
   ii. Review project feasibility studies and make recommendations to Accounting Officer;
   iii. Identify the potential project risks and mitigating measures;
   iv. Prioritize projects based on the MDAs/CDAs Strategic Plan, Medium Term Plan, and national and county development plans;
   v. Recommend for approval, the projects to be implemented;
   vi. Recommend the mode of project financing;
   vii. Provide guidance on any changes in the project design;
7. PUBLIC INVESTMENT MANAGEMENT PROCESS

7.1 The Public Investment Management Process shall comprise five distinct and sequential stages;
   i. Project identification and planning
   ii. Project feasibility and appraisal
   iii. Project selection for budgeting
   iv. Implementation, monitoring, evaluation and reporting
   v. Project closure, sustainability and impact assessment

7.2 PROJECT IDENTIFICATION AND PLANNING
a. Small projects shall require only Project Concept Notes without a feasibility study. Project concept notes and pre-appraisal shall be prepared using internal capacity within government.
b. Medium, Large and Mega projects shall require a feasibility study in accordance to schedule 4.
c. Under exceptional circumstances, a medium, large and mega projects may be exempted from the requirements for a feasibility study by an Accounting Officer with the approval from the National/County Treasury.
d. The Accounting Officer shall ensure all projects are identified through stakeholder consultations process.
e. The Accounting Officer shall ensure that;
   i. Potential projects are identified using a top-down, bottom-up or a combination of the two.
   ii. Project conceptual design are prepared using the logical framework analysis and develop the result or logical framework matrix in accordance with Schedule 2 containing the project structure, intervention logic, risk and assumption and formulating measurable indicators with clear inputs, outputs, outcomes and impacts.
   iii. Splitting of medium, large or mega projects into small projects with the intention of circumventing any part of the Public Investment Management process is not allowed.
   iv. Project concept note for all projects and feasibility studies for medium, large and mega projects are prepared in accordance with Schedule 3 and 4 respectively and submitted to the project committee for review and recommendations. For large and mega projects, the concept notes are submitted to National Treasury for approval before conducting a Feasibility study.
   v. Approved project concept notes and feasibility studies are reviewed by the project committee and recommendations submitted.
   vi. Project concept note is submitted in case of a state corporation, to the responsible line ministry for review, following internal review and formal approval.
   vii. Project concept note is uploaded in the public investment management information system.
7.3 PROJECT FEASIBILITY AND APPRAISAL

a. To enhance prudent use of public resources on feasibility studies the Accounting Officer shall ensure that:
   i. The total cost of a feasibility study of a project shall not exceed 0.5% of the total project cost.
   ii. The total budget on feasibility studies shall not exceed 0.5% of the total development budget of the Vote.
   iii. Where the Accounting Officer finds it necessary to exceed this threshold, shall seek the approval of the National/County Treasury.

b. A feasibility study for medium, large and mega projects is prepared detailing as a minimum the technical feasibility, financial and economic viability, environmental and social impacts, fiscal and risk analysis together with its long-term sustainability in accordance with Schedule 4.

c. The feasibility study is submitted to the Project Committee for review and recommendations.

d. The Project Committee’s recommendations on the feasibility study and other project documents are submitted to the National or County Treasury for independent review and concurrence.

e. Feasibility study for state corporation projects are reviewed by the Project Committee of that corporation and approved by the Board. The feasibility study is submitted to the Cabinet Secretary for the line Ministry or County Executive Committee member for the relevant County Department and forwarded to the Cabinet Secretary, National Treasury/County Executive Committee member for Finance for independent review and concurrence.

f. The project details are uploaded in the pipeline module of the Public Investment Management System.

g. Re-appraisal of projects may be required in either of the following cases:
   i. Where a project in the pipeline has taken more than three years without a budget provision
   ii. Change of project scope
   iii. Increase of project costs by more than 25 per cent of the original cost
   iv. Force majeure
   v. Any other case justified by the Accounting Officer with the approval of the National Treasury for major projects.
7.4 PROJECT SELECTION FOR BUDGETING

a. The Accounting Officer shall ensure budgeting for public investments is in accordance with the Budget Guidelines issued by the National/County Treasury.

b. The National Treasury shall ensure that new projects will only be considered once the ongoing projects are completed and/or where there is fiscal space.

c. Before a project is considered for funding, the relevant Accounting Officer shall ensure:
   i. All conditions precedent are fulfilled, including land acquisition, compensation, stakeholder management and other development partners’ requirements.
   ii. Detailed designs are completed and approved.
   iii. Project has received necessary regulatory approvals
   iv. Project details are captured in the project pipeline within the Public Investment Management Information System.

d. Where the above preliminaries have not been met, the Accounting Officer shall only request for budget resources to meet these prerequisites in that financial year.

e. An Accounting Officer shall ensure that projects that have fully met the conditions under (c) above are allocated adequate funding in that financial year.

f. An Accounting Officer shall ensure that all ongoing multi-year projects are allocated adequate funds in accordance with the contract signed between government and third parties within the projected ceilings before a new project is allocated budgetary resources.

g. The Accounting Officer in every National/County Government entity, while making funding request, shall prioritize the projects which have already received approval based on the Project Concept Note, Feasibility study, as the case may be, taking into consideration the government’s strategic initiatives, and national development priorities.

h. The National Treasury or County Treasury shall consider the pipelined projects including ongoing projects, critical enablers, Government of Kenya and counterpart resource requirements to inform the National Budget Review and Outlook Paper/County Budget Review and Outlook sector ceilings as the case may be.

i. The Sector Working Groups shall consider projects in the public investment pipeline based on the set criteria such as sector ceilings and fiscal strategy, in resource bidding and budget allocation.
j. The National Treasury or County Treasury shall work with the Sector Working Group during the resource bidding and budget allocation process with the accounting entities.

k. Accounting Officers shall ensure that project data is pulled from the Public Investment Management Information System as agreed in the SWGs and budgeted in the IFMIS planning and budgeting module.

l. Accounting Officer in concurrence with the Cabinet Secretary in their line ministry shall submit the budget estimates to the Cabinet Secretary at the National Treasury.

m. The Accounting Officer, Sector Working Group and the National/County Treasury shall ensure that the projected project allocations are safeguarded for the entire project life.

n. The National Treasury or County Treasury shall ensure that no commitments are made outside the approved budget cycle and the list of projects in the public investment pipeline except where a Cabinet or County Executive Committee decision has been made to include the project. In this case, the Accounting Officer shall ensure that such a project is uploaded in the pipeline module of the Public Investment Management System and submitted to the IFMIS budgeting module for budgeting after approval by the National/County Treasury.

o. The National Treasury or County Treasury shall establish a Resource Allocation Panel to review resource allocations by Sector Working Groups and make recommendations. The office responsible for Budget shall be its Secretariat. The Resource Allocation Panel shall be situated at the National Treasury and shall comprise representation as follows:

i. Director of Budget - Chairperson
ii. PIM Unit - Member
iii. Macro and Fiscal Affairs Department or its equivalent in County Government - Member
iv. Resource Mobilization Department or its equivalent in County Government - Member
v. Intergovernmental Fiscal Relations Department
vi. Any other officer of the National Treasury appointed by the Accounting Officer, National Treasury
vii. Budget Department - Secretariat

7.4.1 The terms of reference for the Resource Allocation Panel shall include:

i. Review the prioritized projects in the pipeline
ii. Review budget and project implementation documents.
iii. Review absorption capacity for financed projects.
iv. Review performance of ongoing projects based on reports from PIM Unit and any other reports.
v. Review proposed budget allocations for compliance with Budget Circulars.

vi. Ensure overall ceilings as provided in the fiscal framework are maintained.

vii. Review resource allocations by the Sector Working Groups based on government priority programmes and make recommendations to Principal Secretary/National Treasury.

viii. Ensure that all conditions for project readiness such as land acquisition and project detailed designs, where applicable, before allocation of resources or signing of financing agreements.
7.5 IMPLEMENTATION, MONITORING, EVALUATION AND REPORTING

a. The relevant Accounting Officer shall establish a Public Finance Management Standing Committee in accordance with regulation 18 of the PFM Regulations, 2015 with the designated responsibility for monitoring budget implementation to ensure delivery of the project on time, to budget and in accordance with the design specification. The Head of the department/unit responsible for planning shall be a Member of the Standing Committee.

b. The capturing of project data shall be done in the Public Investment management Information system.

c. Accounting Officers shall ensure that project procurement principles are strictly adhered to as enshrined in the Constitution, the Public Finance Management Act, 2012, Public Procurement and Asset Disposal Act, 2015 and the attendant Regulations and any other related legal instruments.

d. Accounting Officers shall integrate project requirements in the annual work-plan, annual procurement plan and cash flow plan, which will form the basis for budget execution and performance contracting.

e. Accounting Officers shall designate a project manager or project coordinator and a project implementation team with relevant technical expertise to implement the project as per the project implementation plan.

f. Accounting Officers shall ensure project schedules are strictly adhered to as far as possible and funds requests made in accordance with Procurement Plan, Cash Flow Plans. Any implementation delays and challenges shall be captured in the Public Investment Management Information System.

g. Accounting Officers shall ensure that all Public investment projects are procured and delivered on time, to budget and in accordance with the design specification.

h. Accounting Officers shall ensure that all project related tax exemptions shall be processed through the project exemptions module in the Public Investment Management Information System.

i. Accounting Officers shall ensure that public investment projects progress will be monitored against plans, targets, and milestones set out in the Project Implementation plan and the signed project contract or project implementation document.

j. Accounting Officers shall ensure that project data is captured on the Public Investment Management Information System at least on a monthly basis and relevant reports are generated from this system.
k. The Accounting Officer shall submit consolidated project performance report to the National Treasury/County Treasury on a quarterly and annual basis within the deadlines provided in the PFM Act, 2012.

l. The Accounting Officer shall assess its internal capacity to manage a project and where such capacity is inadequate, seek assistance from other government entities before hiring external expertise.

m. For project implementation through multiple agencies, a project implementation team shall be established with representation from these agencies and charged with the responsibility of monitoring and evaluation and ensuring that all project outputs are efficiently and effectively met.

n. Projects implemented through multiple entities shall require the establishment of a Project Steering Committee comprised of Accounting Officers from relevant national/county government entities. Each Accounting Officer shall ensure project data is captured in the Public Investment Management Information System for the components they are responsible for. The Project Steering Committee shall provide strategic guidance for project implementation.

o. The Project Steering Committee may appoint one of the procuring entities to procure on their behalf, in accordance with the Public Procurement and Asset Disposal Act, 2015.

p. In cases where a project is contracted to foreign contractors and technical assistance, Accounting Officers shall ensure capacity and skills transfer to local staff during the entire project implementation period. The Accounting Officer and the external Contractor shall agree on a work-plan for skills transfer and capacity building with clear milestones for monitoring, before the contract is signed.

q. Accounting Officers shall ensure that every project work-plan includes a monitoring plan that clearly provides for the following:
   i. Monthly progress implementation reporting
   ii. Cumulative quarterly progress implementation reporting
   iii. Cumulative annual progress implementation reporting
   iv. Risk monitoring and assessment of emerging risks and mitigation measures

r. Accounting Officers shall enforce the continuous update of project implementation in accordance with the monitoring plan in the Public Investment Management Information System.

s. The National/County Treasury shall analyse project implementation data captured by Accounting Officers in the Public Investment Management Information System every quarter and prepare a consolidated project implementation status report to inform the budget execution process and public investment decisions.
t. The National/County Treasury and the department responsible for Planning in collaboration with the relevant Accounting Officer, shall undertake regular and periodic project monitoring visits.

u. Where necessary, the Accounting Officer shall approve any proposed project adjustments or variations in accordance with the provisions in the Public Procurement and Asset Disposal Act, 2015. The resultant expenditure shall be contained within the appropriation under the respective Vote.

v. The Accounting Officer shall evaluate projects during implementation in accordance with guidelines provided in Schedule 5.

w. Accounting Officers shall ensure evaluation reports are uploaded in the Public Investment Management Information System.

7.5.1 Project Reporting

a. The Accounting Officer shall submit the concept note, and/or feasibility study in the standard templates provided in Schedule 3 and 4 respectively through the Public Investment Management Information System.

b. The Accounting Officer shall upload contract information and the financing agreement, where applicable, in the Public Investment Management Information System.

c. The Accounting Officer shall ensure that the project progress report and status is updated regularly but at least on a monthly basis and in line with the monitoring plan.

d. The Accounting Officer shall ensure that any changes or variations to a contract or project agreement are properly approved by the relevant authority and such approvals and variations uploaded in the system as an attachment.

e. The Accounting Officer shall prepare and submit project completion reports and submit them to the National Treasury in standard templates provided in Schedule 5 through the Public Investment Management Information System.

f. The National Treasury shall prepare a consolidated quarterly and annual public investment management reports incorporating the comments from planning with key recommendations and submit it to cabinet to inform planning, policy and budgeting of public investments.

g. The Accounting Officer shall prepare and submit a report on quarterly and annual basis on the performance of the project and any interventions and submit to National Treasury in standard templates provided in Schedule 6 through the Public Investment Management Information System.
h. Ad-hoc or any other reports necessitated by unforeseen circumstances should be prepared and attached in the Public Investment Management Information System by the responsible Accounting Officer.

i. All project related exemptions and the TAs shall be captured and processed through the Public Investment Management Information System. Any request for project related tax exemptions shall be approved by the Accounting Officer in the Public Investment Management Information System.

j. All reports in the Public Investment Management Information System shall be published and publicized by the Accounting Officer in accordance with the Public Finance Management Act, 2012.

7.6 PROJECT CLOSURE, SUSTAINABILITY AND IMPACT ASSESSMENT

7.6.1 Project closure

a. The Accounting Officer shall receive either a project completion certificate for infrastructure projects, where applicable and the project completion report from the relevant departments confirming that the project has met all laid down standards and specifications set out in the contract signed between the Accounting Officer and third parties.

b. The Accounting Officer shall upload the project completion certificate for physical infrastructure projects, where applicable and project completion report in the Public Investment Management Information System.

c. Where a project implementation unit exists, and the project either comes to an end or is terminated, the Accounting Officer shall ensure that project technical & financial closure are done in accordance with the Financing Agreement, Public Finance Management Act, 2012, the Public Procurement and Asset Disposal Act, 2015, and the Public Audit Act, 2015.

d. The relevant Accounting Officer shall ensure project accountability closure reports including final financial report and audit report are uploaded in the system.

e. The project is deemed to be successfully completed when the project cycle comes to an end or when the contractor has fully discharged his responsibility and handed over the project to the relevant Accounting Officer.

f. The relevant Accounting Officer shall record the asset in the asset register and indicate the actual value of the asset. The relevant Accounting Officer shall ensure this asset is also recorded in the relevant financial management information system for assets.
g. All project contracts or project financing agreements shall have an exit provision clearly providing for conditions under which each party may terminate/exit the contract/financing agreement and the Accounting Officer shall be guided by the same and other relevant laws while terminating the contract/financing agreement.

h. All project financing agreements shall have an exit provision clearly providing for conditions under which each party may terminate/exit the financing agreement and its implications on the specific project agreement(s). The Accounting Officer shall be guided by these provisions and other relevant laws while making recommendations to the Cabinet Secretary before terminating the project.

i. Where a contractor has failed to meet his obligations as per the contract or project documents, the Accounting Officer shall ensure the contractor is sanctioned in accordance with the contract provisions or project documents, as the case may be.

j. Under either of the circumstances listed above the Accounting Officer shall endeavour as a first step to negotiate with third parties to terminate the contract in accordance with the provisions in the contract/loan agreement.

k. Where a contractor or a development partner initiates a termination of a project contract or a project, as the case may be, the Accounting Officer shall proceed in accordance with the exit provisions provided in the contract or the financing agreement.

l. Plant and equipment or any other asset exempted from tax shall be handed over to the government upon completion of the project or any taxes due be paid promptly to the tax collector in accordance with the relevant legislations. Where the project monies were used to acquire assets, such assets shall be handed over to government and recorded in the Public Investment Management Information System and the asset register.

m. Upon exit or termination of a contract or a project before completion, the Accounting Officer shall ensure the following:
   i. A certificate of works in progress and a termination report is issued by the relevant department
   ii. Where applicable the project manager shall submit an exit report
   iii. The Accounting Officer shall ensure a final evaluation is undertaken and a report is submitted
   iv. The statutory obligations shall be settled in accordance with the relevant laws
   v. The residual obligations shall be settled in accordance with the contractual agreement and the relevant laws
   vi. The accomplished and the unaccomplished works shall be recorded in the Public Investment Management Information System and financial management information system for assets
   vii. Where termination was due to lack of budgetary provisions once finances are available these projects shall be prioritized and procured in accordance with the relevant laws
**7.6.2 Project sustainability**  
The Accounting Officer shall ensure that completed projects will continue providing the intended services and benefits by ensuring that:

i. The intended stakeholders are engaged throughout the life of the project;
ii. Regular and periodic maintenance of assets is done post completion;
iii. Availability of adequate resource capacity;
iv. Reports for regular and periodic maintenance shall be compiled and uploaded in the financial management information system for assets including any key recommendations made thereof.

**7.6.3 Project Ex-Post Evaluation**

a. The Accounting Officer shall within five years after project completion undertake a project ex-post evaluation and submit a report to the National Treasury/County Treasury and copy to the department responsible for planning in a standard template provided in Schedule 6 through the Public Investment Management Information System.

b. The Accounting Officer shall allocate adequate resources for undertaking project ex-post evaluation within the ceilings of the vote.
8 PUBLIC INVESTMENT MANAGEMENT INFORMATION SYSTEM

a. The National Treasury shall be responsible for designing and maintaining an efficient, effective and reliable Public Investment Management Information System.

b. The National Treasury shall be responsible for overall Public Investment Management Information System administration and shall assign role based user and access rights to Accounting Officers in national and county governments.

c. Only projects processed and appraised through the system shall receive public funding including Appropriation in Aid.

d. The Public Investment Management Information System shall be used for managing the whole project cycle as well as project resources.

e. All project information, including approvals shall be reported through the Public Investment Management Information System.
9 TRANSITIONAL PROVISIONS FOR ON-GOING PROJECTS

9.1 The National/County Treasury shall undertake an assessment of all on-going projects in order to:

a. Establish the actual implementation status of the projects and make recommendations.

b. Confirm compliance with the approved project implementation framework, adequate capacity for implementation, and adherence to project financing requirements.

c. Confirm adequacy of budgetary allocation in comparison with planned activities and total project cost.

d. Review budgetary allocations and make recommendations on prioritising projects that are in line with the present government agenda.

e. Rationalize the project portfolio and make recommendations regarding any necessary restructuring of projects’ recurrent and development budgets and elimination of ineligible interventions.

f. Ensure that project architecture, scope and design are not varied mid-stream without the approval of the National/County Treasury.

g. Determine and document the impact of some of the completed projects.

h. Build a data bank for all current public investment projects with clear outputs, indicators, contractual costs, date of commencement, projected date of completion, status of implementation, percentage of costs incurred, current budget allocation and medium term budget projection.

i. Prepare a project categorization based on projects priority and relevance to the national and county development plan.
### Schedule 1: Project Thresholds

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<th>CATEGORY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Projects</td>
<td>These are projects estimated to cost less than KSh. 100 million by the time they are completed and handed over.</td>
</tr>
<tr>
<td>Medium Projects</td>
<td>These are projects estimated to cost between KSh. 100 million and KSh. 500 million by the time they are completed and handed over.</td>
</tr>
<tr>
<td>Large Projects</td>
<td>These are projects estimated to cost between KSh. 500 million and KSh. 1.0 billion by the time they are completed and handed over.</td>
</tr>
<tr>
<td>Mega projects</td>
<td>These are projects estimated to cost more than KSh. 1.0 billion by the time they are completed and handed over.</td>
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</tbody>
</table>

### Schedule 2: Project Logical Framework Matrix

<table>
<thead>
<tr>
<th>NARATIVE</th>
<th>INDICATOR</th>
<th>MEANS OF VERIFICATION</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name</td>
<td>Baseline</td>
<td>Target</td>
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<tr>
<td>Goal</td>
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<td>Outcome</td>
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<tr>
<td>Inputs</td>
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</tbody>
</table>

Continue to add additional rows for outcomes, outputs and activities as necessary
## Schedule 3: Project Concept Note (PCN)

<table>
<thead>
<tr>
<th>Project name:</th>
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<tbody>
<tr>
<td>Implementing organization (s):</td>
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<tr>
<td>Estimated project cost:</td>
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<tr>
<td>Sector:</td>
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<tr>
<td>Responsible Officer:</td>
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<td>Project Category:</td>
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<td>Project geographic location:</td>
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<tr>
<td>Duration:</td>
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<tr>
<td>Date of Submission:</td>
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</tbody>
</table>

### Section 1: Project Background

#### 1. Situation analysis

Provide a background to the project idea or the problem the project will focus on by:

(a) Describing current situation including past and on-going interventions;
(b) Recent developments in the area of interest, achievements and challenges if any;
(c) Explain projected trends using published forecasts. Please quote official statistics to support your narrative.

#### 2. Problem Statement

Provide an explicit definition of the problem to be addressed in terms of challenges, constraints or gaps that the market or private sector cannot resolve and:

a) Mention the likely causes of the problem both direct and indirect.
b) Give a brief insight of the likely consequences if no government intervention is made.

#### 3. Relevance of the Project Idea

Justify the need for the proposed project by:

(a) linking the project to the National Development Plan strategic interventions by identifying the objective(s) that the proposed project is expected to contribute to;
(b) Linking the proposed project to Sector strategic plan objectives by describing the sector outcomes that the project is expected to impact. Also show the need for the project by describing the quantitative indicators of demand for the services or goods to be delivered by project using readily available information.

### Section 2: Strategic Option Analysis

Undertaking a project entails the simultaneous decision of not undertaking any of the other feasible options. Therefore, in order to assess the feasibility of a project an adequate range of options should be considered for comparison through an options analysis. For this purpose the project sponsoring agency shall undertake the following analysis:

(i) establish a list of all alternative strategies to achieve the intended objectives including the option of whether to adopt PPP modality or not
(ii) compare the listed alternatives using qualitative listing of advantages and disadvantages using a multi-criteria analysis of the five building blocks that include; (technical analysis, environmental analysis, and legal, administrative). This analysis should allow for at most 3 preferred options which will be further assessed in the next step.
(iii) Undertake a cost benefit analysis (CBA) for the shortlisted 3 preferred options using the economic, financial, risk and distributional analysis. From this CBA analysis, the entity can determine if a project can best be implemented as a PPP or traditional procurement.
(iv) Select the best option to proceed to the detailed feasibility study.

### Section 3: Logical Framework

This section show the result chain in a logical manner with a detailed description of the project goal, objectives, outcomes, outputs and inputs

#### a) Project Goal

Describe the project goal. This should be in related to the development objective that the project is designed to contribute to in the long run. Also define the indicator that will be used to measure success of the project against the goal and briefly explain how information on this indicator shall be obtained.
b) Project Outcomes
Define the project outcomes to include the effects that will follow from the utilization of products or services (outputs) delivered by the project. These could be the eventual benefits to society that the project interventions are intended to achieve and are reflected in terms of what people will be able to do better, faster, or more efficiently, or what they could never do before.
For each project outcome identified, define at least one indicator that will be used to measure performance of the project against the relevant outcome and briefly explain how information on this indicator (s) shall be obtained.

c) Proposed Project outputs
Describe the direct outputs that the project is expected to deliver. Outputs are usually the immediate and concrete consequences of the implemented activities and resources used. For each project output identified, define at least one indicator that will used to track progress and the means of verification.

d) Project inputs
For each output defined in 3 above, identify and describe the major inputs that are needed to deliver the planned results. To obtain the results of a project a number of inputs are required.

e) Project Logical Framework Matrix

<table>
<thead>
<tr>
<th>NARATIVE</th>
<th>INDICATOR</th>
<th>MEANS OF VERIFICATION</th>
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<tr>
<td>Inputs</td>
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</table>

Continue to add additional rows for outcomes, outputs and activities as necessary

Section 4: Institutional arrangements
1. Project Implementation plan
Describe the sequence of activities overtime which should set clear benchmarks and timelines that can be used to track the overall project.

2. Management of the Project
Demonstrate the capacity of the implementing agency to deliver project and sustain the results of the project by showing the technical, managerial and financial capacity to deliver the project. This can also be better expressed by showing previous experience in handling projects of the same magnitude.

3. Monitoring and Evaluation
Describe how the project will be monitored and evaluated in order to ascertain the progress towards achieving its intended objectives. Indicate the institutional framework for tracking project progress; Who will collect and interpret data? Indicate the frequency of reporting? Indicate whether the project budget covers this implementation tracking activities or any arrangements by the organization to gather for this costs.

4. Risk and Mitigation Measures
Describe the potential risks that can derail the project and strategies for mitigating these risks and their impacts.

5. Project Sustainability
Describe how the project will continue providing the intended services and benefits to the beneficiaries after the project is completed. Describe how ownership will be fostered among stakeholders. Include anticipated annual operations and maintenance costs.

6. Project Stakeholders and collaborators

Describe the stakeholders that the project has to constantly engage and their level of importance. Also describe the role of each stakeholder and their stake or expectation in the project.

7. Project Readiness and Timeline

a) Has the project detailed designs been prepared and approved
b) Has land been acquired (Site readiness)
c) Has the Contracting Authority formed a PPP Node for PPP projects?
d) If the Implementing agency expects to take demand risk or to make availability payments to the Project, has the Implementing agency contacted the National Treasury to understand Treasury’s concurrence with these commitments?
e) Is there a project implementation plan on the next stages with identified deadlines and responsibilities allocated?
f) Has the Implementing agency budgeted funds, or does it have access to funds, to complete project preparation? This includes the costs of preparing required studies, securing land, resettlement costs, and environmental and social impact cost mitigation, the procurement of a transaction advisor for PPP projects, and tendering support.
g) Are there any constraints that could delay the Project?
h) Does the Implementing agency have experience implementing similar projects? If so, please describe some of the projects, the timelines it took to develop them, and the current status of the projects.
i) What government agencies and stakeholders will be involved in the preparation of the Project and what roles they will play in project development and approval?

8. Estimated total project cost and sources of financing in Ksh:

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<thead>
<tr>
<th></th>
<th>FY 1 Total(Kshs.)</th>
<th>FY 2 Total(Kshs.)</th>
<th>FY 3 Total(Kshs.)</th>
<th>FY 4 Total(Kshs.)</th>
<th>FY 5 Total(Kshs.)</th>
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<tbody>
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</tbody>
</table>
## Executive Summary

In this section of the template, describe any key headline information from the components of the feasibility assessment the options evaluated, key results and recommendations.

## Section 1: Introduction

Describe the following:

- a) **Project Background: Rationale and genesis,**
- b) **Objectives of the feasibility study**
- c) **Approach and methodology of the feasibility study**
- d) **Organization of the feasibility study**

## Section 2: Market/ Demand Analysis

This section assesses the need for public investment this involve the elements listed below:

- a) **Problem Statement.** Provide an explicit definition of the problem to be addressed, identify the likely causes of the problem both direct and indirect and give a brief insight of the likely consequences if no government intervention is made
- b) **Relevance of the Project Idea.** Justify the need for the proposed project by: (i) linking the project goal outcomes to National Development Plan and sector strategic objectives
- c) **Proposed Project Interventions.** Describe the interventions (project investments/ outputs) that need to be undertaken by government through the proposed project to address the problem
- d) **Stakeholders.** Identify the key stakeholders that are likely to be affected by the interventions.
- e) **Demand analysis.** Identifies the need for public investment by assessing: (i) current demand (based on statistics provided by service suppliers/ regulators/ ministries/ national and county statistical offices for the various types of users); (ii) future demand (based on reliable demand forecasting models) in both the scenarios with and without the project and (iii) the factors and various that are constraining demand including government regulations, technological developments etc.

## Section 3: Technical or Engineering analysis

A summary of the proposed project solution shall be presented with the following headings

- a) **Location:** description of the location of the project including a graphical illustration (map). Availability of land is a key aspect: evidence should be provided that the land is owned (or can be accessed) by the beneficiary, who has the full title to use it, or has to be purchased (or rented) through an acquisition process. In the latter case, the conditions of acquisition should be described. The administrative process and the availability of the relevant permits to carry out the works should also be explained
- b) **Technical design:** description of the main works components, technology adopted, design standards and specifications. Key output indicators, defined as the main physical quantities produced (e.g. kilometers of pipeline, number of overpasses, number of trees planted, etc.), should be provided
c) **Production plan**: description of the infrastructure capacity and the expected utilization rate. These elements describe the service provision from the supply side. Project scope and size should be justified in the context of the forecasted demand.

d) **Costs estimates**: estimation of the financial needs for project realization and operations are imported in the CBA as a key input for the financial analysis (see section 2.8). Evidence should be provided as to whether cost estimations are investor estimates, tender prices or out-turn schedule.

e) **Implementation timing**: a realistic project timetable together with the implementation schedule should be provided including, for example, a Gantt chart (or equivalent) with the works planned. A reasonable degree of detail is needed in order to enable an assessment of the proposed schedule.

---

**Section 4: Environmental and social impact analysis**

Describe and specify the economic effects of environmental norms and possible compensations for ecological damages. Key questions to address:

a) What are the likely environmental impacts from undertaking project?

b) What is the cost of reducing or mitigating the negative impacts?

c) Evaluation of the environmental impacts and risks with and without

d) Technical measures are taken to reduce these impacts?

e) Are there alternative ways of delivering the required service or the good without incurring these environmental costs?

f) What are the costs of these alternatives?

g) What are the cost of an environmental impact assessment?

h) What are the costs of permits and approvals required from environmental protection agencies?

i) What contractual provisions are needed to reset the project in cases of environmental effects escalating beyond control?

j) What financial contingencies?

k) What are the cost of resettlement?

l) What are the non-market cost and benefits that need to be taken into account in the viability analysis?

m) How will the project impact SMEs, local community income, health, land value and social welfare including job creation prospects?

---

**Section 5: Human Resources And Administrative Support analysis**

Point out the human resource requirements for implementation and operation, in terms of quantities and specialties; identifies the sources of the work force. Also it determines the management capacity and the functional structure of the operating entity. Key issues to be addressed:

a) What are the managerial and labour needs of the project?

b) Does organization have the ability to get the managerial skills needed?

c) Is timing of project consistent with quantity and quality of Management?

d) What are wage rates for labour skills required?

e) Manpower requirements by category are reconciled with availabilities and project timing

---

**Section 6: Institutional and legal analysis**

Studies the legal restrictions that may obstruct or impede construction or operation, for example, limitations in localization and in the use of soil, special tax considerations in the case of public-private partnerships, etc.

a) Is the entity that is supposed to manage the project properly organized and its management adequately equipped to handle the Project?

b) Are the capabilities and facilities being properly utilized?

c) Is there a need for changes in the policy and institutional set up?

d) Outside this entity? What changes may be needed in policies of the county, and national governments?

e) What are the legal and regulatory requirements expected before the project is implemented?

f) What are the risks, legal and regulatory obligations that could increase costs or decrease the benefits?

g) Does the institutions have suitable skills and capacity in line with the project requirements?

h) Are there suitable inventiveness or penalties are in place to ensure project delivery on time and within the budget?
### Section 7: Financial Analysis

Describe the financial costs and benefits at economic prices, studies alternative financial leverage methods

- a) Integration of financial and technical variables from demand, technical, and management analysis
- b) Construct cash flow (resource flow) profile of project
- c) Identify key variables for doing economic and social analysis

**Key questions:**

**For Commercial Case**

- a) What is relative certainty of financial variables?
- b) What are sources and costs of financing?
- c) What are minimum cash flow requirements for each of the stakeholders?
- d) What can be adjusted to satisfy each of the stakeholders?
- e) What is the internal rate of return and net present value?
- f) What is the minimum net cash flow requirements over the life of the project?
- g) What are the balance sheet projections?
- h) What is the projected profit or loss?

**For Social Case**

- i) What is the social cost benefit of the project? Are the net benefits of the project to society positive? (This is done by computing the net present value of the total benefits minus the present value of total costs)
- j) What is the cost-effectiveness analysis? (How do the cost of outcomes (effects) of two or more courses of action compare? How do the net costs of a project or service compare to the outcomes (benefits) generated).
- k) What are the results of the multi-criteria decision analysis?

### Section 8: Economic and Social Evaluation Analysis

Economic adjustments from financial data using conversion factors; after that costs and benefits are appraised from the point of view of the entire economy.

- a) Examines the project using the whole country as the accounting entity
- b) Evaluation of externalities including environmental
- c) What is the expected value of economic net benefits?
- d) What are the primary economic costs and benefits of the project?
- e) Describe the sources of costs and benefits?
- f) What are the macro-economic growth effects, spills-over effects, or distributional impacts of the project?
- g) What is the net present value of economic benefits? (Kshs.)
- h) What is the Economic Rate of return? (%)

### Section 9: Distributional Analysis

The project is appraised from the point of view of stakeholders receiving economic benefits or costs. Economic externalities have to be calculated and distributed among different actors (stakeholders)

**What is done:**

- a) Identification and quantification of extra-economic impacts of project
- b) Distributive Appraisal
- c) Income, Cost, and Fiscal Impacts on various stakeholders
- d) Poverty Alleviation and Political Necessities
- e) Basic Needs: Evaluate the impact of project on achieving basic needs objectives. (Basic needs will vary from country to country)

**Key Questions**

- a) In what ways does project generate beneficial and cost impacts on stakeholders?
- b) What stakeholders could the project impact?
- c) Who benefits and who pay the costs?
- d) What are the basic needs of the society that are relevant in the country?
- e) What impact will the project have on basic needs?
- f) What alternative ways are there to generate desirable social impacts?
- g) Is project relatively cost effective in generation of desirable social impacts?
Section 10: Risk (Uncertainty) and sensitivity Analysis

The flow of costs and benefits throughout the project life is uncertain. Given that uncertainty, consideration has to be given to the costs that those risks imply. The objective of this module is to simulate various scenarios and generate guidance on how to reduce the risk exposure through relevant contractual clauses:

The questions that need to be answered are:

a) What are the major risks that may affect project?

b) How will the project be affected if the risk event materialize?

c) What are the possible mitigation measures needed?

d) How sensitive are the assumptions used in the financial and economic models in an environment that differs significantly?

Section 11: Annexes

Attach detailed technical and engineering designs, plant prototypes designs etc, financial and economic models and any supporting documents
**Schedule 5: PROJECTCOMPLETION REPORT TEMPLATE**

<table>
<thead>
<tr>
<th>Section 1: General Project Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Background</td>
</tr>
<tr>
<td>b) Post-Implementation Review Objectives and Scope</td>
</tr>
<tr>
<td>c) Post-Implementation Review Team Members</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 2: Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Management Effectiveness</td>
</tr>
<tr>
<td>b) Cost</td>
</tr>
<tr>
<td>c) Schedule</td>
</tr>
<tr>
<td>d) Unplanned Side-Effects</td>
</tr>
<tr>
<td>e) Residual Risks</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Section 3: Administrative Closure and Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Performance Metrics</td>
</tr>
<tr>
<td>b) Completion criteria</td>
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<table>
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<tr>
<th>Section 4: Open Issues</th>
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<tbody>
<tr>
<td>Actions required</td>
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<tr>
<th>Section 5: Lessons Learned</th>
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<tbody>
<tr>
<td>Recommendations</td>
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<tr>
<th>Section 6: Contract Closure</th>
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</table>
# Executive Summary

## Section 1: Introduction
- a) Background
  - Describe the background of the project briefly
- b) Scope of evaluation
- c) Evaluation Methodology
- d) Limitations

## Section 2: Findings and Analysis
- a) Project performance assessment
- b) Relevance
- c) Effectiveness
- d) Efficiency
- e) Impact
- f) Sustainability
- g) Any other findings

## Section 3: Lessons learnt and recommendations
- a) Relevance
- b) Effectiveness
- c) Efficiency
- d) Impact
- e) Sustainability
- f) Other
# Schedule 7: Quarterly/Annual Project Progress Report

<table>
<thead>
<tr>
<th>Project Code &amp; Title</th>
<th>Cost of Project (a)</th>
<th>Financing</th>
<th>Timeline</th>
<th>Actual cumulative Expe. (b)</th>
<th>Outstanding Project Cost (a)-(b)</th>
<th>Project Expected outputs (per component)</th>
<th>Target per component</th>
<th>Achievement (Completion level)</th>
<th>Challenges / Issues Raised</th>
<th>Recommendations</th>
</tr>
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</table>
PUBLIC INVESTMENT MANAGEMENT PROCESS

MDA’s and County Departments/Agencies
- Stakeholder consultations
- Identify projects and develop logframe
- Develop Project Concept Note with properly costed budget
- Pre-feasibility study for medium, large and mega projects
- Where projects emanate from State/County Corporations they shall require clearance of relevant (mother ministry) CS /CECM before submission to Treasury

National/County Treasury
- Review Project feasibility study reports and associated documents for medium large and mega projects to validate project technical, economic & financial viability, social economic analysis, environmental analysis, etc and make recommendations to Accounting Officers

MDAs/Counties
- Revised project documents to incorporate recommendations
- Approve and prioritize projects for resource allocation and submit to National/County Treasury
- Itemized budgets in PIMISPipeline module

National/County Treasury
- Review Projects in Pipeline and allocate resources based on Sector Ceilings
- Consolidation of Budget Estimates
- Resource Allocation - exchequer releases

MDAs/Counties
- Ringfence public investment allocations for entire project implementation period
- Implementation of projects in line with workplans, procurement plans
- Monitoring and capture of data on project status monthly
- Project Exit/Closure and handover
- Asset recording in Asset Register
- Managing and maintaining completed assets
- Project sustainability

National/County Treasury
- Maintain database for public investments
CONCEPT NOTE
MDAs/CDAs/IO/Parliament/Judiciary

NATIONAL/COUNTY TREASURY
Medium, Large & Mega Projects feasibility study recommendation

MDAs/CDAs
Feasibility Study

National/County Treasury
For analysis and recommendation

MDAs/CDAs
For prioritizing and pipelining

Public Investment Management Information System Pipeline Module

BUDGETING PROCESSES

MDAs/CDAs
for Implementation, closure

Asset recording

Asset register
PUBLIC INVESTMENT MANAGEMENT WORK FLOW FOR STATE/COUNTY CORPORATIONS

State/County Corporations/SAGAS

CONCEPT NOTE

Approval in the parent Ministries

Line Ministries/County Ministries

CONCEPT NOTE

Medium, Large & Mega Projects

NATIONAL/COUNTY TREASURY

Medium, Large & Mega Projects

feasibility study recommendation

Line Ministries/County Ministries

Forward to state corporations for feasibility study

State/County corporations/SAGAS

Feasibility Study

Line Ministries/County Ministries

Review and forward

National/County Treasury

For analysis and recommendation

Line Ministries/County Ministries

Forwarding for pipelining

State/County corporations/SAGAS For Pipelining

Pipelined Projects

Public Investment Management Information System Pipeline Module

Prioritized Projects

BUDGETING PROCESSES

Asset Register

State/County corporations/SAGAS for Implementation and closure

Implementation

Line Ministries/County Ministries

Budgeted Projects

Small Projects

Medium, Large & Mega Projects

Medium Projects (No feasibility study required)