JOINT SDG FUND

Joint Programme 2023 Annual Progress Report

SDG Financing Portfolio - Component 2

Cover page

UNCT/MCO: Kenya

Reporting Period: 1 January - 31 December 2023

JP title: SDG Financing- Catalytic Investments

Thematic SDG Areas: Decent jobs & universal social protection;Transforming education;Partnership;

Gender Marker: Gender-responsive (for example, the JP aimed to respond to specific gender needs, such as linking social assistance with GBV response services or maternal health support)

Engine Room Activities: Shift in policy and regulatory frameworks; Devising a market-ready pipeline; Building capacity at scale;

Total estimated expenditures: USD $678,880.00

Total estimated commitments (including expenditures): $1,903,747.00

Executive Summary

The Joint UN team comprising of UNFPA, WHO, UNAIDS, the SDG Partnership Platform, the office of the UN Resident Coordinator, and partners including Government of Kenya, Triggerise, KOIS, Bridges Outcomes Partnerships and Children Investment Fund Foundation (CIFF) have structured a Joint Programme (JP) on Adolescent Sexual Reproductive Health (ASRH) programme to tackle the challenge of teenage pregnancy and HIV and AIDS among adolescent girls (15-19 years) in 10 high burden counties in Kenya by adopting an innovative financing mechanism in the form of a Development Impact Bond (DIB).

In 2023, the JP concretized funding for the first phase of the DIB by obtaining commitments from CIFF and Bridges Outcomes Partnerships. This coupled with the catalytic funding from the joint SDG fund ensured financial support for the DIB project valued at $10,126,897. The JP formally began on 01 July 2023 and was officially launched on September 21st, 2023. By December 31, 2023, eight out of ten counties signed Memoranda of Understanding, indicating progress towards achieving the UN Sustainable Development Cooperation Framework (2022-2026) (hereafter referred to as the CF) Outcome 1.2 which ensures the provision of inclusive and equitable social and protection services for vulnerable populations.

During this reporting period, the JP team engaged with the National Syndemic Disease Control Council, explored strategic partnerships with KfW and Sweden as well as other potential partners such as Canada, the Conrad N. Hilton Foundation, and Rockefeller Foundation. The quarterly county review meetings and continuous engagement of the youth through the youth task force aligned with CF Outcome 3.1 which advocates for countries to have effective multiple stakeholder partnerships to enhance progress towards SDGs. In addition, the JP contributed to the review of the National Adolescent Sexual and Reproductive Policy which aims to improve access to contraceptives for sexually active adolescent girls. Effective communication through a microsite and branded materials supported CF Outcome 3.1 by enhancing visibility and engagement. The JP carried out a contextual analysis of Results Based Financing (RBF) and DIB projects and derived key learnings to enable implementation of a successful DIB project hence contributing to SDG 17: Partnership for the Goals.

The JP recruited independent evaluators aligned with SDG 3, measuring progress against outcome indicators and contributing to SDG 4: Quality Education and SDG 5: Gender Equality. Results from July to December 2023 demonstrate a focus on inclusivity and equity, with 96% of adolescent girls accessing services living in multidimensional poverty. The use of digital tools for service delivery aligns with SDG 3 (3.8), leveraging technology to connect adolescents to essential SRH and HIV services. Of the year-one target beneficiaries, 81% received family planning services, and 125% received crucial HIV services through the “In Their Hands” platform which surpasses targets set for this reporting period. The innovative use of digital methods such as SMS (41.23%) and TIKO cards (58.76%), facilitated the connection of 154,243 adolescents to SRH and HIV services in 2023.

In conclusion, the ASRH DIB program showcases a holistic approach that contributes to national outcomes and aligns with key SDGs, emphasizing inclusivity, effective partnerships, and improved health outcomes for Kenya's adolescent population. Continuous evaluations and stakeholder engagement will be pivotal for the sustained success of the program, fostering a path towards achieving Kenya's developmental aspirations and contributing to the global agenda.

Annual Progress

Main results achieved by the joint programme in 2023:

The first phase of the joint programme was successfully structured with relevant commitments being secured from key DIB stakeholders. Legal contracts were signed off between parties and the programme was eventually rolled out on 1st July 2023 with the official launch being held on September 21st, 2023. A kickoff meeting with relevant stakeholders to facilitate effective roll out of the program was carried out..

The joint UN team held a high level launch event on 21 September 2023. The launch brought together over 100 key stakeholders in the space of reproductive health and HIV programs, including government, private sector, civil society and philanthropy.

To meaningfully engage young people in the ASRH DIB, the JP convened a youth engagement meeting with the objective of introducing ASRH DIB Programme to the youth. The meeting was attended by 22 youth representatives from the 10 ASRH DIB counties. The youth will be engaged in quarterly county review meetings to ensure that their voices remain a pivotal component of the program's progress, furthering their involvement in a wide array of ASRH DIB activities, meetings, and events.

The JP team developed a comprehensive communication strategy to pinpoint areas to disseminate key messages from the programme. Among the communication materials produced, a microsite was developed and functioned as a single repository for ASRH DIB Programme where blogs and articles were published. A unique brand identity was created which was then used across all online and physical JP material. The tailored branding ensured a single identity for all those involved in the programme.

To inform the learning agenda on the JP, an evidence-based approach has been used to document key learnings during implementation including the national and sub-national enabling factors and challenges. Key enablers for a successful DIB were highlighted to be dependent on political buy-in to ensure ownership by policy makers, alignment with pre-existing programs such as direct facility grants, regulatory considerations such as cost-effective verification methods and functional public finance management systems. The information from this analysis was useful in concretizing the proposed ASRH DIB programme in Kenya. During the second and third quarter, focus has been on collecting in-depth information from various stakeholders i.e from policy makers at national and subnational, UN agencies, health workers and adolescents on how to best achieve the objectives of the JP on aspects related to preparedness, coordination, demand creation integration & sustainability.

The JP held a refresher training targeting county Trainers of Trainers (TOTs) from all the 10 programme counties on provision of Adolescent and Youth Friendly Services. 18 county TOTs were re-oriented and will cascade the training to 300 health care providers from 150 public health facilities in the programme counties.

The JP recruited EDI Global (Mathematica) as independent evaluators. The evaluators developed a results verification framework and sought relevant approvals for evaluation from relevant evaluation boards. They will verify results for the first set of payment metrics between 1st July 2023 and 31st December 2023.

From 1st July to 31st December 2023, 79% of the year 1 target beneficiaries received family planning services and 120% received HIV services. 96% of adolescent girls who accessed services live in multidimensional poverty. 41.23% accessed services through SMS and 58.76% accessed services using TIKO cards, with a total of 154,243 girls accessing Tiko services.

The JP team provided technical assistance to the Ministry of Health in the revision of the ASRH Policy, a policy that will provide a strategic direction to the Government of Kenya in addressing the SRH needs of adolescents and young people.

Main Challenges, adjustments and lessons:

• Unlocking additional resources to facilitate structuring of the DIB was a challenging task for the programme. The process of securing the commitment from CIFF entailed a lot of negotiations and concessions particularly given their reservations on utilizing their charitable resources to pay investor premiums/internal rate of return, which they considered high, despite falling within the current market rates. To deal with this challenge, the leadership of the JP team and KOIS worked on various permutations and proposals that ultimately secured CIFF's commitment. Securing the commitment of other outcome funders has equally been challenging given the complexity of the

instrument, but the JP team has enhanced its efforts to reach out to potential partners. The team also opted to split the programme in two phases (phase 1-July 2023 to June 2025; and phase 2-July 2025-June 2026) to facilitate kick off as additional resources are being explored.

• DIBs involve many contracts and the process of contract negotiations among DIB stakeholders is equally complex and lengthy given the keenness of stakeholders to insulate themselves against potential fiduciary risks and ensure compliance with organizational policies. The current DIB involves three contracts and one governance MOU. These are: the delivery partner agreement involving Triggerise and the Kenya Health Outcomes Partnerships Ltd (an SPV created by Bridges Outcomes Partnerships); the co-funding agreement between CIFF and UNFPA on behalf of the Joint UN team; the Outcomes Agreement between UNFPA and Kenya Health Outcomes Partnerships Ltd; and a governance MOU involving Triggerise, Kenya Health Outcomes Partnerships Ltd and UNFPA on behalf of the Joint UN team and CIFF. All these processes have been time and human resource intensive, but the team has managed to deploy necessary resources to ensure that all contracts are ready by the end of July 2023.

• Since May 2023, one of the many counties - Mombasa County, has pushed back on the ability for Triggerise to fully implement its Tiko platform largely because of provision of contraceptive services and Pre-Exposure Prophylaxis (PrEP) to adolescents under the age of 18, as well as rewards being offered to girls. The county health management team (CHMT) have believed enabling under-18s to access SRH and PrEP services goes against their religious and community values; despite policy provisions at national level and county level allowing for the provision of the same. In addition, the country's antiretroviral (ARV) guidelines allow for provision of PrEP to HIV negative individuals at a substantial ongoing risk of HIV infection, including to eligible clients of 15 years and above. Mombasa county government has restricted integration of Tiko services in public sector facilities, making the implementation environment hostile and hindering uptake essential HIV and SRH services among 15–17-year-old girls. As a result, Tiko services have only been accessed from private sector facilities since May 2023. The JP Steering Committee is currently engaging the county with the aim of unlocking the impasse.

Priority Cross-cutting Issues

Cross-cutting results/issues

In early 2023, the ASRH DIB technical team unanimously recognized the need to have an agenda on meaningful youth engagement, to ensure that young people are at the forefront and are included in programming of issues that affect them in the spirit of "nothing for us without us". The meaningful engagement plan for the ASRH DIB program will be implemented throughout the two-year implementation period of the DIB and will entail working with young people involved in HIV and or SRHR work in the targeted counties.

The JP team also designed a model of governance and implementation of the DIB with counties; as well as operational modalities for the Facility Improvement Fund (FIF) including the number and type of health facilities to be engaged.

To ensure that lessons on the programme are well documented and utilized for advocacy and cross learning purposes, the JP through WHO recruited and onboarded a consultant to spearhead the development of a learning agenda to fill current gaps in knowledge around the design and implementation of development impact bond (DIB) in Kenya. The DIB initiative is meant to address the existing and future needs in adolescent sexual and reproductive health while unlocking investment opportunities from both the private and the public sector.

How did the JP apply the Gender Marker

The JP is Gender-responsive (for example, the JP aimed to respond to specific gender needs, such as linking social assistance with GBV response services or maternal health support).

SDG Transitions Acceleration

• The JP has contributed to progress towards universal social protection by scaling up access to SRH and HIV services by 154,243 vulnerable adolescent girls in high burden counties in Kenya.
• It has equally contributed to the strengthening of health systems to ensure health services are responsive to the unique needs of adolescents by creating a robust incentive structure for facilities meeting set quality improvement targets.
• The JP has also put in place plans to equip health care workers in primary care facilities to provide adolescent and youth friendly services. It also has an inbuilt reward system for girls taking up SRH and HIV services that ensures that girls lacking essential commodities such as menstrual health products have access to the same and are not susceptible to transactional relationships which predispose them to teenage pregnancy and HIV.
• The programme has also contributed to the policy discourse on provision of SRH services particularly contraception to adolescents, a population that is often left behind while further unlocking investments on SRH and HIV from traditional and non-traditional sources.
• In transforming education, the programme sought to address the problem of teenage pregnancy which is one of the major drivers of school discontinuation by facilitating access to contraception by 125,783 vulnerable adolescent girls. As a result, 31,396 pregnancies were averted and education outcomes, especially school retention, transition and completion rates were improved.

Annual Reporting on Results

Exit strategy, scaling, sustainability and next steps

The Joint Programme (JP) has been working closely with the Government of Kenya (GoK) and other stakeholders to facilitate the seamless integration of the programme into the broader national public health response upon completion of the program. Currently a consultant has been engaged to carry out a learning exercise. The purpose of this exercise is to develop a learning agenda to fill current gaps in knowledge around the design, implementation, adoption and integration of a development impact bond (DIB) in Kenya. The lessons learned during the implementation will be disseminated to assist the Kenya Government, the UN Team, and development partners to add to the local and global evidence base on designing and implementing effective DIBs to improve adolescent sexual and reproductive health (ASRH) and HIV treatment outcomes. Further, the exercise will develop scenarios and identify challenges and opportunities to integrate impact bonds as a financing instrument in public health facilities for ASRH and HIV services, among others, which will add to the sustainability of the program. Besides this, partnership with the counties in implementing the programme in public health facilities lays a solid foundation for sustainability of the programme.

In 2024, the JP will scale up a digital campaign on SRH and HIV (social media and SMS) targeting adolescents; enhance branding and communication on the Joint Programme; develop and print patient literacy materials and job aids for health care providers on HTS, treatment and SRH; train Health care providers on quality HTS, ART and AYP friendly HIV and SRH service delivery; engage the youth task force as part of meaningful engagement; hold Quarterly Steering Committee meetings to provide overall oversight and strategic guidance to the joint programme; convene quarterly programme technical and implementation committee meetings to guide programme implementation process, track progress and take corrective action where necessary; develop learning products to contribute to knowledge; hold policy dialogues with national and county stakeholders to share knowledge and inform practice; hold engagements with public institutions on prioritization and funding for ASRH and HIV services; create demand for SRH and HIV services among adolescents through Community Based Organizations (CBOs); support policy and legislative discourse on SRH and HIV; and finalize the design of the DIB

offer/value proposition for the second phase of the DIB including engagement with potential outcome funders and social investors.

Measuring and reporting on impact

The programme reached 154,243 girls with SRH and HIV services in the period under review.

A total of 166,988 FP services were accessed by girls through the ITH platform by the end of Q2, achieving 80% of the programme year 1 target. In Q2, the number of FP services accessed increased by 34% (Q1 72,868, Q2 97,649). This is a result of an increase of 49 active facilities (Q1 192, Q2 241), 9 activations, and 1,282 active mobilizers.

There was a 30% (9,575) increase in the number of girls accessing short-term acting methods in Q2 and a 14% increase in girls accessing long-acting methods. The implant was the most preferred FP service by girls at 59,635 (47%), which is attributed to a high number of facilities validating OC 168 (68%) out of 248 active facilities in the 10 ASRH DIB counties, with Homa bay leading in the uptake followed by Nairobi County. OC was the second most preferred FP service at 38 (48,287), followed by injectables at 13% (16,856).

A total of 71,943 HIV services were accessed by girls through the ITH platform by the end of Q2, achieving 123% of the programme year 1 target. In Q2, the number of HIV services accessed increased by 13% (Q1 34,704, Q2 39,298) and this is attributed to 164% (41) increase in onboarded public sector facilities (Q1 25, Q2 66).

The most preferred HIV service by girls in clinics is HIV testing, accounting for 47,471 (30%) in both quarters. This preference is associated with 177 private sector facilities (79%) out of the 225 active facilities validating HIV services in clinics across the 10 DIB counties

Overview of progress toward Financial Instrument(s)

The JP adopted a Development Impact Bond (DIB) as the main financial instrument. The instrument was divided in two phases and the first phase was successfully structured and launched with an estimated value of $10.1million. All legal contracts were signed by DIB parties and the programme was rolled out on July 1st 2023. Discussions on the second phase are currently ongoing with JP partners and this involves discussions on the ASRH DIB size, the value proposition and potential stakeholders to be engaged. If successful, the second phase of the ASRH DIB will be launched in July 2024.

Completed transactions

The total outcome funding secured for the Bond is $10,126,897. This comprised $5,125,000 from CIFF and $5,001,897 from the Joint SDG Fund. Out of this, the investor capital repayment is $8,943, 897; $800,000 is IRR/Investor premium; $83,000 is the social investor's delivery costs; $248, 750 is for evaluation and $51,250 covers indirect costs by the outcome fund manager (UNFPA). Bridges through the Kenya Health Outcomes Partnerships, an SPV created for this particular programme, are the social investors.

Strategic Partnerships, Documents and Communications

Multi-stakeholder engagement

National government;Sub-national Governments;Civil Society Organizations;Philanthropies;Bilateral aid organizations;Private Sector;

How did the JP facilitate collaboration with diverse stakeholders

The JP had an engagement with Council of Governors (COG), National AIDS & STI Control Programme (NASCOP), National Syndemic Disease Control Council (NSDCC) and the Division for Reproductive and Maternal Health Services that aimed to introduce the ASRH DIB, co-design the program, deliberate on facility incentivization and agree on governance mechanisms. Currently we are working with the national programs around capacity building of the health care workers on SRH, HTS, ART and adolescent friendly health services.

The JP had an engagement with counties where the ASRH DIB program was introduced with the main aim of providing an opportunity to co-design the proposed JP in collaboration with National and County Government stakeholders and provided an opportunity for stakeholders to interrogate various Results Based Financing mechanisms as a way of enhancing sustainability of ASRH and HIV interventions. Through the engagements with the counties eight MOUs have been formally signed with the counties, marking significant collaborations and partnerships. Additionally, two futher agreements are currently in progress and are expected to be finalized soon, specifically with Nairobi and Mombasa counties.

The JP team engaged the HIV Health Sector Working Group, which is a governance structure within the Global Fund Framework at the launch of the Joint Programme and further had engagements with other CSOs during the launch of the programme. Through this engagement, potential areas of collaboration were explored, and the programme is currently working with some of the CSOs.

The JP had several engagements with CIFF in the structuring of the first phase of the DIB. These engagements entailed discussions on the term sheet including results framework, negotiations on the IRR including capital repayments and deliberations on the contributions to the evaluation. From these engagements, CIFF committed $5,125,000 to the JP and agreed to be a non-decision-making member of the DIB Executive Board. There have also been exploratory partnership conversations initiated with the Conrad N. Hilton Foundation and the Rockefeller Foundation.

The JP team held a meeting with the Swedish Embassy to pitch the DIB. The team introduced the innovative financing mechanism, its mode of operation and its value offer in programming to the embassy team dealing with catalytic financing instruments. Whereas a deal for programme support was not secured given the interest of the Sweden Embassy in guarantees and not the bond, the meeting provided an opportunity to broker a relationship and foster future engagements and collaboration with the Embassy. There have also been exploratory partnership conversations with Canada.

The JP engaged private sector players comprising Bridges Outcomes Partnership as well as the Bayer Foundation The engagements with Bridges led to the re-affirmation of their commitment to pre-finance the entire programme including a potential second phase, as social investors. Bayer on the other hand were non-committal to the DIB model but undertook to explore other areas of collaboration with the programme. The largest Banking Group in

the Eastern Africa region – Equity Bank Group – has also been engaged multiple times to discuss their potential interest to participate.

Financial leverage

$10,126,897.00

Donor and Strategic events attended by JP in 2022

Kick-off meeting	JP steering committee/ programme board meeting	Strategic partners/ donors event
	Yes, in 2023	Yes, in 2023

Focus on LNOB cross cutting principles

Human Rights	Persons with disabilities	Youth	Environmental and social standards
No	No	Yes	No

Beneficiaries

Number of beneficiaries

$154,243.00

Percentage (%) of women benefited among the total number	**Percentage (%) of children & youth (0-24 years of age) benefited among the total number**	**Percentage (%) of older persons (age 60 and above) benefited among the total number**	**Percentage (%) of persons with disabilities benefited among the total number**
0	0	0	0

Communications

Voices from the field

"This innovative programme is quite timely and aligns perfectly with the Government's ambitions of improving the health and well-being of the citizenry. It comes at a time when we as a nation are scaling up our efforts to address the challenge of teenage pregnancy, adolescent HIV, GBV and other harmful practices, through a multi-sectoral approach," Dr. Bashir Issak, Head – Directorate of Family Health, Ministry of Health, Kenya

"For adolescents living in low-income settings, the barriers in access to accurate information and quality sexual and reproductive health services can be challenging to overcome. Many are facing financial obstacles, coupled with long distances to health facilities, and other socio-cultural factors that prevent them from this access. Even when services are available, concerns about privacy and service provider bias often discourage adolescents from seeking help. Such issues highlight the urgent need to support adolescents in relation to their sexual and reproductive health and rights." - Dr. Stephen Jackson, UN Resident Coordinator, Kenya

Declaration

We hereby confirm that the information provided in this update is duly reviewed and approved by the RC and all PUNOs involved in the Joint Programme.