

ARTF Strategy Group Meeting

April 6, 2016

Summary of Discussions

An ARTF Strategy Group (SG) Meeting was held on April 6 2016 and was attended by 12 members including the Ministry of Finance (MoF). The meeting was chaired by Mr. Stephen N. Ndegwa (World Bank Operations Manager). The agenda items were: (i) Update on the Capacity Building for Results (CBR) Project and the Justice Service Delivery Project, and Technical Assistance Facility; (ii) ARTF Flexibility/Fit for Purpose Review ToR; (iii) Highlights from Incentive Program Technical Review held on March 30, 2016; and (iv) Higher Education Development Project Achievements.

- 1. Update on Capacity Building for Results (CBR) Project:** the World Bank task team responsible for the project, together with the CBR Project Director at the MoF provided a detailed update on the project implementation progress and pending restructuring. The new national technical assistance (NTA) scale and the salary harmonization were also discussed. Main agreements and areas for follow-up include: (a) development partners will coordinate their technical assistance provided to line ministries to ensure alignment with the CBR; (b) the team and MoF will continue to provide regular briefings to donors on the CBR as they transition to the new NTA scale; (c) the team and MoF will develop a communications package for stakeholders explaining the importance of the CBR.
- 2. Update on the Technical Assistance Facility (TAF):** the US\$5 million TAF is currently under preparation and is expected to be approved by the ARTF Management Committee in the next two months. The TAF would aim to provide short term international technical assistance (3 to 6 months at most) to the macro fiscal policy and development policy departments in the MoF on specific policy areas where they lack expertise.
- 3. Update on Justice Service Delivery Project (JSDP):** the JSDP is in the process of being restructured to have a reduced scope of activity and financing amount. The restructured project would focus on providing the inputs the government needs to develop a strategy for the justice sector. The project would also continue to support legal aid providers.
- 4. ARTF Flexibility Review:** the Review of the ARTF Flexibility is proposed to be done in two phases. The first phase would aim to be completed before the Brussels Conference focusing on how the ARTF could be even more flexible in supporting Government needs; and the second phase would focus on the ARTF Fit for Purpose. The MoF is finalizing its comments on the ToR, and would share these with the Administrator in the week of April 10th, 2016. The updated ToR would then be shared with the SG. Some possible ideas drafted by the Administrator on how to make the ARTF even more flexible were shared with the SG, and will continue to be discussed.
- 5. Highlights from ARTF Incentive Program (IP) Technical Review:** the Administrator briefed the SG on the government's recent achievements under the IP, which were reviewed

at a technical review meeting held on March 30, 2016. Over 14 government officials from MoF, Arazi and the Supreme Audit Office, participated in the review, demonstrating a high level of ownership and interest in the IP and the reform agenda. The IP working group recommended a disbursement of \$160.7 million to the government. This recommendation is based on the following: (a) 83.2 US\$ million for surpassing the 1394 revenue target; (b) 59.7 US\$ million under the O&M facility and; (c) 17.8 US\$ million for achieving the benchmarks for external audit.

6. Higher Education Development Project (HEDP) Achievements: the Administrator informed the SG of the good progress being made by the project. A recent verification review, confirmed that the project's first set of Disbursement Linked Indicators (DLI's) were successfully met by the Ministry of Higher Education (MoHE). Three out of a total of the project's six DLI's related to- training of faculty, awarding of scholarships to academic faculty including women, and approval of research proposals- have been successfully implemented on time, with a disbursement of US\$7 million now due to the MoHE.