REPUBLIC OF KENYA
KENYA TRANSPARENCY AND COMMUNICATIONS INFRASTRUCTURE
PROJECT (KTCIP)
IDA Credits 43840, 50920 and 54080

IMPLEMENTATION SUPPORT MISSION (ISM)
September 22-October 1 and October 8-10, 2014
DRAFT AIDE MEMOIRE

A: Introduction

1. A World Bank mission comprising Arleen Cannata Seed, Senior ICT Policy Specialist (GTIDR); Samia Melhem, Lead ICT Policy Specialist (GTIDR), Gurcharan Singh, Sr. Procurement Specialist (GTIDR), Jennifer Gui, Information Officer (GTIDR), Winston Cole, Sr. Financial Management Specialist (GGODR), and Josephine Kabura Kamau, Financial Management Specialist (GGODR), under the overall direction and guidance of Mavis Ampah, Regional Coordinator for Africa and Lead ICT Policy Specialist (GTIDR) and Randeep Sudan, Practice Manager (GRIDR), undertook an implementation support mission for the Kenya Transparency and Communications Infrastructure Project (KTCIP) from September 22nd to October 1st and October 8-10th, 2014. The team was supported by Tasneem Rais, Program Assistant (GTIDR), Batzul Dashdorj, Program Assistant (GTIDR), Elizabeth Wairimu Karuoya, Team Assistant, (AFCE2), and Angelina Darini Musera, Sr. Executive Assistant (AFCE2). Special thanks are offered to Diarietou Gaye, Country Director for Kenya, Eritrea and Rwanda and to Meskerem Brhane, Practice Leader, (AFCE2) for their strategic guidance to the mission.

2. The mission is grateful for the support received from Cabinet Secretary Fred Matiang’i, Ministry of ICT, Justus Nyamunga, Chair of the Digital Payment Initiative and Director of Economic Affairs, the ICT Authority, and the Nairobi City County (NCC). The mission also wishes to particularly thank Victor Kyalo (Project Manager), Kwame Shiroya (Acting Project Manager) and members of the ICTA team: Katherine Getao, Harry Mwangi, Anthony Mugambi, Kaburo Kobia, Linet Kwamboka, Simeon Koris, Daniel Ouma, Lawrence Nduva, George Otieno, Rose Macharia, Evans Kahuthu, Margaret Musyoki, Zeblon M’Ringeera and many others. The mission is also very grateful to Benter Ogot of the NCC and her team. A wrap-up meeting was held with Government on Friday, October 10th, 2014, chaired by Justus Nyamunga, of the National Treasury, and included Victor Kyalo, ICTA Project Manager, Kwame Shiroya, ICTA Acting Project Manager, and Harry Mwangi and other PIU staff (ICTA), along with WBG colleagues: Meskerem Brhane, John Wille, Frank Twagira, Winston Cole, Markus Kimani, Jennifer Gui and Arleen Seed. This Aide Memoire summarizes the mission’s findings and recommendations. As per the Access to Information Policy, the Government and the World Bank have agreed to its disclosure.
### B: Key Project Data

<table>
<thead>
<tr>
<th>Project Data</th>
<th>Project Performance Ratings</th>
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<tbody>
<tr>
<td><strong>Original Credit</strong></td>
<td><strong>Project Data</strong></td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td><strong>Project Performance Ratings</strong></td>
</tr>
<tr>
<td>US$ 114.0 million</td>
<td><strong>Summary Ratings</strong></td>
</tr>
<tr>
<td>(November 14, 2014) US$ 91.1 million (81%)</td>
<td>April</td>
</tr>
<tr>
<td></td>
<td>Nov</td>
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<tr>
<td><strong>Additional Financing 1</strong></td>
<td><strong>Achievement of PDO</strong></td>
</tr>
<tr>
<td>USD 55.0 million</td>
<td>S</td>
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<tr>
<td>Disbursements</td>
<td>S</td>
</tr>
<tr>
<td>(November 14, 2014) US$ 20.7 million (39.8%)</td>
<td>MS</td>
</tr>
<tr>
<td><strong>Additional Financing 2</strong></td>
<td><strong>Project Management</strong></td>
</tr>
<tr>
<td>USD 30.0 million</td>
<td>S</td>
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<tr>
<td>Disbursements</td>
<td>MS</td>
</tr>
<tr>
<td>(October 24, 2014) US$ 0</td>
<td>S</td>
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<tr>
<td>Ratings: HS=Highly Satisfactory;</td>
<td>S</td>
</tr>
<tr>
<td>S=Satisfactory; MS=Moderately Satisfactory, MU=Moderately Unsatisfactory, U=Unsatisfactory; HU=Highly Unsatisfactory; NA=Not Applicable; NR=Not Rated</td>
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3. The performance ratings for the above are as follows: The Kenya project is overall rated as Satisfactory for the PDO, Monitoring and Evaluation, and Safeguards. It remains Moderately Satisfactory for Procurement, but this is expected to be upgraded by the next mission, now that additional procurement resources are on board. However, Overall Implementation Progress and Project Management have been downgraded to Moderately Satisfactory, because of the poor disbursement ratios and the lack of full time Project Management support but we hope to raise these ratings upon notification of full time support by the Project Manager or successful recruitment of his replacement and full accounting for the unaccounted for funds. Despite commendable progress noted in several areas, as of April 2014, 81% of the original financing and 39% of Additional Financing 1 has been disbursed. At the end of the October 2014 mission, these figures have barely changed. No funds from Additional Financing 2 have been disbursed. Financial Management remains to Moderately Satisfactory, largely because of delays in Withdrawal Applications and slowness in accounting for project funds.

4. This Aide Memoire has the following annexes:

   - Annex 1: M&E Indicators
   - Annex 2: IFMIS Update and Plan
   - Annex 3: Procurement Plan
   - Annex 4: Procurement Analysis
   - Annex 5: IFMIS Implementation Report
C: Mission Objectives

5. The overall objective of the mission was to conduct an Implementation Support Mission (ISM) of the KTCIP and provide an assessment of the project performance to date and its contribution to the overall development of Kenya. Given the recent Additional Financing 2, the mission assessed and confirmed Government’s commitment to complete all activities in the remaining project period.

6. Specifically the mission:

   i. Assessed jointly with the Government the status of implementation of all project components and progress towards the PDO and project indicators, for the Original Financing, Additional Financing 1 and Additional Financing 2.

   ii. Reviewed and provided support to the Government's enhanced implementation and project management team to ensure that all activities are completed;

   iii. Reviewed financial management performance, and procurement management performance of the project.

   iv. Assessed progress made and challenges encountered in implementation of large procurements including: the IFMIS project and the revenue collection activities; the Open Data Initiative; Transport Information management System (TIMS), Kenya News Agency (KNA), and other specific large procurements.

   v. Discussed the request from the GoK for additional support to central government functions for revenue collection.

D: Main Issues and Points for Follow Up

7. **Progress on several subcomponents.** There has been considerable progress on many activities in the project, namely, a) Transportation Information Management System (TIMS): contract with supplier has been signed, project manager is in place, high level implementation plans have been discussed and the bidding documents for middleware has been advertised; b) Kenya News Agency (KNA): contract with supplier has been signed, Intellectual Property Rights consultant hired, digitization and physical library procurements have been advertised, and the multimedia/eCommerce plans are being reviewed; Digitization of Birth and Death Civil Registry: 600 Kenyans secured work to
scan over 62 million records, rebinding of records is taking place, and considerable efficiency gains have been realized. See Annex 8 for a fuller discussion on the progress of all three activities.

8. **Lack of adoption of the IFMIS by the counties.** The mission is concerned that the IFMIS system is not being used to its full potential by most of the counties even though a county version of the IFMIS has been customized and is available to all 47 counties. Specifically the accounts receivable, accounts payable, cash management and fixed asset modules are not in use by any county, although all of the counties are using Gpay. Furthermore, the mission was advised that no county is recording revenue collection into the accounts receivable module, thus bypassing the IFMIS altogether. The Government of Kenya and the World Bank have devoted considerable funds and effort into the rollout of the IFMIS; yet, lack of use of the system undermines the entire financial management of the nation especially in a structure where public administration is decentralized to the counties. In order to rectify this situation, it is strongly recommended that the National Treasury and every county adopt the full usage of IFMIS modules immediately.

9. **Project management.** The current project manager of the KTCIP is also acting CEO of the ICTA. This is an unacceptable situation for two reasons: a) According to the Financing Agreement, the project can only pay for a full time project manager dedicated to the project; and, b) there is a conflict of interest between the KTCIP project manager and the position for which he reports. The Government of Kenya is requested to rectify this situation.

10. **Delays in procurement and slow disbursement of project funds** are of a major concern to the IDA and this is being addressed by close supervision and assistance to the project fiduciary and management team. Progress is being achieved under Original Credit, Additional Financing 1 and Additional Financing 2, although disbursement has been slower than expected. There has been only an insignificant expenditure since the April 2014 mission. Recent advertisements for additional PIU project staff have not been successful and the team has contacted various internal and external sources for an additional pool of applications to assist in the considerable number of outstanding activities, in an effort to step up disbursement of project funds. According to the latest FM Assessment, due to lateness in submissions and approvals, a large sum of money is as of yet unaccounted for. See Section F on Financial Management and Annex 7 for the KTCIP report on expenditure and funds status.

11. **Request for support to Phase II of the Digital Payments Initiative.** The Bank received a request for USD 38.8 million to support Phase II of the Digital Payments initiative out of KTCIP funds, as a follow on to Phase I (which was supported by the IFC). The mission team is dedicated to addressing this new request with the following approach: a) as revenue collection at the counties and at the central government will have very similar technical requirements and thus economies of scale can be achieved by combining requirements into one system with different ‘flavors’ or ‘instances’ for each level of government; and, b) it is imperative that the IFMIS be fully deployed so as to ensure that revenue collected by an electronic means will be properly documented and accounted into the IFMIS. The Project Manager has identified where potential savings could be found in the original financing and AF1. At the same time, the consultant
working on the bidding documents for the county revenue system is examining the technical specifications used for Phase I and is preparing a bidding document which will be reviewed by both levels of government to ensure it meets the needs of both the central government and the counties. If this can be accomplished without seriously delaying the procurement under AF2, then the resulting solution might satisfy both entities. During the wrap up meeting with Mr. Nyamunga, the following four activities related to revenue management were agreed:

   a) GoK will convene a meeting with the NCC and Central Government to agree on the high level architecture of the revenue management system which will be used by both levels of government
   b) The National Treasury will prepare and confirm a fully actionable implementation plan to ensure that the IFMIS is fully used in both central government and the counties
   c) The Task Force for Digital Payments and the ICTA will jointly examine the budget proposed by the National Treasury for the implementation of the revenue management/digital payment project and identify exactly what funds from KTCIP could be used for this purpose.
   d) KTCIP staff will work with consultants, the IFMIS team, and the NCC IT team to prepare technical specifications for the revenue management system.

12. **Effectiveness.** Effectiveness of the Additional Financing 2 (AF2) was declared on August 19, 2014. Three covenants remain: a) the selection of two counties to receive additional support; b) confirmation of the applications for the two counties; and, c) the SLAs between the ICTA and the counties, will be undertaken and reported to World Bank management. The ICTA has proposed that there be some slight adjustment in AF2 such that, instead of supporting only two counties with applications, the project provide assistance including capacity building to all the counties to reach a minimum standard of computerization. This is a more equitable use of funds and in fact will result in better overall use of technology nation-wide. The SLAs, on the other hand, are nearly complete and will be signed shortly.

13. **Revitalization of the Open Data activities.** The Kenya Open Data Initiative (KODI), supported under Additional Financing 1 had an excellent start when it commenced two years ago. Since then, due to lack of high level political leadership, traffic on the site is not as high as expected and few new databases have been added; nevertheless, the website is still used extensively. In an effort to revitalize this activity, the Program Manager for KODI has developed a plan for strengthening Open Data with recruitment of additional technical staff for web design, and data manipulation, particularly with the Kenya National Bureau of Statistics (KNBS) and was also be supported by the visit of an Open Data expert from the World Bank. Leadership and inter-agency collaboration will be critical to sustain the Open Data Kenya achievements and results to date. See Annex 9 for a fuller description of the Open Data activities.

14. **Lack of coordination on ICT activities amongst the different projects and donors** has resulted in duplication of effort, large gaps in support, or inefficiencies leading to unnecessary expenditures and weak performance. This is most noticeable in the IFMIS
rollout, and in the issues of land management and digitization of land records and also with GIS. The World Bank Nairobi Office is planning to more regularly convene collaboration on overall ICT issues for the portfolio.

15. More direct supervision of the project, with increased missions and more management attention is required to bring this project back on track.

E: Detailed Findings and Recommendations

E1 IFMIS and Shared Services

<table>
<thead>
<tr>
<th>After successful roll-out of the re-engineered IFMIS to the National Government (done only to the Head Office functions of the MDA’s, i.e. to 50 Operating Units) and the 47 Counties (done only to the County Treasuries), the implementation should now refocus from using IFMIS mainly as a payment system to:</th>
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<tbody>
<tr>
<td>(i) ensuring that IFMIS is used properly for the core PFM functions especially in the area of recording and accounting for county revenue collections;</td>
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<tr>
<td>(ii) preparation of management reports; and publication of financial reports as required by the PFM Act - section 80(4)(b): “not later than 4 months and …. publish and publicize the statements”; and section 83(5)(b):“within 45 days for quarterly reports by Accounting Officers”;</td>
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<tr>
<td>(iii) training that is more hands-on at end-users workplace to enable actual use IFMIS. More efforts on change management and continuous training that takes onboard emerging issues is needed to bring behavioral/attitudinal change to seize the opportunities of using IFMIS as a PFM improvement tool.</td>
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<tr>
<td>(iv) identifying in a participatory manner, the root causes (political economy and technical) of not fully using IFMIS and conveying the benefits of full use of IFMIS for various stakeholders (Legislature, the executive, technocrats and the public).</td>
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<tr>
<td>(v) implementing IFMIS as a social system that considers the implications of implementing information systems in Public Sector Organizations throughout the project life cycle. IFMIS should not be implemented as an IT system but as an enabler for PFM improvements.</td>
</tr>
<tr>
<td>(vi) reducing public finance information asymmetry for more transparent decision making by making public finance information publicly available in a user-friendly format and on a timely basis. Controller of Budget to be provided read-access to relevant modules and insist on county reporting of revenue collections through IFMIS. Budget release by Controller of Budget to be made directly through IFMIS.</td>
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See Annex 2 for full details about IFMIS.

E2 County Financing and Plan for Nairobi City County (NCC)

28. The mission met with Benter Ogot, Director of ICT for the NCC and Margaret Musyoki, Project Coordinator for NCC. Benter reported that the ICT Transformation study had been done with PWC as the consulting firm but that funds were now needed to implement the recommendations. The core of the PWC strategy is to develop an Enterprise Resource Management system (ERP). A complete ERP is
outside the scope of the funding available through the project, but it was agreed during project preparation that the project would find an Integrated County Resource Management Tool (ICRMT) which would handle revenue management and link into the existing IFMIS (for budgeting, reporting and payments). Some concern about the scope of the activity was expressed by the ICTA Project Manager and the World Bank and the requirements and specifications for the system will be carefully reviewed to ensure that there is no duplication with any other systems in place or under development.

29. This would comprise a back end system which would integrate the variety of sources of funds, some of which are one off’s (i.e., for parking) and others which require querying databases of information (i.e., for taxes, land rents, etc.) The system will need to follow specific business rules for improved internal controls tie this into the budget. It must be able to handle details of payments such as for payroll and procurements, and also consolidate other expenditures.

30. An electronic payment system has already been procured by the NCC and the ICRMT will integrate with this system. The RFP for the ICRMT is under preparation. The mission stressed that the RFP must include comprehensive requirements for the IFMIS ‘view’ of the system, the end user ‘view’ of the system and must also outline the types of reports which the ICRMT will provide.

31. The project will also fund a Unified Communications System; detailed specifications for this system were developed by ICTA and the NCC and this is under procurement.

E3 County Financing and Plan for other 46 counties

32. As agreed during project preparation, ICTA sent a survey to all 47 counties to gauge their readiness to undertake ICT improvements. Thirty counties responded, and all expressed a high level of demand for ICT. Yet, considerable room for improvement was reported, and it was determined that nearly every county would benefit from an increase in office automation, skill development, and more stable telecommunications and energy availability. Furthermore, many counties were experiencing difficulty using IFMIS due to these same factors. As a result, the ICTA team has determined that it behooves the project to allocate some funds to the counties to bring them up to a minimum standard before they would be able to take advantage of the funding for applications. This would not only provide the counties and sub-counties with the ability to perform their fiduciary functions electronically but it will also increase government efficiency and effectiveness such as to make them eligible for other government and donor grants for development. After discussion with the ICT Working Group, it was agreed that it is both necessary and essential that this work be undertaken so as to make other ICT investments in the counties sustainable after this funding is depleted.

E4 Monitoring & Evaluation, Governance
33. **Project M&E.** The mission met with Lawrence Nduva, M&E Specialist for ICTA. The project has recorded progress against the indicators in the project plan and has updated the M&E indicator report. Annex 4 contains the latest available report.

34. **Project Governance.** Recruitment to hire a new Project Manager for Governance is underway.

### F: Review of Financial Management

35. The original credit (cr. 4284) has so far disbursed USD 91.1 million (81%) out of which USD 70.8 million has been accounted for in client connection leaving USD 25 million undocumented (either in bank accounts or expenditure incurred but not documented). The USD 70.8 million is equivalent to an absorption rate of 62% after 7 years of implementation. There are two withdrawal applications that have been in draft since 22 October 2014. Previously, the DA had been inactive for quite some time. The project team should ensure that the DA is active by documenting expenditures on a quarterly basis and not when the system flags it out; proactivity is required to avoid such instances.

36. The additional financing one (AF1) (cr. 5092) has so far disbursed USD 20.7 million (39.8%) out of which USD 9.9 million have been accounted for/document??ed in client connection leaving USD 11.8million undocumented (either in bank accounts or expenditure incurred but not documented). This is equivalent to about 18% absorption under the additional financing, after 2 years 3 months since effectiveness.

37. There has not been any disbursement under additional financing two (AF2) that became effective in August 2014.

38. The project should document expenditures that have been incurred to reduce the figure of undocumented funds which stands at **USD 37 million** and speed up implementation. The project team is aware of this and is working towards its resolution. Thirty million of the above expenses have been processed in client connection and are awaiting the clearance by the External resources Department of the national Treasury and subsequently by the World Bank before they can be categorized as documented. The balance is as of yet unutilized.

39. There are no outstanding reports. The IFR for the quarter ended 30 September 2014 is expected on 14 November 2014. The IFR rating for Financial Management is maintained at Moderately Satisfactory.

### G: Review of Procurement Management

53. The main objectives of the procurement review were a) to re-assesses the procurement capacity of ICTA in view of recruitment of Senior Procurement Officer. To review the implementation status of procurement related aspects of various
ongoing components including IFMIS; b) to discuss the progress of Transport Integrated Management System for which the Bank has issued no objection to sign the contract with the lowest evaluated bidders; c) to participate in Procys training with ICTA coordinators to resolve the ongoing problems; and, d) to carry out an assessment to e-GP system being rolled out in various countries as well as in Ministries. To achieve these objectives, the following tasks were carried out:

a. Held discussions with Ministry staff handling on-going procurement problems for the project.
b. Updated procurement plan for original, additional financing 1 and 2 agreed on key dates for packages;
c. Re-assessed the procurement capacity of the implementation unit
d. Reviewed Bidding Documents as well as Request for Proposals and issued the No Objection
e. Launched a short workshop for the Country Office TTLs and staff on the Framework Agreement.
f. Joined most of the meeting with the mission members

More details can be found in Annex 5

**H: Next Steps**

40. A mission to review overall progress on the project activities and specific actions on KTCIP implementation will be conducted in September 2014.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible</th>
<th>Date</th>
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<tbody>
<tr>
<td>1. GoK will convene a meeting with the NCC and Central Government to agree on the high level architecture of the revenue management system which will be used by both levels of government</td>
<td>GoK IFMIS team and Chair of the Digital Payments Taskforce</td>
<td>Dec 31, 2014</td>
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<tr>
<td>2. The National Treasury will prepare and confirm a fully actionable implementation plan to ensure that the IFMIS is fully deployed in both central government and the counties</td>
<td>National Treasury and the IFMIS team</td>
<td>Dec 31, 2014</td>
</tr>
<tr>
<td>3. The will jointly examine the budget proposed by the National Treasury for the implementation of the revenue management/digital payment project and identify exactly what funds from KTCIP could be used for this purpose.</td>
<td>Task Force for Digital Payments and the ICTA</td>
<td>Nov 15, 2015</td>
</tr>
<tr>
<td>4. KTCIP staff will work with consultants, the IFMIS team, and the NCC IT team to prepare technical specifications for the revenue management system.</td>
<td>KTCIP along with relevant resources in the GoK, WB</td>
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<tr>
<td>5. Establish a timetable and plan for engaging the counties under AF2 activities</td>
<td>ICTA County Activity Coordinator</td>
<td>Nov 30, 2014</td>
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<tr>
<td>Activity</td>
<td>Responsible</td>
<td>Date</td>
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<tr>
<td>6</td>
<td>Further discussions and decisions on how to handle Operations and Maintenance for IFMIS after project ends</td>
<td>ICTA Project Manager and IFMIS coordinator, along with WB IFMIS project manager</td>
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<tr>
<td>7</td>
<td>Confirm to the World Bank that the KTCIP Project Manager is dedicated full time to the project or initiate recruitment for a replacement</td>
<td>CS Ministry of ICT</td>
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<td>8</td>
<td>Confirm to the World Bank the progress on the remaining covenants.</td>
<td>KTCIP staff</td>
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I. Annexes

Annex 1 – M&E Indicators
Annex 2 – IFMIS details
Annex 3 – Procurement Plan
Annex 4 – Procurement Analysis
Annex 5: IFMIS Implementation Report
Annex 6: IFMIS-GHRIS Integration Report
Annex 7: KTCIP Expenditures and Funds Status Report
Annex 8: Report on Transportation Information Management System, Kenya News Agency and Birth and Death Civil Registry.
Annex 9: Open Data Activities

Annex 1 – M&E Indicators (see separate spreadsheet)

Annex 2 – IFMIS details

A conference room demonstration of Release 12 of the Oracle E-Business Suite that was rolled-out to the National Government and the 47 Counties in February 2013 was provided for the mission team by the IFMIS Department.

- The Procure to Pay (P2P) implemented by Zinga as part of iProcurement was launched in August 2014 with strengthened controls that do not allow payments without IFMIS generated purchase orders that ensures availability of budget before requisitions are approved. Vendors are also pre-registered in the system with unique codes and referenced to business registration numbers and taxpayer identification number. Commonly procured items have been entered in the Item Master using the United Nations Standard Products and Services Code® (UNSPSC®) to provide an efficient, accurate and flexible classification system for achieving government-wide visibility of spend analysis. One of the notable functionalities is the iSupplier portal, which will allow suppliers to check on the status of their purchase or service orders issued and payments.

- Cash Management module has been implemented and automatic bank reconciliations enabled in national government. The process of automating the exchequer release process and cash flow management has been initiated in consultations with CBK and the relevant stakeholder departments at the National Treasury. The requisite integration configurations have been completed in the IFMIS in line with the stakeholder requirements. User Acceptance Testing has been conducted. The mission was informed that GPAY will be retired when Central Bank internet banking goes live in November 2014 and this will facilitate smooth and seamless government electronic funds transfer (EFT). The final agreement between the Central Bank of Kenya and the National Treasury has been reviewed by the AG’s office and agreed upon; this is awaiting signature. The EFT process is that the authorized ministry official will login to T24 Internet Banking to approve the payments and the Central Bank will

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1 http://www.unspsc.org/ - , managed by GS1 US™ for the UN Development Programme (UNDP), is an open, global, multi-sector standard for efficient, accurate classification of products and services.
release the approved payments to Kenya Electronic Payment and Settlement System (KEPSS)\(^2\) for onward transmission to commercial banks.

- Configuration of IFMIS to facilitate revenue collection for the Judiciary has been initiated.
- The Fixed Assets module has been implemented in the IFMIS, and this is pending the uploading of real asset data from national and county governments.
- The Single Chart of Accounts (SCoA) was reviewed to facilitate efficient tracking of financial transactions based on hierarchical Classification of Functions of Government (COFOG) structure, reporting and consolidation, and flexibility in accommodating future scope for expansion.
- Standard reports and user-defined reports are available in the General Ledger, Accounts Payable and Accounts Receivable modules. Financial Statement Generator (FSG) is also used to develop specific reports for Government of Kenya (GoK).

Key issues for follow-up for which the Bank task team stands ready if given the space to provide focused support that will bring the PFM perspectives to bear on the IFMIS implementation.

(i) **The Hyperion module is used for loading the budget.** The module now allows the inbound update of the budget with the actual revenue and expenditure to allow for efficient budget monitoring. Visits to 13 counties in April 2014 revealed that more training is needed to enable counties to prepare program based budget in the system based on approved ceilings with linkage to key outputs in the County Integrated Development Plans (CIDP).

(ii) **Auto-bank reconciliation function is working but items remain unreconciled for unreasonable periods.** This undermines the integrity of financial reports and pose threats that serious errors or fraud could go undetected – for example: a revenue amount in cash book but not in bank statement is a red flag for revenue leakage and a withdrawal in bank statement but not in cash book could signal unauthorized payments. It is for these reasons that the National Treasury should closely monitor the result indicator of the project on “time required to clear un-reconciled items in bank reconciliation reports”. All MDAs have been trained on automatic bank reconciliation, and implemented. However, when the CBK were migrating their systems in readiness for internet banking, the files from CBK to IFMIS were not being received. This has since been corrected and the backlog for unreconciled items cleared.

(iii) **There is an urgent need to establish data exchange protocols between the revenue collection systems and the Accounts Receivable (AR) module and this could be simplified by bringing into IFMIS aggregate revenue collections reconciled with actual deposits in the revenue bank accounts.** County revenue collections paid into commercial bank accounts are currently not recorded in IFMIS. Revenue reports to the Controller of Budget are done from manual records or from the Local Authority Integrated Financial Operations Management System (LAIFOMS)\(^3\). As was done for the Judiciary, county revenue activities should be pre-defined in the Accounts Receivable module so that all county revenue collected are promptly recorded in IFMIS\(^4\). The AR module has features for customer ID;

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\(^2\) KEPSS is Kenya's Real Time Gross Settlement (RTGS) System and went live on July 29th 2005. It is wholly owned and managed by the Central Bank of Kenya.

\(^3\) High-level study conducted by Copy Cat Limited and Mannai Corporation Q.S.C. in connection with the request received from MOF-IFMIS department to check the feasibility of interfacing LAIFOMS with the IFMIS system

\(^4\) It is noted that the revenue activities in IFMIS can be defined once the naming convention for the receivable activities are received by the National Treasury.
taxpayer ID and revenue activities (parking fees, property taxes etc). Use of point-of-sale and other electronic methods of revenue collection should not be a reason for not accounting for revenue in IFMIS. Each commercial bank account should have a corresponding general ledger in IFMIS to record all revenue collection transactions. A policy and arrangements must be defined to foster competition amongst commercial banks and ensure prompt transfer of collected revenues to the County Revenue Fund in the Central Bank through stringent rules with services remunerated on a per transaction basis, independent of the value of the transactions.

(iv) Reports generated as at October during the conference room demonstration of IFMIS did not include payroll costs even though salaries have been paid. This is an indication that the Integrated Payroll and Personnel Data System (IPPD) is not yet seamlessly integrated with the General Ledger. According to the National Treasury, the integration is being designed for GHRIS not for IPPD; yet the Systems Integrator contract clearly states that the IFMIS requires integration with core government systems (e.g. HR system, payroll, pension etc.). Attached, in Annex 6, is the integration document.

(v) The attention of the National Treasury is drawn to the project indicator for “time taken to publish financial reports” as this is critical for the transparency dimension of the project. The IFMIS Department has done extremely well in rolling out the system under challenging circumstances especially at the County level. In addition, the system has configured reporting requirements for various users. Attention now needs to focus on hand-holding to ensure actual use of the system especially with regards to ability to generate reports for both internal management use and to meet reporting obligations in the PFM Act such as — section 80(4)(b): “not later than 4 months and …. publish and publicize the statements”; and section 83(5)(b): “within 45 days for quarterly reports by Accounting Officers”. The IFMIS is designed to facilitate the development of the financial reports by the MDAs. This indicator stresses that the National Treasury’s responsibility is to ensure that the data is collected and published – this can be facilitated by the active involvement of the M&E officer and the relevant financial staff in each MDA. Once the Accountant General’s Dept has finalized and submitted the financial reporting templates to IFMIS for configuration, the MDAs will be able to generate these reports at the click of the button. The Accounting Officer for each entity in accordance with Article 81 (4) (b) publishes and publicizes the financial statements.

(vi) Systems Integrator to introduce single sign-on - the graphic user interface (GUI) or ‘look and feel’ could be improved and a single sign-on introduced so that users can navigate comfortably around the various modules for which they have assigned privileges.

(vii) Product license fees are being made for the Asset Module which is not in use. The asset module has all the expected features to enable the Government to maintain an Asset Register. The explanation for not using the asset module is that the Transition Authority is yet to complete the asset identification/verification exercise. The National Treasury could consider taking a stance to record all assets purchased from the 2013/14 financial year as ownership cannot be questioned since the purchase were made from appropriated funds to the purchasing entities.

(viii) Assign IFMIS champions in each operating entity to provide hands-on help with escalation to the National Treasury. Develop an online and work station support help desk system. It is noted that IFMIS is enhancing capacity for not only super users and certifying

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5 IFMIS is working on harmonizing licenses, including for the GUI before this can be implemented.
them –Oracle Certification, but also at least one business and technical user in each operating unit.

(ix) **IFMIS Project Coordinator** - it is important to select a subject matter expert with PFM knowledge and proven track record of successfully implementing IFMIS in the public sector. **It is imperative that there be an IFMIS Project Coordinator at the ICTA.**

**Communication, training and change management**

There is an urgent need to focus on on-the-job hands-on training for end-users. TCT is yet to provide end-user training and accreditation of 250 users; 71 systems administrators; 60 trainers; and 60 super users across all modules, and the project is encouraged to share their detailed training plan with the World Bank. Whilst over 4,000 end-users have been trained at the IFMIS Academy by the end of the Financial Year 2013/14, the IFMIS system itself continues to be used mainly as a payment tool and not much as enabler for PFM improvement. It is striking to note that most users struggle to generate key management reports for decision making. The Systems Integrator has initiated training of the super users in government. Training plan has been developed for end users and this is planned to commence in January 2015. The training should not be judged by the mere number of people trained. To better assess whether the training is improving the capability of users and making a positive impact on PFM performance, evaluation of the training programmes should be conducted by using the Kirkpatrick Training Evaluation Model6; this should feed into revision of training plans and materials for January 2015. IFMIS department is requested to share the evaluation report with the Bank. Also, change management activities will need to be undertaken to convey the benefits of IFMIS as a PFM tool and ease of generation of key reports especially for the Executives in the form of dashboards will demystify IFMIS. Selected IFMIS related literature are provided in the annex and will be useful in adapting to the Kenya context. The e-Learning and Development Institute (ELDI) in the Kenya School of Government (KSG) would be a good partner to host an IFMIS e-learning platform with a dedicated training server that mirrors the actual IFMIS environment. ELDI has a world-class e-learning facility in Kenya that could also be used for regional face-to-face training. This option would be more sustainable as the IFMIS training program will be institutionalized within government.

Despite the several communication efforts, users still do not seem to know about the full features of the whole Oracle E-Business Suite. Communication and awareness materials on IFMIS benefits and functionalities were developed and distributed to national and county governments; this is an ongoing activity. Electronic procurement awareness was raised extensively through the electronic and print media prior to the launch in August 2014. The IFMIS website was revamped and launched in 2014. The website provides a quick and easy access to IFMIS publications, information on IFMIS modules and the re-engineered business processes. Some Counties are approaching the Bank for funding applications to manage assets and revenue management systems. The communication strategy should be reviewed to pursue more targeted messages based on the audience. Ministry and County level focused practical IFMIS demonstration sessions for the senior decision makers to convey how the IFMIS supports PFM needs will be helpful. It is important to go beneath the iceberg to identify the root causes

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6 Donald Kirkpatrick “Evaluating Training Programs” 1994 – (i) **Reaction**: what participant thinks of training (ii) **Learning**: improvements to knowledge and capability; (iii) **Behavior**: improvements to work performance; and (iv) **Results**: impact on the organization.
for not fully using IFMIS so that appropriate change management actions can be taken depending on the users’ stage in the coping cycle\(^7\) of the reforms.

*Business Continuity Management (BCM\(^8\))*

*A disaster recovery site is still not yet in place.* As noted in the last aide memoire, backup tapes are taken and an offsite facility for IFMIS backup has been established and operational at a secure location. However, systems and procedures to restore data in order to recover from a disaster for critical operations to continue with minimum disruptions are not yet in place. Outcome of PWC security assessment should inform the development of a strategy and procedures for business continuity and disaster recovery with a plan that should be periodically tested.

*Change Requests*

The mission was informed that due to re-organization of the government; urgent requirements have been initiated that have an impact on the already completed milestones within the contract for Systems Integrator (*Transnational Computer Technology - TCT*).

(i) Change of the Standard Chart of Accounts (SCOA) to accommodate the new Votes and the various requirements from the stakeholders;

(ii) Re-configuration of all the Votes in the national government in a new instance;

(iii) Configuration of devolved Departments in the County Governments as votes and the separation of the County Assembly from the County Executive;

(iv) Automation of the Exchequer Release process and cash forecasting solution in the government;

(v) Implementation of the Treasury Single Account (TSA);

(vi) Re-configuration and testing of the custom reports

*TCT has indicated that the above changes necessitate a re-implementation of the whole system.* Implementation of the SCOA requires US$1,488,000 to cater for the requisite setups, configuration, data migration and testing. The estimated cost for implementing the Funds Request to Exchequer Release, Cash Flow Forecast, and the Treasury Single Account is US$ 6,691,850 (*this includes annual support fee of $1,161,600 for the fully customized cash management system*). The mission team believes that this figure is highly inflated and that the changes required as a result of the TSA architecture and the cost proposal is not justifiable at this scale\(^9\).

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\(^7\) Elizabeth Kubler-Ross (1969)

\(^8\) BCM is a holistic management process that identifies potential threats to an organization, the impacts to business operations that those threats may cause, and provides a framework for building organizational resilience to safeguard the interests of its key stakeholders, reputation and lines of business.

\(^9\) IFMIS team was tasked to negotiate with the Systems Integrator on the cost for the same. It was also emphasized by the GoK that this was a priority project that requires urgent deliberations to close on and advise the GoK accordingly so that they can examine the available options in good time. See Annexes 5 and 6 for the SI implementation progress and report on the customizations as per the scope of the adjustments.
The mission team noted that automation of the exchequer release process which is tied to the TSA is within the scope of the current contract as part of the expected custom extension/objects and must be delivered as expected. According to the IFMIS team in the Government, the scope of the contract did not extend to the implementation of the TSA. The automated Exchequer process further changes with the requirements for the TSA architecture. They also note that the following has been automated as conceived in the contract and inception report: exchequer request from spending unit to exchequer unit; exchequer unit approving the fund release for both priority and non-priority spending units; notification to ministries on release of funds; approving of reconciliation report; and cash position worksheet.

PFM Technical Assistance

The Kenya National Audit Office (KENAO) - KENAO has trained 25 of its staff at the Knowledge Transfer Center on Oracle 12c Database Administrator (DBA); Oracle 9i/10g Developer and Oracle Discoverer (Now Called Oracle BI Dashboards).

<table>
<thead>
<tr>
<th>Course</th>
<th>No of Participants</th>
<th>Estimated Costs (Kshs.)</th>
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<tr>
<td><strong>ORACLE DATABASE ADMINISTRATION</strong></td>
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<td>Oracle Database: Introduction to SQL</td>
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<td>Oracle Database 12c: Administration Workshop</td>
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<tr>
<td><strong>ORACLE DEVELOPER</strong></td>
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<tr>
<td>Oracle 11g Program with Pl/SQL</td>
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<td>Oracle 10g Forms Developer: Build Internet Apps</td>
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<td>Oracle 10g Reports developer: Build reports</td>
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<td><strong>ORACLE DISCOVERER (Now Called Oracle BI Dashboards)</strong></td>
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<tr>
<td><strong>Total ±US$180,000</strong></td>
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<td>15,605,867.02</td>
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Accountant General’s Department - It was disappointing to note that the expected technical assistance to the Accountant General’s Department to meet the objective of preparation and consolidation of financial statements for county governments for the financial year 2013/2014 was not successfully recruited, and a new recruitment will be initiated. The Accountant General’s Department expressed concerns that the financial proposal for Osano & Associates is inconsistent to the extent that the reimbursable and miscellaneous expenses would not be
adequate to cover all the proposed staff, noting that the assignment is expected to take 4 calendar months and spread in all the 47 Counties and that no breakdown was provided to enable evaluation of the reasonableness of these costs. The Accountant General has communicated to ICTA that subject tender has been overtaken by events, noting that the objective of the assignment was to provide TA to County Governments in the preparation of their annual financial statements for the year ended 30th June 2014, with a statutory submission deadline of 30th September 2014. The Accountant General has advised that the tender should be terminated and that in due course a fresh procurement will be initiated to support the Counties in financial reporting under a different terms of reference. The funding of US$500,000 budgeted for the earlier exercise should be reserved for this purpose.

IFMIS Department - the Governance Global Practice, Public Integrity and Openness (PIO) organized a brown bag lunch (BBL) held at the World Bank in Washington, DC, on October 6 in which the IFMIS Director (Jerome Ochieng) made a presentation on “How E-Procurement Helps Strengthen Public Finance Management in Kenya”. Jerome shared the Kenya experience in designing and implementing E-Procurement as part of the Government’s effort to strengthen PFM. He explained the benefits and challenges of adopting E-Procurement as integral component of the IFMIS system to improve transparency and efficiency of PFM.

<table>
<thead>
<tr>
<th>Results matrix</th>
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<tr>
<td>UOM</td>
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<tr>
<td><strong>Outcome Indicators</strong></td>
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<tr>
<td>Number of ministries and counties using KIFMIS</td>
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<tr>
<td>Counties</td>
</tr>
<tr>
<td>Average system uptime for the 24 ministries</td>
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</tbody>
</table>
Annex: Status of contractual deliverables for the IFMIS Systems Integrator (TCT) as at July 2014 (to be updated as at September 2014)

![TCT status as at July 2014](image)

Full model of information systems in Public Sector Organizations

![Full model of information systems in Public Sector Organisations (PSOs)](image)

The implementation should shift focus from the inner rings of just rolling out information technology with increased emphasis on the business processes and the related people factors while employing appropriate change management techniques under the prevailing social and
political environment especially with the counties. Strategies and the required structures also need to be deployed to provide continuous support to end users.


Annex 3 – Procurement Plan – see separate document

Annex 4 - Procurement Analysis

**Procurement Assessment:** The mission re-assessed the procurement capacity of the ICTA. Senior Procurement Officer of ICTA left about two years ago. Due to the absence of a senior procurement officer for the last two years, the project implementation was delayed significantly, along with a resulting decrease in speed of disbursement. After considerable delay, ICTA has recruited a Senior Procurement Officer in September 2014. The new procurement officer has a relevant degree and good experience on World Bank funded projects. A numbers of issues on the project procurement were discussed with the ICTA staff. The mission concluded that the staff has sound knowledge on the technical side of the project, and the procurement staff has good knowledge on the WB procurement and its policies– It was revealed that the project as well as additional financing implementation will be at **medium risk.**

**Procurement plan:** The mission has discussed each component/activity status and conveyed its concern that most of the activities that were scheduled for procurement are delayed and are lagging behind under original and first additional funding. However, the procurement schedule of each activity has been revised and that has been reflected in the attached revised procurement plan. The mission reiterated that ICTA has the responsibility to publish the PPs in the external website through client connection. The mission along with the Procurement Specialist has also created a consolidated procurement plan for (i) the original project; (ii) first additional financing; (iii) second additional financing. The procurement plan has added a remark column that will make the PP self-explanatory.

The following procurements were reviewed during the mission:

a. Transport Information Managements (TIMS). It was noted that the ICTA has signed the contracts and a kick off meeting was held last week.

b. Supply, Installation & Commissioning of Power Backup Systems in 34 Government Buildings: The mission noted that the contract for the project had been signed and the contractor was on board.

c. The Re-binding records and supply of stationery for the Civil Registration Service: The mission noted that the contract for the project had been signed and the contractor was on board.

d. The mission reviewed the requests for clarifications in the bid for the Supply, Installation and Commissioning of Active Network Elements and Communication Infrastructure for Nairobi City County and granted a NOL for extension of the submission.

e. The mission reviewed the Technical Assistance in the Preparation and Consolidation of Financial Statements for County Governments (Lot 3). It was noted that a NOL had been granted but issues regarding reimbursable had been raised .The Documents were
reviewed and Borrower advised to proceed to invite the most responsive evaluated Consultant for negotiations.

f. The mission reviewed the Supply and Installation Bidding Document for Physical Library at the Kenya News Agency: It was noted that the budget for the item was below the threshold for ICB. It was recommended that the item should be procured under NCB for post review.

g. The mission reviewed and issued a conditional no objection for Bidding Document for the supply and installation of middleware and data base for TIMS. ICTA was advised to make proposed changes to the document and proceed to issue SPN. NOL will be issued once revised document is received through Procys.

h. The mission has updated and reviewed the attached procurement plans that include (i) the original Procurement Plan; (ii) Additional first financing and (iii) second additional financing and made comments in the remark column. The remark column can be read through the attached summary.

Post Review Procurements. The mission has carried out the following post reviews:

a. Procurement of PKI Center Civil Works at CCK(reviewed procurement documents)
b. Procurement of PKI Center Access Control, CCTV & Cooling(reviewed procurement documents)
c. Procurement of Nairobi City County ICT Transformation Project - Supply, Installation, and Configuration & Commissioning of a Web Portal. (reviewed procurement documents)

Most of the documents were in the file. However, the files were not kept appropriately for ease of access. The Mission stressed the need for the ICTA procurement experts to ensure that the files are in better and sequential order to enable procurement or audit firms to access them as and when required.

IFMIS and Shared Services: The mission met with Jerome Ochieng, Director of IFMIS, Anne Chege, IFMIS M&E Specialist, and many members of their team. Key issues that require attention of the Committee were as follows:

The mission noted that despite the roll-out of IFMIS to the Counties, financial management is still heavily reliant on manual vote books. The National Government ministries are still using manual vote books. None including the National Treasury was using the IFMIS platform for e-procurement.

IFMIS operations are still vulnerable to ‘disaster’. Offsite capability to resume critical IFMIS functions in the event of ‘disaster’ is yet to be established. IFMIS security enhancement is ongoing. However, there is need to urgently put in place and periodically test a Business Continuity Plan to ensure that critical IFMIS services will be available in the event of a disaster.
There is an issue with tax being applied to the contract with TCT, and which has yet resolved, but the matter is being pursued by the IFMIS Department and the ICT Authority. The IFMIS team is also reviewing its procurement plans and will revert to the World Bank on whether they would like to reorganize some of the procurement priorities undertaken by the project.

The mission was informed that the process of hiring a Project Coordinator IFMIS, and the Project Contract Manager had not been concluded. It was noted that the former had been forwarded for NOL, while the latter (identified responsive candidate) had declined the offer. It was agreed that action will be taken on both accordingly.

e-GP System: The mission met with Jerome Ochieng, Director, his experts and many members of his team specifically on the status of e-GP system that is integral part of IFMIS. It was noted that none including the National Treasury has been using the IFMIS platform for e procurement.

Jerome indicated in his presentation to the mission that e-shopping was being used for procurement of small goods. He has presented how system forming Request for Quotation (RFQ). They have created a two envelope system equivalent to our QCBS. However, all this is still in its infancy. The mission has not comprehended any vendor list or real procurement that has been carried out through e-GP system. The mission understood that the actual use can be seen in the ministries who are the main users of e-GP. The mission visited to assess the use of e-GP in ICT ministry – It was confirmed – so far they haven’t used. However, the payment module for making payment to contractors and suppliers are being used fully.

The mission discussed with the Director IFMIS that for the compatibility of e-GP system to roll out in various ministries as well as in counties – it required to be assessed as well training to user must be provided. Director has fully endorsed the mission advised and suggested to kept at least USD 1 million.

Annex 5: IFMIS Implementation Report (see separate file)

Annex 6: IFMIS-GHRIS Integration Report (see separate file)

Annex 7: KTCIP Expenditures and Funds Status Report (see separate file)
a. Civil Registrations: Support to the digitization of Birth and Death Certificates of Civil Registrations

1. **Background:** In December 2012, the department embarked on a project to digitize all historical birth and death records, which were estimated to be around 60 million. The digitization of the birth and death records project started in April 2013. At first, the project implementation team focused on digitization of the records in Nairobi city. After completing to scan all the birth and death records in the Nairobi, the project team shifted their focus on digitization of all records in 107 civil registry department (CRD) centers of 47 counties nation-wide this year.

2. **Completed digitization of all birth and death records:** In the middle of 2014, they completed digitization of all the birth and death records in the Country and started the launch of the search function in 10 locations; it is expected that the search function for all the centers will be ready within the year. The total of estimated scanned records is more than 60 million. The team is still in the process of consolidating all the records and reducing duplications. Scanning of historical records marks a major milestone in the project since the records now have a secure electronic back up away from the county registries.

3. **Machakos County Experience:** Jennifer Gui and Anthony Mugambi visited a newly launched Civil Registry Department in Machakos County and met with Mr. Ken Nyamweya, the head of the Machakos Civil Registry and his staff. Mr. Nyamweya was very happy with the use of the database to verify their citizen records. He said “It used to take at least two-three days to verify one person’s record manually before they could produce one certificate to a citizen. Now it would only take 5 minutes to verify one person’s record. It is so easy to retrieve all the records and see where they were from, who their parents were, and when they were born. Citizen used to come to the Registry and stayed at least one overnight in order to get a certificate.”

4. Data entry is ongoing at the data capture site located on the 1st Floor, Hass Plaza. The number of records that has been keyed in and moved to the Electronic Document Management System (EDMS) currently stands at twenty four million. The data entry team is covering one county at a time and should be able to complete the work by March 2015 if additional space, work stations and broad band connectivity is provided by Ministry of ICT. Nairobi county registry had been granted access to the EDMS and started testing the use of the scanned records in their business process when the registry lost connectivity due to unpaid bills. Internet connectivity therefore remains a critical requirement for system testing and rollout to Nairobi and the rest of the registries.
5. Testing of a secondary connectivity infrastructure has just been completed under a Telkom dongle Proof of Concept (POC) project which ran from 1st July 2014 to 30th September 2014. Ten modems supplied were distributed to the following sub county registries:
   a. Machakos
   b. Kiambu
   c. Nairobi
   d. Limuru
   e. Yatta
   f. Githunguri
   g. Ruiru
   h. Thika
   i. Mombasa

6. Milestones earmarked for testing under the POC were: Installation and Configuration of the Telkom dongles, EDMS Training, and Testing of Case 360 access and use. These activities were carried out in Machakos, Limuru, Kiambu, Githunguri and Ruiru. The EDMS is currently in use in all the offices except Yatta which is located where the Telkom signal is very weak.

7. The Business Steps. Before the modems were installed in the registries the entire business process was done manually. A typical birth certificate application process went through the following steps:
   a. Steps without EDMS access through modem connectivity
      • Filling an application form and attaching the Birth Notification
      • Presenting the form for records search
      • Registry search and retrieval which took four to six hours in a small registry(several searches are done simultaneously)Registry search has approximately 60 per cent success rate
      • Payment of prescribed fees
      • Printing of certificate and issuance
      
      This process takes one to two days.
   b. Steps with Modem Connectivity to the EDMS
      • Filling in of an application form and attaching the Birth Notification if available. If unavailable, information on the application form is sufficient for a successful record search
      • Presenting the form for search
      • Desktop search which takes five minutes and has approximately 95 per cent success rate even with falsified particulars
      • Payment of prescribed fees
      • Printing of certificate and issuance
      
      This process takes approximately one hour.
8. The immediate benefits to the registry
   a. Reduced application processing timelines
   b. Decongestion of the registry
   c. Ease of record search
   d. Elimination of fraudulent applications
   e. Reduced occupational hazards as seen in Kiambu

9. Recommendations
   The system only allows access to records already in the EDMS. We therefore need to acquire the data capture software which was used during the digitization project. This will enable the registries to capture and load new data into the EDMS.
   Additional modems should be provided in one station to enable more officers to use the system.
   More modems sufficient for all the 107 stations need to be acquired so that all the offices can be able to utilize the EDMS.

10. The concept. Results of the POC testing over a period of 90 days has shown that the test was successful in providing alternative but stable wide area network connectivity and access to digitized records through Case 360. All the three milestones were successfully implemented. The concept having been successfully tested can now be rolled out for use in all the 107 stations. Roll out will ensure full utilization of the EDMS and the sixty million digitized records. The rollout however requires deployment of additional resources in form of hardware, WAN connectivity, training and recurrent costs. The process of integrating the EDMS and the CRVSS is ongoing. Upon completion, the historical data will move into the CRVSS which contains all the CRD business process modules thereby enabling the department to roll out an end to end electronic system and to commence appropriate change management programs.

11. Challenges working in the registries:
   The project manager of the CRD project mentioned a few challenges they face:
   • Last mile connectivity and stable internet connections for all 107 registries. For some of the counties, the fiber optic connections have not been installed in their buildings. Therefore, they plan to install all the fiber connection to all county CRD buildings so that they can have faster speed search capability.
   • Use modems as power back-up method for county registries. Power shortage is still a big issue for Kenya, particularly in the counties. The project team has introduced modems for the country registry as an alternative for staff to search the database.
   • Another important requirement is adequate human resource capacity and knowledge transfer to staff in CRDs. After the contract company finishing digitization of the records in each location, all scanning machines were moved out. It is required that local staff continue to scan all the new records and update them with metadata into the database. They require additional staff and workstations, plus scanners so that they can conclude the project by March 2015.
12. Based on the above mentioned challenges, the project team is preparing a proposal to seek additional funding of an estimated $500,000 from the ICT Authority to solve all the issues. In the long term, they intend to satisfy service requests from a public access citizens’ portal.

b. Transport Integrated Management System - TIMS

13. Status of the TIMS Contract. The contract was awarded to Copy Cat on September 30, 2014. Mr. Victor Kyalo, the CEO of the Kenya ICT Authority and Mr. Franscis Meja, Director General of Kenya National Transport Safety Authority (NTSA) hosted the contract signing ceremony. In addition, the World Bank Procurement already approved their proposal on a limited international bidding of the middleware component handled by ICTA directly.

14. Mr. Fernando Wangila was appointed as the Project Manager. The World Bank team and Mr. Mugambi, the Project manager of the ICTA met Mr. Wangila. In the new service portal, they plan to launch about 35 services related to transportation services, such as driver license request, road driving testing, tickets payment, car titles, annual registration renewal, car inspection and others. They would first focus on the easy ones. They will host the infrastructure in their new building and use the Government datacenter as their disaster recovery backup center. They anticipate a large change management effort when they launch their services, particularly for new policy enforcement and training.

15. Project Kick-off meeting with the World Bank Team. A project kick-off meeting was held in the ICTA office on September 29, 2014. The World Bank team, members of ICTA, and the project manager Mr. Wangila from NTSA met with the vendor companies. The companies expressed their eagerness to deliver the project on time.

16. Discussion on project plan and high level architecture design. On October 8, 2014, the World Bank team met with the project manager Mr. Wangila and his management team and discussed project architecture design and project plan. According to their architecture design, they would leverage the people data from the Government portal and the payment module from the Treasury revenue collection component.

17. In addition, they plan to have their business requirement collection workshop with service providers in the second week of October. From their project plan they would deliver their portal in 18 months with 35 services offered. They would have monthly communications with major stakeholders and weekly meetings with development teams.

c. Kenya News Agency - KNA

18. Jennifer Gui and Kaburo visited Kenya News Agency (KNA) operations. A kick-off meeting of the project was held at Department of Information, Uchumi House, Aga Khan Walk, Nairobi. KNA is under the leadership of Department of Information, Ministry of
ICT. During the kick-off meeting, the key participants were: Joseph Olewe Owiti, Director, Department of Information; Geoffrey Bittok, Assistant Director, Department of Information; Simiyu Sosio, Assistant Director, Department of Information; Wilson Muranda Security Officer, Department of Information; William Inganga, Photographer, Kenya News Agency; and Wycliff Aura, Librarian.

19. The director of KNA hosted the project kick-off meeting. The management of the KNA was in full support of the project. They expected the project would be delivered by the end of next year.

20. Status of the KNA project:

a. Independent consultant who will focus on Intellectual Property and Access to Information of the KNA collection has already on board. He participated in the kick-off meeting. He worked on a similar project for the Kenya film production. His work in KNA will contribute to drafting a status report and eventually the license model and policy for the KNA.

b. The TOR for Scanning, Digitization and Cataloging has been cleared by the Bank’s procurement team. It will be advertised in Kenya newspaper and various websites in the 2nd week of October.

c. After the review by the Bank’s procurement specialist, the third TOR for the Build and Install KNA archive library will be broken down into three documents: i) civil works for the renovation of the library space, ii) shopping list for archive quality material, and, iii) air conditioning service. As the procurement budget for this is $100,000 these can be sources through local procurement methods.

d. The TOR of Multimedia Management System and e-Commerce Service has been submitted to the World Bank’s procurement portal and is under review.
Annex 9: Open Data Activities

1. Access to Information Bill to be tabled in Parliament. On 11 September, 2014, in a meeting chaired by H.E. President Kenyatta, Cabinet approved an implementation framework to table the Access to Information Bill in Parliament for debate (the penultimate step before it can be enacted into law). The process of enacting the bill has been ongoing since 2006. The Bill contains provisions on the right to information, proactive disclosure of information by government, and exempted information. The Access to Information Bill is an important component of the enabling environment for Open data in Kenya, as well as an essential mechanism to enable citizens to exercise their voice, monitor and hold government to account, and participate in informed dialogue about decisions which affect their lives.

2. Revitalization of the Open Data Activities. The Kenya Open Data Initiative (KODI), supported under Additional Financing 1, had an excellent start when it commenced in July 2011. Progress had stalled over the past two years but new attention is being placed on this activity.

   a. The mission met with Victor Kyalo, Victor Kyalo, Chief Executive Officer of the ICTA, Kaburo Kobia, Project Manager for KODI; Linnet Kwamboka, Open Data Coordinator for KODI, Sifa Mawiyoo, Open Data Officer; Simeon Korir, Procurement Manager for the ICTA; and Phyllis Nyambura, Communications Coordinator for the ICTA.

   b. Few new datasets have been uploaded between 2013 and 2014. Notwithstanding, traffic on the site remains considerable: user statistics provided by the team are: 2011 per month Average Page views: 92,912; 2012 Average Page views: 125,357; 2013 Average Page views: 90,399; and already in 2014 Average Page views: 88,277, but reputational risks are possible if data remains out-of-date. Using tools from Socrata, it is possible to ascertain the geographic origin of page views (and according to a recent survey, 70% of the respondents were from within Kenya.

   c. In an effort to revitalize the activity, the Program Manager for KODI has developed and is implementing a plan to strengthen this activity, including: (i) recruitment of additional technical staff; (ii) procurement of a consulting firm to support demand-side engagement and capacity development for nongovernment data users; (iii) No-cost extension for Socrata to update the KODI platform; and (iv) development and promulgation of a national Open Data Policy, including procurement of expert support to socialize and refine this Policy with input from government and nongovernment stakeholders.

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3. Progress on Procurement Delays. Initially slow procurement processes are being increasingly addressed by close supervision and support to the KODI procurement team. As a result, recent procurement includes the on-boarding of two technical consultants: (i) the Open Data Coordinator (Linet Kwamboka); and (ii) the Open Data Officer (Sifa Mawiyoo). After a one-year delay and as of early October 2014, advertisements for two additional technical consultants have been opened on the ICT Authority ‘Careers’ site, they are: (iii) the Open Data Statistician [“Statistician – Analytics”]; and (iv) Open Data Analyst [“Data Control Officer”] positions. Procurement of a consulting firm to support demand-side engagement and capacity development on ‘Open Data Literacy’ has progressed, with a contract expected to be finalized with a competitively selected firm by end-October 2014. A no-cost extension for platform developer Socrata is also in place. Outstanding procurements to be finalized include: (i) an expert individual consultant to support the refining of the draft Open Data Policy (currently under development) with input from government stakeholders; and, (ii) a consulting firm to assist with continuing acquisition of fee-based data. A detailed summary of each procurement follows.

4. Outstanding Procurement of KODI Technical Consultants. Procurement of KODI technical consultants is expected to conclude by end-November. The two outstanding consultancy positions are: (i) Open Data Statistician [“Statistician – Analytics”]; and (ii) Open Data Analyst [“Data Control Officer”]. Candidates for both positions had been identified in recent months, but both had declined for reasons related to the consultancy status (as opposed to full staff) and its implications for pensions, health insurance, etc. The Mission team recommended due diligence in recruiting and retaining staff/consultants, to ensure continuity and systemic engagement. Moreover, the original intention of both consultancies was to embed them into the Kenya National Bureau of Statistics (KNBS), to provide technical statistics/analytics support, but also to grow a sense of ‘ownership’ of KODI by KNBS and to facilitate smoother information flows between KNBS and ICTA. However, following discussions between ICTA and KNBS, the embed strategy was abandoned, due to KNBS discomfort with ICTA procuring external consultants to work within its office. Both position descriptions have since been re-mapped to ICTA, and have recently been advertised on the ICT Authority’s ‘Careers’ site (http://www.icta.go.ke/category/careers/), with a closing date of October 14, 2014. The Mission team proposed to better integrate these consultants with a related WBG project supporting KNBS (the “Statistics for Results” project led by TTL Johan Mistaien), to help close the gap between ICTA and KNBS.

5. Outstanding Procurement of Consulting Firms. Procurement of consulting firms to support different the dimensions of the KODI revitalization process has been slow. The two outstanding firm procurements are:

   a. A firm to undertake demand-side engagement and capacity development on ‘Open Data Literacy’. The scope of this consultancy includes supporting enhancement of website navigation and ‘look and feel’; produce data visualization for opendata.go.ke; developing and running a
program to promote demand-driven engagement and co-creation; an ‘Open Data Fellows Work Program, including coordinating placement and designing work schedules of data experts embedded in government departments; supporting the Technical Committee to identify, curate, and upload data on KODI; supporting demand-side engagement to help refine the Open Data Policy (under development); and monitoring and evaluation of the implementation of KODI initiative, including the aspects of access to and the use of available data. Following a competitive firm selection process by ICTA (with participation by KNBS representatives), Sleeping Giants Media Ltd. was selected for procurement and a contract is expected to be finalized by end-October 2014.

b. An expert individual consultant to support the refining of the draft Open Data Policy (currently under development) with input from government stakeholders. This scope of this consultancy is under development and a competitive procurement process is expected to begin by December 2014.

6. Procurement for KODI Platform. Socrata, an international firm, is the company which created, hosts, and maintains the KODI platform and their contract ends in 2015. The project team was hoping that a local firm would be available to host KODI; unfortunately, there is no Kenyan firm which currently possesses the capability needed to be awarded a contract for this work. A no-cost extension has been granted to Socrata until November 2014. A request for single source 2-year renewal of the contract with Socrata (from November 1, 2014 to December 30, 2016) will follow to facilitate revision of the current KODI interface. The objective is to make the site more user-friendly and more in line with internal standards for statistics. The estimated cost of this contract will be USD $200,000.

7. Available Datasets. KODI Project Manager explained that despite the slow population of new datasets onto the platform, progress is being made, and that the following datasets will imminently be populated onto the KODI platform: ePromis data (combined datasets from Publish What You Fund, covering government projects and expenditures, received in light of support from Code4Africa Fellows subsidized by the Open Aid Partnership, an initiative led by the World Bank and several bilateral donor partners and organizations); Water Points GIS coordinates; Land Use data; Education datasets; County boundary GIS coordinates; and National Disaster Operations Center datasets. Requested datasets by the KODI team include: civil registration data (from the digitization project); county-level health and education data, including registries and GIS coordinates; IFMIS data (budget and expenditures); among others.

8. KODI Workstreams. Mission reviewed the de facto work streams with the KODI team, to clarify the timeline for the coming six months and ascertain whether the post-procurement human capital strategy is sufficient to maximize likelihood of effective KODI implementation and social economic development impact. The imminent work streams include:
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<thead>
<tr>
<th>ICTA Work streams (Open Data)</th>
<th>Focal Point</th>
<th>Launch/Deadline</th>
<th>Notes</th>
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<tbody>
<tr>
<td>1) ICTA Data Mobilization</td>
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<tr>
<td>(i) Incoming Requests</td>
<td>Sifa</td>
<td>[Ongoing]</td>
<td>Note: No data yet received.</td>
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<tr>
<td>(ii) ICTA Requests</td>
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<tr>
<td>a. Create Request letter</td>
<td>Linet/Sifa</td>
<td>[Ongoing]</td>
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<tr>
<td>b. Victor Sign/Send</td>
<td>Linet/Sifa</td>
<td>[Ongoing]</td>
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<tr>
<td>c. Follow-up (calls/emails)</td>
<td>Linet/Sifa</td>
<td>[Ongoing]</td>
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<td>d. Receipt/Review</td>
<td>Sifa</td>
<td>[Ongoing]</td>
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<tr>
<td>(iii) Data Cleaning</td>
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<td>(iv) Data Analysis / Viz</td>
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| 2) Public Engagement Firm   | Linet       | Oct-Nov 2014    |       |
| (Contracted + Firm Workplan finalized) |             |                 |       |

| 3) Blog Launch              | Sifa        | Nov-Dec 2014    |       |
| (+ editor / curator)        |             |                 |       |

| 4) Open Data Policy         | Linet       | Dec 2014        |       |
| (draft complete)            |             |                 |       |

| 5) Newsletter Launch        | Sifa        | Dec 2014-Jan 2015 | ICTA Constant Contact account up & running. |
| (+ editor / curator)        |             |                 |       |

| 6) Social Media (Re-launch) | Sifa/Linet/Kaburo | Dec 2014 | Existing Facebook + Twitter accounts; this launch described systemic updates. |
| (Facebook; Twitter; Flickr; YouTube channel) |             |                 |       |

| 7) Platform Launch          | Sifa        | Jan-Feb 2015    |       |
| (+ admin & data population) |             |                 |       |

| 8) Govt socialization / feedback on Open Data Policy | Linet | Jan-April 2015 | Predicated on passage of ATI Bill |

| 9) ATI Steering Committee Engagement | Linet | [Clock starts @ ATI Bill passage] | Grow connections b/w Open Data Steering Committee & ATI Steering Committee |

| 10) Open Data Steering Committee Engagement | Linet | TBD (integrate into existing Cabinet meetings?) | Linnet + team to draft TPs now, for coming Cabinet Meeting, including specific ‘asks’ / commitments. |

| 11) Open Data Technical Committee Engagement | Linet | TBD | KNBS = formal focal point, with ICTA focal point as liaison for coordination |

| 12) Partnerships (Outreach / Communication) | Kaburo | TBD |       |
a. Mission ascertained that the current KODI team staffing is insufficient to deliver on the de facto work streams, and advised that these work streams inform the selection process for the final two KODI consultants.

b. Human capital constraints have likewise resulted from the consultancy status of KODI team members (as opposed to, e.g. term staff), since at least one current team member is splitting time with another organization, which may impact the implementation timeline.

9. **Open Data Political Leadership and Coordination.** KODI enjoyed significant political leadership at its launch in 2011, and over the subsequent year. By 2013, KODI progress slowed due to lack of high level political leadership, and has been below expectations through much of 2014. Opportunities to revitalize political leadership and enhanced coordination between key actors at all government levels. This includes the:

a. Open Data Steering Committee (created in November 2013), chaired by the Cabinet Secretary for ICT (Fred Matiang'i), comprising leadership from the ICTA, KNBS, among other ministerial decision-makers. The role of this Committee role is to promote the KODI as a tool to ensure citizens have greater access to data and information.

b. Open Data Technical Committee (created in November 2013), chaired by the Director General of KNBS, comprising representatives from KNBS, government departments involved in open data, civil society and private sector members. The role of this Committee is to ensure quality digital data is frequently released and published in open and reusable formats.

c. Commission on Administrative Justice, which will hold oversight and enforcement authority of the Access to Information bill once it is signed into law.

10. However, as of mid-October, neither the Open Data Steering Committee nor the Open Data Technical Committee has met, despite several attempts by the KODI Project Manager to encourage meetings. Mission advised an alternate solution to catalyze the both Committees to endorse KODI and commit to provide continuing leadership and coordination support, such as integrating KODI action items into ICT Cabinet Secretary meetings instead in anticipation of a full meeting by the Open Data Steering Committee.

11. **Open Data Policy Development.** Mission provided technical advice to KODI team on the development of a national Open Data Policy, to augment the Access to Information bill (eventually, the Access to Information Act), focused on implementation guidelines. This includes what data should be public; how to make data public; how to implement the policy; as well as definition of strategic goals, a
description of the desired benefits, and an articulation of the scope for data publishing efforts over time. This development of an official open data policy is recognized as an effective way to obtain organizational support and transformational change in the open data context. An Open Data expert from the World Bank’s Leadership, Learning, and Innovation VPU (formerly, the World Bank Institute) will provide continuing guidance and support for the development of this Open Data Policy.

12. Outreach and Engagement. KODI team members and the ICTA partnered with TechSoup Global, The Open Institute, and other partners on October 7-8, 2014 to launch the ‘Buntwani’ event, which convened more than 130 civil society, government and private sector leaders for dialogue on the role of ICT in strengthening citizen engagement and participation, as well as to showcase innovations, tools, and approaches to help bridge information, public service delivery, and other social and economic gaps among the public. Key focus areas from this initial event included: Exploring whether and how open data and ICT are playing a role in strengthening and accelerating citizen engagement and government responsiveness in Kenya; highlighting tools and innovation which are making an impact in support of strengthening citizen engagement (separating hype from actual impact); identifying best practices to measure and evaluate the impact of open data and ICT tools on effective citizen engagement; encouraging stakeholder collaboration to avoid silos; and exploring policies which are working and/or need to be in place to support the implementation of open data and ICT interventions aimed at strengthening citizen engagement. Further such engagements are planned for the 2014 calendar year, including an Open Data Literacy Bootcamp and an Open Data Awareness Roundtable (indicatively scheduled for November 2014).

13. Accelerating KODI revitalization. To further accelerate KODI revitalization, a number of important steps are being undertaken.
   a. First, the project is hiring the final two consultants to support project work stream implementation, with an emphasis on data mobilization, cleaning/structuring, and analytics. These are the Open Data Statistician [“Statistician – Analytics”]; and (iv) Open Data Analyst [“Data Control Officer”] positions.
   b. Second, Sleeping Giant Media, Ltd will be formally procured by December 2014 as the firm to provide demand-side engagement and capacity development on Open Data.
   c. Third, KODI Project Manager will finalize the terms of reference for No Objection by the WBG to procure an expert individual consultant to support the refining of the draft Open Data Policy (currently under development) with input from government stakeholders.
   d. Fourth, a no-cost extension has been granted to Socrata until November 2014. The KODI Project Manager will pursue a single-source 2-year renewal of the contract with Socrata (from November 1, 2014 to December 30, 2016) will
follow to facilitate revision of the current KODI interface. The objective is to make the site more user-friendly and more in line with internal standards for statistics. The estimated cost of this work plan is USD $200,000.

e. Fifth, ICTA will continue to be reinforced by an Open Data expert from the World Bank’s Leadership, Learning and Innovation VPU (formerly, the World Bank Institute), who will provide continuing support and guidance on the development of the Open Data Policy; assist in coordination of ‘demand-side’ Open Data engagements; and conduct support missions as needed.

f. Seventh, the KODI team will prepare talking points for the October ICT Cabinet Secretary meeting, focused on specific KODI team requests, such as endorsement of KODI, for systemic coordination support, and to schedule regular Open Data Steering Committee meetings, as well as regular Open Data Technical Committee meetings. Efforts to integrate KODI topics and requests into ICT Cabinet meeting(s) is a stop-gap measure until these regular Committee meetings are scheduled and convened.