RISK GOVERNANCE

Implemented with the European Union, the UN Office for Disaster Risk Reduction

UNDRR UN Office for Disaster Risk Reduction

Funded by the European Union

INTRA-ACP DISASTER RISK REDUCTION PROGRAMME

CASE STUDY

DRR ENABLING ENVIRONMENT, RISK FINANCING STRATEGIES

Kenya's Strategic Shift to Comprehensive Disaster Risk Financing through Integrated Budget Tagging

Kenya is strengthening risk-informed governance by integrating climate change adaptation (CCA) and disaster risk reduction (DRR) into national planning and public financial management systems. Supported through the Intra-ACP DRR Programme, UNDRR led the development of a disaster and climate budget tagging and expenditure tracking system requested by the National Treasury to strengthen risk-informed public financial management and inform the development of Kenya's DRM and DRF strategies.

EXECUTIVE SUMMARY

01 COUNTRY/REGION/LOCATION
Kenya – national level, with engagement across ministries and counties.

02 RISK ADRESSED
Floods, droughts, climate and non-climate hazards, and fiscal risks linked to disasters.

03 IMPLEMENTATION PERIOD/TIMEFRAME
2024–2025, supporting DRM strategy development and DRR–CCA integration.

04 ACTORS/IMPLEMENTING AND LOCAL PARTNERS
UNDRR, IIED, NDOC, National Treasury, Sector ministries

05 KEY BENEFICIARIES
National Treasury, sector ministries

CONTEXT AND CHALLENGE

Kenya faces growing disaster losses linked to floods, droughts, climate variability and rapid urbanisation, with climate-related disasters estimated to cost up to 5% of GDP annually. Historically, disaster management focused largely on emergency response, while fragmented mandates limited integration between climate change adaptation (CCA) and disaster risk reduction (DRR) planning. The absence of systematic expenditure tracking also limited visibility over DRR and climate investments across sectors, contributing to fragmented financing and repeated reliance on emergency budget reallocations.

At the request of the National Treasury, and building on Treasury Circular No. 9/2020 on disaster expenditure reporting, UNDRR supported a disaster and climate budget tagging exercise under the Intra-ACP DRR Programme. The initiative strengthened institutional capacities, advanced interagency coordination, and informed Kenya's new DRM 2025 – 2030 and DRF 2026 – 2030 strategies.

WHY THIS ACTION MATTERS?

Integrating disaster risk reduction and climate adaptation into budgeting processes **helps Kenya move from reactive crisis management towards prevention, preparedness and resilience-building**. The initiative strengthens policy coherence, improves institutional coordination and supports risk-informed public investment.

By embedding disaster and climate risk considerations into planning, budgeting and governance systems while strengthening fiscal transparency and evidence-based investment in prevention and preparedness, **this action also contributes to implementing the Sendai Framework, the Paris Agreement and Kenya's national development**

See the intervention and results on page 2 →

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RRP INTRA-ACP DISASTER RISK REDUCTION PROGRAMME

INTERVENTION AND APPROACH

Through support provided under the Intra-ACP DRR Programme, Government officials from multiple ministries and institutions were trained on integrated DRR–CCA approaches, policy coherence and risk-informed planning methodologies. The programme also supported the application of DRR and climate budget tagging methodologies across Ministries, Departments and Agencies (MDAs), enabling expenditure tracking across the 2021–2024 budget cycles and improving visibility over risk-related investments. The technical support contributed to the development and launch of Kenya's National Disaster Risk Management Strategy 2025–2030, led by the Ministry of Interior and the National Disaster Operations Centre. The Strategy establishes a comprehensive multi-hazard framework aligned with the Sendai Framework, the National Adaptation Plan and national development priorities. It also laid the basis for the development of a soon to be launched national DRR financing strategy.

An interagency taskforce led by the National Treasury was set up in order to strengthened coordination on the development of a multi-hazard DRF Strategy 2026 – 2030 focused on a transition from reactive spending to a proactive, layered risk financing model that strategically combines risk reduction, risk retention, and risk transfer to manage diverse disaster profiles more efficiently.

PROGRAMME OUTPUT ALIGNMENT

STRENGTHENING DISASTER RISK GOVERNANCE

This action contributes to strengthening disaster risk governance and investing in resilience through integrated DRR–CCA planning, risk-informed public financial management, expenditure tracking and the development of Kenya's national Disaster Risk Financing Strategy aligned with the Sendai Framework.

RESULTS AND CHANGE

1 The budget tagging exercise **improved tracking and reporting of DRR** and climate-related expenditures across government institutions.

2 Kenya officially launched the **National Disaster Risk Management Strategy 2025–2030** in June 2025 recognizing the importance of PFM for DRR.

3 Government institutions **strengthened capacities to integrate climate adaptation and disaster risk reduction into planning and policy processes** in line with the Treasury Circular No. 9/2020.

4 The process is informing the development of a soon to be launched **Kenya's new Disaster Risk Financing (DRF) Strategy 2026 – 2030**, building on lessons and and the foundations of the DRF Strategy 2018–2022.

5 **The DRF Strategy 2026 -2030** transitions to a multi-hazard and multi-sector approach, to a proactive, layered risk financing model building institutional financial resilience of national and county governments.

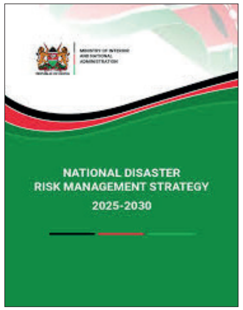
EARLY CONCRETE UPTAKE IN ONGOING INVESTMENTS:

STRENGTHENING RISK GOVERNANCE AND FINANCING FRAMEWORKS

The DRM Strategy now guides national coordination on preparedness, anticipatory action and risk-informed development planning. The DRF Strategy 2026 – 2030 now informs risk financing activities on risk reduction, risk retention, and risk transfer at all levels of government.

INTEGRATING DRR-CCA INTO NATIONAL PLANNING

Government institutions are applying integrated DRR-CCA approaches in adaptation planning and disaster preparedness activities. The DRF Strategy 2026 – 2030 will be utilised to inform National Treasury Circular for FY 20206/27 to 2027/28 and guide medium-term planning activities.



KEY ENABLERS OF SUCCESS

ESTABLISHMENT OF A NATIONAL DRF TASKFORCE

Establishment of an inter-agency taskforce to support the National Treasury in the development of the DRF Strategy 2026-203 was instrumental.

MULTI-STAKEHOLDER ENGAGEMENT AND COORDINATION

Country ownership (National Treasury led process) and multi-stakeholder in the development of the DRF Strategy 2026-2030: Public Investment representatives, inter-agency task force (18 departments and agencies), private sector, CSOs, NGOs and construction practitioners.

SOURCES

- UNDRR, "Kenya advances to integrate climate action and disaster risk reduction".
- Disaster Risk Reduction and Climate Change Adaptation Budget Tagging – Kenya Country Report.
- Kenya National Disaster Risk Management Strategy 2025–2030
- Treasury Circular No. 9/2020 on Disaster Expenditure Reporting
- National Treasury consultations on Disaster Risk Financing Strategy 2026–2030

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