# Republic of Kenya

# Coastal Development Project — KCDP

# Aide Memoire – KCDP Implementation Support Mission

# January 30 – February 3, 2012

1. A World Bank team (WB) visited Kenya from January 30 to February 3, 2012, to undertake an implementation support mission for the Kenya Coastal Development Project (KCDP or “the Project”). The mission met with authorities and technical staff from the Ministry of Fisheries Development (MoFD), the Fisheries Department (FiD), the Kenya Marine Fisheries Research Institute (KMFRI), the Kenya Forestry Research Institute (KEFRI), the Ministry of Lands (Department of Physical Planning; MOL-DPP), the Coast Development Authority (CDA), the Kenya Wildlife Service (KWS), the National Environmental and Management Authority (NEMA).
2. The mission’s objectives were to: (a) assess progress made since the September 2011 mission, including review work program, procurement plan, and safeguards action plans; (b) agree on the core elements of the project restructuring; (c) agree on the CVF objective, funding windows and funding mechanism design; and (d) review management of fiduciary issues. Details of the mission agenda and participants are included in Annex A. The mission wishes to thank the Government of Kenya, and in particular, Prof. Micheni Ntiba, the Permanent Secretary for MoFD, and Dr. Renson Ruwa, Acting Director of KMFRI, for their hospitality, cooperation and support for the successful completion of the mission.
3. This Aide Memoire summarizes the principal conclusions of, and agreements reached during, the mission (see Table 1).

**Principle Conclusions**

1. *Progress to Date and Disbursement*: After seven months of implementation, the project is now starting to move. To-date, the project has disbursed a total of $2.278m, including $1.839m (or 4.9%) from the project’s IDA funds, and $0.439m (9%) of the project’s GEF funds.
2. *Restructuring:* During the mission areas for project restructuring were finalized and agreed, including the following changes to the project legal agreements:
* Results Framework, including revision to (i) the Project Development Objective (PDO); (ii) the PDO and intermediate outcome indicators; and (iii) targets (see Annex B);
* Institutional arrangements, including the implementation of the Coastal Village Fund (CVF) (Part 4(a) of the project) by KMFRI, rather than the Arid Lands Project, which is now closed;
* Expenditures across disbursement categories (Section IV of the Financing and Grant Agreements), including the reallocation of expenditures to: a) reduce Categories 3 and 4 by 74% and 50% respectively (Financing Agreement); b) increase Categories 2 by 71% (Financing Agreement); and c) create an unallocated funds category (see Annex C);
* Percentage of expenditures, including the increase of the percentage of expenditure to 100% (including taxes) for Category 1 (Goods, Works, Services, Training and Operating Costs under Part 1 and 2 of the Project) of the Financing and Grant Agreements;
* Eligible procurement methods, to include Force Account and Community Participation; and
* Schedule 1 of the Financing and Grant Agreements, including the simplification and streamlining of activities included under Part 1, 2, 3 and 4 of the Project (see Annex D).
1. It was agreed that by April 20, 2012 GoK would submit to the Bank: a) a letter requesting the Project be restructured, and b) necessary supporting documentation. Regarding the letter to be submitted, the mission explained such a letter should explain the rational for project restructuring and the main proposed changes (see Annexes B, C and D). The documentation supporting the restructuring will include a revised: a) Results Framework including proposed changes to the PDO, indicators, targets as well as monitoring details; b) proposed CVF design (see paragraph 7 below); c) Section IV of the Financing and Grant Agreements; and d) Schedule 1 of the Financing and Grant Agreements.
2. *Coastal Village Fund*: The KCDP team presented a detailed revised proposed design for the “*Hasina ya Mandeleo ya Pwani*” (HMP) or “Development Fund of the Coast” (formerly the ‘Coastal Village Fund’). The new proposal (elaborated with the support of the FAO Investment Centre) is a significant advancement. The change of name was considered appropriate in order (i) to use a name with a better reference to the target group and (ii) to distinguish the fund from the Coastal Constituency Fund, presently being implemented by the Kenyan Government on the Constituency level.
3. The proposed design (see Annex E) includes (i) three clearly identifiable support categories, or windows, with clear eligibility and selection criteria; (ii) procedures for the application process, including screening and vetting, as well as M&E and reporting; (iii) technical assistance to communities; (iv) ToR for the key staff (Community Liason Officers or CLOs) and guidance for their training and induction; (v) clear recommendations on transparency and accountability; and (vi) a roll-out schedule, with a goal of having a first call for proposals directly after the upcoming election.
4. The mission expressed general support for the proposed design, particularly Windows 2 (NRM) and 3 (Social Services). However, the mission expressed concern about the proposed Window 1 (SME support) as it currently would provide cash grants to individuals, which may not be the most efficient use of public funds. As such the mission requested that the proposed HMP design be revisited to: 1) better target eligible activities under all windows to support achievement of the PDO; 2) clearly differentiate between eligible activities or beneficiaries among funding windows; 3) streamline the screening and vetting process while looking for ways to enable a greater role for communities in setting priorities; 4) consider providing low- or no-interest loans to beneficiaries for Window 1, while further refining eligible expenditure under the Window to focus on technical assistance services necessary to carry out the proposed productive activity; 5) include rules about disclosure of sub-project level reports or information, specifying what basic information will be included; 6) complement the website with other forms of information disclosure and dissemination at project and county levels; and 7) describe how the project will highlight and unpack successes and facilitate experience sharing across the different types of subprojects. The mission suggested that the project fast-track implementation under Windows 2 and 3 while Window 1 is better defined. The mission agreed that the revised design would be submitted to the Bank for review by February 29, after which a targeted mission would be scheduled.
5. Lastly, the overall amount of resources to be dedicated to the HMP was reduced following the proposed design. The remaining funds have been assigned into an unallocated category some of which could be used to support community-based activities for improved fisheries and natural resources management under Components 1 and 2.
6. *Procurement:* During the mission, the Bank assessed the status of the first 18-month Procurement Plan and the progress of implementation of priority procurement activities for the first six months from the date of project effectiveness. The mission further discussed emerging fiduciary issues and other related implementation challenges.
7. *Procurement Plan for the first 18 months.* The mission assessed the status of the first 18 months Procurement Plan and the progress of implementation of priority procurement activities for the first six months from the date of project effectiveness. The mission finalized the 18-month Procurement Plan (see Annex F) which will be sent to the Bank for their formal No Objection and Public Disclosure by April 20th, 2012.
8. *Priority Procurement.* The mission noted thatthere has been some important progress on procurement since the last mission, including publishing of notices for the procurement of motor vehicles and social audit consultancy contracts on January 31, 2012. However, there has been lack of adequate progress on priority procurement items and the mission reiterated the need to advance with said procurement in order to accelerate project implementation. Toward that aim, the mission emphasized the need for technical staff from project implementing agencies to avail detailed specifications, terms of reference and other related contract information necessary to complete the preparation of bidding documents and request for proposals for selected priority items.

**Issues by Component**

1. *Component Three:* The mission agreed that CDA would prepare a revised concept note outlining their strategy for delivering the expected results for subcomponent 3.3, related to small enterprise development, establishment of Business Development Centers, and piloting public-private partnerships (PPP). The mission also received TOR for value chain analyses and a PPP study, and agreed to send comments.
2. The mission also agreed that the Ministry of Lands Department of Physical Planning (MOL-DPP) would organize an exposure visit to Tanzania’s Marine and Coastal Management Project (MACEMP) to learn how that project has undertaken spatial planning activities with an Integrated Coastal Zone Management focus. Given that MACEMP is closing in August 2012, the mission urged MoL—DPP to organize the visit quickly.
3. *Review of Policy and Legal Framework*: The mission noted some confusion regarding aspects related to improving and/or harmonizing policy and legal frameworks, an activity to be coordinated by NEMA. The key question for the initial consultancy is what legal or policy bottlenecks or gaps may prevent the project from being implemented effectively? The mission recommended that after consulting the ICZM Policy and included Action Plan, NEMA should meet with other implementing agencies to identify potential bottlenecks to be included in the related TOR. Such a TOR should be sent to the Bank for No Objection by April 20, 2012.

**Other Issues**

1. *Selection of Pilot Areas:* KCDP presented preliminary proposed sites for implementation of project activities and criteria for selection. The mission again reiterated the importance of identifying six pilot sites – one for each coastal County – for overall project implementation, using a transparent process. Such a pilot focus is intended to maximize project impact in the initial phases, by focusing and consolidating project activities. Selection should be done against agreed weighted criteria, using a map. The mission reviewed proposed criteria, and agreed that they should be revised to include existing social capital, potential for “quick wins”, results of local consultations, availability of baseline data (including land mapping), presence of important biodiversity, level of development threat to natural resources and potential for sustainable development/use (e.g. fisheries). The implementing agencies should then complete the prioritization exercise, documenting the results and sending it to the Bank, by April 20, 2012. The final selection of pilot areas should be approved by the National Project Steering Committee, and then publically disseminated.
2. *Coastal Area Advisory Committee -- CAAC:* The mission confirmed the role, functions and Terms of Reference for the Coastal Area Advisory Committee[[1]](#footnote-1) (CAAC) as they had been discussed and agreed upon during the September 2011 supervision mission. The CAAC’s roles are dual: a social audit function and an advisory role to the KCDP. The CAAC will not be involved in the vetting of the HMP subprojects, as this could lead to a conflict of interest in their respective constituencies. To ensure these two functions, the CAAC will have a broad membership, with the participation of all relevant public and civil society organizations that are in a relevant way related to the activities of the KCDP. The mission agreed that a formal endorsement of the CAAC, including its members will be forwarded to the Bank by April 20, 2012.
3. The objective of the CAAC is to ensure the inclusion of the beneficiaries in the Coastal Region as well as the transparency of all project activities. The CAAC will meet once a year. In this annual meeting the PCU will present the project activities carried out in the preceding year as well as the work programme for the upcoming year. In order to allow the CAAC to efficiently carry out this function, all relevant information regarding the project activities will be made available to the participants at least 14 days before the annual CAAC meeting. During the meeting the CAAC members will have the possibility to comment on the project activities, ask questions and request further clarifications (if necessary to be provided after by the PCU at a later date). The members will also be asked to provide advice to the KCDP regarding the work programme and its implementation.
4. If necessary, the CAAC can request the establishment of a few limited sub-committees, e.g. to address urgent issues.
5. Finally, the CAAC can request carrying out one extraordinary session of the CAAC per calendar year, if issues considered urgent by the members need to be treated prior to the next foreseen yearly meeting of the CAAC.
6. *Grievance Mechanism:* The KCDP will establish a grievance mechanism that covers both the local (county) as well as the regional level (Coastal Region/KCDP).
7. County Level: Project County Liaison Officers (CLO) will serve as the focal point at the County level for all grievances related to (i) the HMP sub-projects as well as (ii) for all further issues related to KCDP activities at the local (county) level (other than the HMP related ones). It should be clear, however, that the CLO will only function as ‘entry points’ for grievances; they will not deal with them technically. Rather, they will formally confirm reception of the grievance and forward it to the Grievances Committee to be established by the PCU at the regional level. Additionally the beneficiary population has the possibility to directly address its grievances to the PCU via an internet address and phone number to be established by the KCDP.
8. Regional/Coastal Level: At the regional/coastal level the KCDP PCU will establish a: (i) grievance focal point; and (ii) Grievance Committee. The Terms of Reference of this Committee and its membership will be decided upon by 30 April 2012. The focal point will confirm reception of the grievances and the Grievance Committee will be the body responsible for the resolution of the grievances according the rules established in its Terms of Reference. The Grievance Committee can be addressed by everyone who feels affected by the activities of the KCDP. A separate procedure will also be established for internal KCDP issues. In all cases, however, the grievances can be addressed directly to the focal points (at county or regional level) as well as through the Grievances email address/phone number to be established. The KCDP is obliged to react on every grievance received, through confirming receipt of the grievance and reporting results of the fact-finding.
9. *Inter-Institutional Coordination Mechanisms:* In order to improve the coordination and efficiency of its operations the PCU will establish a series of regular meetings.
10. For the initial project phase, the KCDP Managers meeting will be carried out every two weeks on a fixed date (e.g. every second Monday morning). Participants in the KCDP Managers meeting will comprise members of the PCU and Technical Coordinators. The Managers meeting will address: 1) project progress of all components and subcomponents (presented in accordance with the work plan and results framework); 2) coordination and grievance issues; and 3) any other relevant issues. The minutes of the KCDP managers meeting will be distributed to its participants no later than three working days following the meeting. With the exception of confidential material, the minutes of the managers meetings should be made available to all KCDP staff. This will facilitate the information flow on relevant KCDP issues throughout the project.
11. The KCDP Staff planning meeting will be carried out every three months on a fixed date (e.g. every first Tuesday morning of the Quarter Year). The participants will be all KCDP project staff, with an agenda identical to that of the KCDP managers meeting. The minutes of the KCDP staff planning meeting will be distributed to all staff no later than one week after the meeting.
12. Further coordination mechanisms (e.g. on the component and subcomponent level) will be discussed and established accordingly by 30 April 2012.
13. *Eligibility of Expenditures:* The mission noted that there is a lack of clarity around activities eligible for GEF financing. GEF funds should be used for activities that contribute to the project’s Global Environmental Objective. As such, the mission recommended that as the PIM is updated to reflect the restructuring changes, activities to be financed with GEF resources in components 1 and 2 be detailed to better clarify what is eligible.
14. Regarding other expenses, the mission emphasized that only project activities undertaken on the coast or directly benefitting the coast (including training of staff working on the coast) are eligible. Additionally, the mission clarified that while DSA is eligible, salary top-ups and sitting allowances are not.
15. *Work Plans*: The mission discussed the annual work plans put together by the Implementing Agencies. A consolidated revised work plan for the next six months (Jan – June 2012) will be sent to the World Bank by February 17, 2012. Such joint work planning is a critical part of ensuring project activities are undertaken synergistically, and reflected in the procurement plans. The mission agreed that in the last quarter of every fiscal year, the project team would update the work plans for the following year and submit them to the Bank for their review by April 15.
16. The mission requested the PCU and Component Managers to strategically review the cross-cutting project activities in order to prevent duplication across the components. Some overlapping activities identified during the mission include: 1) value chain analysis of fisheries and agricultural commodities and value-added products; and 2) GIS mapping of natural resources and related project activities in the Coastal region.
17. *Financial Management*: All project implementing agencies except NEMA have opened accounts in Mombasa. The mission stressed the importance of finalizing a Mombasa-based account for NEMA in order to enable project implementation.
18. *Procurement Support and Capacity Building*. The mission noted that a short-term procurement consultant was currently assisting the team in the preparation of the procurement plan and priority procurement but restated the need to expedite the recruitment of a long-term procurement specialist for seamless transition and continuity of procurement activities. The mission further advised that the terms and conditions of engagement for the consultants hired for the PCU be harmonized with the existing organization structures for future integration and mainstreaming into government for future sustainability of the programs. In order to enhance procurement capacity for the Implementing Agencies in the short-term, it was agreed that the Bank would conduct basic procurement training on IDA procurement procedures for Tender and Procurement Committees, and further provide training for the procurement and other PCU staff in the following areas;(a) preparation of Request for Proposals; and (b) evaluation of bids, expressions of interest and consultant proposals.
19. *Other Procurement Issues.* Following discussions in previous missions, it had been agreed that there was urgent need to provide alternative internal approval processes for procurement activities undertaken by KWS, KEFRI and NEMA at the regional level. In this regard and given the delays that are likely to occur if the adjudication and approval process for large-value contracts executed by the three agencies are administered at their respective head offices in Nairobi, this matter should be urgently addressed and a workable solution found as it would impact on the overall implementation of the procurement plan for the first 18 months. It was further agreed that in respect to activities to be financed from the Operating Costs budget, the PCU would explore the possibility of using the following for purposes of enhancing accountability, ease of execution and reporting; (a) fleet management service providers in the management of the project fleet; (b) decentralized procurement of mobile phones and use of post-paid airtime services with predetermined cost threshold; (c) direct contracting for non-consulting services for equipment maintenance and escrow contracts, and (d) harmonized structure for the payment of allowances and reimbursable expenses across implementing agencies.
20. The mission further emphasized the need for the establishment of maintenance of an asset register, tagging and the provision of requisite insurance covers for all equipment procured under the project.
21. *Training and Research:* The mission emphasized the need to develop an annual project training and research plans that are closely linked with project objectives and indicators. Current proposals are not sufficiently aligned with the PDO. Training and research will not be eligible expenditures until the training and research plans are approved by the Bank. The mission agreed that a revised training plan would be forwarded to the Bank for No Objection by April 30, 2012.
22. On training, the mission emphasized the need to develop a training strategy to link the project’s many training activities with enhanced capacity to deliver expected results on the coast. As such, the mission recommended that any training -- including seminars, workshops, and study tours -- must be consistent with and must contribute to achievement of the project objective. The annual training plan must also include: (i) description of the training and the staff to be trained (including their names and positions), (ii) training institution and location, (iii) duration of the training, (iv) specific cost estimates, broken down by category (eg. tuition, airfare/travel, DSA). Lastly, the training plan should emphasize cost-effectiveness (e.g., bringing outside experts to the Coast to maximize training impact rather than sending limited numbers to external training facilities).
23. The mission notes that academic degree programs (such as M.Sc. and Ph.D.) are not eligible under the existing Financing and Grant Agreements. If the Government considers such activities critical to achievement of project objectives, such expenses could be included in the project restructuring. However, such expenses can only be included if they meet the following eligibility criteria: 1) support research that is directly linked with achievement of project indicators and targets; 2) selection of candidates is competitive based on clearly defined criteria and a transparent, publicized process; 3) degree programs must be at local (Kenyan) universities; 4) programs must be completed before the project closing date; and 5) candidates must not have, or be perceived to have, direct conflict of interest. Were the GOK interested in making such expenses eligible, final detailed eligibility and selection criteria must be sent to the World Bank for No Objection before any funds can be disbursed for such degree programs.
24. Regarding research, the mission was not provided the opportunity to discuss the KCDP Research Plan. However, the mission has reviewed the initial draft, and comments are included as Annex G. Overall, the Research Plan does not provide sufficient rationale to explain how the proposed research activities will support the project development objectives. For example, the Research Plan should show the planned fisheries research under Component 1 will support fisheries management in support of achieving KCDP objectives. The Research Plan should also be consistent with the project’s training plans and include all information called for in paragraphs 39 and 40. With regard to other Components the proposed research should be similarly explicitly described and synergies between Components indicated. Lastly, the research plan should include available research budget for each component and subcomponent, and a breakdown of anticipated costs.
25. *Monitoring and Evaluation:* The mission re-emphasized the importance of a sound M&E system to capture project impacts and enable targeting of project activities. The mission finalized the project’s results framework (see Annex B) to be included in the Project restructuring package, and agreed that it would be regularly updated and presented during each mission. Furthermore, the mission highlighted that there are GEF specific monitoring requirements including the completion of the GEF International Waters Tracking Tool immediately, as well as during the project Mid-Term Review and ICR. Additionally, the project M&E system should include the Tracking Tool.
26. In addition, it was agreed that for at least the next six months, the PCU would provide a monthly status update, using a standardized format, on work plan progress by activity, highlighting any changes.
27. *Safeguards Issues:* The mission reviewed and revised the Safeguards Action Plan from the previous mission (see Annex H). The mission welcomed the important progress that has been made in procuring the Social Assessment, a key input to project activities. However, the mission noted the lack of progress on environmental safeguards issues and urged prompt action to achieve the agreements set forth in the Action Plan. In particular the mission agreed that NEMA would send an initial draft TOR for the revision of the project Environmental and Social Management Framework (ESMF) by no later than May 1, 2012.
28. *Next Mission.* It was agreed that the next targeted supervision mission would tentatively be held in mid-April 2012. The mission urged the KCDP team to prepare well for future supervision missions.
29. *Disclosure:* Under the Bank’s Access to Information Policy introduced on July 1, 2010, the Aide Memoire may be made public, if the client and Bank agree. The disclosure of this Aide Memoire was agreed to in the closing meeting led by the PS for Fisheries Development, Dr. Ntiba on February 3, 2012. The client and Bank agreed that the Aide Memoire would be classified as Public.

**Table 1: Action Plan**

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| **Action** | **Due Date** | **Status** | **Responsible Party** |
| Submit to the World Bank: a) a letter requesting the Project be restructured, and b) necessary supporting documentation | April 20, 2012 | pending | KMFRI |
| Submit consolidated revised work plan for six months (Jan – June 2012) will be sent to the World Bank  | February 17, 2012 | With WB (all but NEMA, Planning, PCU) | KMFRI |
| Submit to the Bank revised design for the “*Hasina ya Mandeleo ya Pwani*” (HMP) or “Development Fund of the Coast” (formerly the ‘Coastal Village Fund’)  | February 29, 2012 | Submitted | KMFRI |
| Send to the Bank the updated 18-month Procurement Plan for No Objection and Public Disclosure | February 7, 2012 | Submitted | KMFRI |
| Send comments on TOR for value chain analyses and PPP study  | February 21, 2012 | Submitted and in revision following second round of WB comments | World Bank |
| Organize an exposure visit to Tanzania’s Marine and Coastal Management Project (MACEMP) | ASAP | KCDP to provide list of attendees and objectives/questions by 20/4/12 | KMFRI/ MOL-DPP |
| Send to the Bank for No Objection TOR for review of ICZM Policy and legal framework  | April 30, 2012 | Submitted and awaiting second round of Bank comments | NEMA |
| Send to the Bank revised selection of Pilot Areas  | April 20, 2012 | Awaiting Director’s clearance. Submit by 20/4 | KMFRI |
| Forward to the Bank a formal endorsement of the CAAC, including its members | March 31, 2012 | Submitted and awaiting WB comments | KMFRI |
| Send for No Objection to the Bank TOR of Grievance Committee and its membership  | April 30, 2012 | Pending | KMFRI |
| Establish inter-institutional coordination mechanisms  | March 31, 2012 | Postponed to April 30, 2012 | KMFRI |
| Update the PIM to reflect the restructuring changes  | ????? | September 21, 2012 | KMFRI |
| Update the work plans for the following year and submit them to the Bank for their review  | April 15, 2012 | Done together w 6-month plans | KMFRI |
| Open a Mombasa-based account for NEMA  | ASAP | completed | NEMA |
| Provide alternative internal approval processes for procurement activities undertaken by KWS, KEFRI and NEMA at the regional level | ASAP | Resolved? | KWS, KMFRI and NEMA |
| Forward a revised training plan to the Bank for No Objection  | February 14, 2012 | Submitted | KMFRI |
| Send an initial draft TOR for the revision of the project Environmental and Social Management Framework (ESMF)  | No later than March 1, 2012 | WB comments sent for revision, expected for NO by april 30 | NEMA |

**Annexes**

Annex A: Mission Agenda and List of Mission Participants

Annex B: Revised Results Framework

Annex C: Revised Disbursement Allocation Table

Annex D: Revised Draft Schedule 1 of Financing and Grant Agreements

Annex E: Hasina ya Mandeleo ya Pwani” (HMP) or “Development Fund of the Coast

Annex F: Procurement Plan

Annex G: World Bank Comments on KCDP Research Plan

Annex H: Safeguards Action Plans

**Annex A: Mission Agenda and Participants**

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| --- | --- |
| **Day/Time** | **Topic** |
| *Monday, 9/12*Field Visits (Departure at 7:30 am)Destinations to be provided by the KCDP team before the mission  |
|  | *Tuesday, September 12* |
| 9:00 – 9:10 | Welcome*Dr. Kazungu, KMFRI* |
| 9:10 – 10:00 | Overview of Project Progress*KCDP Staff* |
| 10:00 – 10:15 | Coffee Break |
| 10:15- 12:30 | Component working groups to review indicators, work plan, procurement plan. Identification of changes for restructuring. |
| 12:30 – 1:15 | Lunch |
| 1:15-3:30 | Continuation -- Component working groups to review indicators, work plan, procurement plan. Identification of changes for restructuring. |
| 3:30 -4:00 | Coffee Break |
| 4:00 – 6:00 | Component Presentations (15 minutes each plus discussion) |
| *Wednesday, September 13* |
| 9:00 – 11:00 | Coastal Village Fund (CVF): Proposed objectives, design and disbursement mechanismsDiscussion of the types of activities for CVF funding within the components |
| 11:00 – 11:15 | Coffee Break |
| 11:15-1:00 | CVF continued |
| 1:00 – 1:45  | Lunch |

Mission Objectives: (1) Assess progress made since project launch, including review work program, procurement plan, and safeguards action plans; (2) agree on key elements for project restructuring; (3) build capacity for management of project fiduciary issues; (4) confirm institutional arrangements.

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| --- | --- |
| 1:45-3:30 | Coastal Area Development Committee: Proposed objectives, activities and members |
| 3:30 – 3:45 | Coffee break |
| 3:45 – 5:00 | Coastal Area Development Committee discussions continued |
|  |  |
| *Thursday, September 14* |
| 9:00-10:30 | Institutional Arrangements: Roles, responsibilities |
| 9:00 – 10:30 | Procurement: Training |
| 9:00 – 10:30  | Financial Management: Training |
| 10:30 – 10:45 | Coffee Break |
| 10:45 – 12:30 | Institutional Arrangement continued: Scenarios and responses |
| 10:45 – 12:30 | Procurement: Training, cont. |
| 10:45 – 12:30 | Financial Management: Training, cont. |
| 12:30 – 1:15 | Lunch |
| 1:15 – 2:30 | Safeguards: Review action plan |
| 1:15 – 5:00 | Procurement: review procurement plan, agree on action plan for expediting priority procurement items |
| 1:15 – 5:00 | Financial Management: Prepare first FMR |
| 2:30 – 2:50 | Coffee Break |
| 3:00 – 5:00 | Monitoring and Evaluation: Agree on revisions to project indicators. Action plan to launch M&E. |
| *Friday, September 16* |
| 1:30 | Wrap-up meeting with PS |

**KENYA COASTAL DEVELOPMENT PROJECT**

**WB Mission**

30th January – 3rd February 2012

Venue: KMFRI Conference Hall

**Participant list**

|  |  |  |
| --- | --- | --- |
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**Annex B: Revised Results Framework**

# Results Framework and Monitoring

**Kenya: Kenya Coastal** **Development Project**

|  |
| --- |
| **Project Development Objective (PDO):** **To promote environmentally sustainable management of Kenya’s coastal and marine resources by strengthening the capacity of existing relevant government agencies and by enhancing the capacity of rural micro, small and medium sized enterprises in selected coastal communities****Global Environmental Objective (GEO):****To strengthen conservation and sustainable use of marine and coastal biodiversity** |
| **Revised Project Development Objective:****To improve management and use of Kenya’s coastal and marine resources** |
| **PDO Level Results Indicators\*** | **Core** | **D=Dropped****C=Continue****N= New** **R=Revised** | **Unit of Measure** | **Baseline****June 2011** |  |  | **2012-EOP Target Values** | **Frequency** | **Data Source/****Methodology** | **Responsibility for Data Collection** |
|  |  |  |  |  | **Proposed** | **Comments/Rationale for Change** | **Original** | **Revised** |  |  |  |
| **Indicator One**:50% increased revenue generated to GoK from vessel licensing in 200 mile EEZ and from nearshore fisheries development | [ ]  | R | US$/yr based on 3-year average for combined nearshore and EEZ | 900,000 | Increased revenue generation to GOK from nearshore and EEZ fisheries  | Same indicator, but improved clarity of formulation and annual fluctuation corrected | 50% | 1.2M | Annually | Accounting records from FiD Fisheries MIS | FiD  |
| **Indicator Two**:10% increase in cost recovery of MPAs | [ ]  | D | Percentage | 0 |  | Sustainability aspect already covered by increased revenues in the above indicator | 10 |  |  |  |  |
| **Indicator Three**:20% increase in micro, small and medium sized enterprise startups and business expansions directly related to project interventions in pilot villages | [ ]  | D | Percentage | 0 |  | Not a direct aspect of the PDO. The Project does not directly support expansion of micro, small and medium enterprises. | 20 |  |  |  |  |
| **Indicator Four:**Direct Project Beneficiaries (number), of which female (%) | X | C | Number/Percentage | 0 |  | Mandatory core indicator moved from the intermediate level as required by OPCS |  | 10,000,35% women | Bi-Annually | Surveys, Progress Reports | KWS, NEMA, KEFRI, CDA, KMFRI |
| **GEO Level Results Indicators:**  |  |  |  |  |  |  |  |  |  |  |  |
| **Indicator Five** Quality of data, data coverage and reporting frequency of catch and effort (the frame) (15,000 records by EOP) improved. and associated with by-catch management measures |  | R | Hectares | 0 | Target areas with annually updated geo-referenced biodiversity data | Replaced with a measurable indicator. | 15,000 records | 10,000 ha | Annually | MIS | FiD, KWS, KMFRI, KEFRI |
| **Indicator Six:**At least three of the more important existing conservation areas brought under effective management (including co-management) by EOP) |  | R | Hectares | 0 | Conservation/target areas brought under effective management (including co-management) disaggregated by area by EoP. | Same indicator, but improved clarity of formulation | 3 | 5000 ha | Annually | Annual Reports; Mid-Term Review and ICR using Management Effectiveness Tracking Tool | KWS, KEFRI, NEMA |
| **INTERMEDIATE RESULTS** |
| **Intermediate Result (Component One): Sustainable management of fisheries resources** |
| **Revised Intermediate Result (Component One):** |
| *Intermediate Result indicator One*:Installation of VMS on all licensed fishing vessels in the EEZ by the end of year 6 leading to less illegal and more legally licensed fishing when combined with a strong MCS | [ ]  | R | Number | 0 | Number of vessels licensed to fish in the Kenyan waters with VMS installed | Same indicator, but improved clarity of formulation | Installation completed | 20 | Annually | Reporting VMS units | FiD |
| *Intermediate Result indicator Two*:Number of Fishery Management Plans | [ ]  | R | Number | 1 | Fishery Management plans developed for implementation | Same indicator, but improved clarity of formulation | 3 | 3 | Bi-Annually | Surveys, Monitoring Reports | FiD, KMFRI |
| *Intermediate Result indicator Three*:Number of stock assessment (five priority species and others) |  | R | Number | 0 | Stock status of key exploited species established | Same indicator, but improved clarity of formulation | 5 | 3 | Bi-Annually | Surveys, Monitoring Reports | FiD, KMFRI |
| **Intermediate Result (Component Two): Sound management of natural resources** |
| **Revised Intermediate Result (Component Two):** |
| *Intermediate Result indicator One*:Number of Direct Beneficiaries, including percentage of female beneficiaries | X | C | Number/Percentage |  |  | Moved to the PDO level as required by OPCS |  |  |  |  |  |
| *Intermediate Result indicator Two*:Integrated Conservation Management Plans developed and implemented | [ ]  | R |  | 0 | Number of Management Plans (MPs) developed / updated | Same indicator, but improved clarity of formulation to reflect existing context | 3 | 3 | Bi-Annually | Progress Reports | KWS, NEMA, KEFRI  |
| *Intermediate Result indicator Three:*Biodiversity management information system is developed, populated and updated annually |  | N | YES/NO | NO |  | The new indicator measures key progress towards achieving PDO  |  | YES | Bi-Annually  | Surveys, GIS progress reports | KWS, NEMA, KEFRI |
| *Intermediate Result indicator Four*:Reduction in destructive activities such as dynamite fishing, cutting mangroves, charcoal manufacturing, etc. |  | D | Percentage | 0 |  | The indicator was removed due to challenges of collecting accurate data  |  |  |  |  |  |
| *Intermediate Result indicator Five*:Number of communities engaged in activities to preserve and use sustainably the coastal and marine resources |  | R | Number | 0 | Successful community based interventions identified, evaluated, disseminated | Participation in conservation in itself does not indicate a behavioural change. Lack of information on best practices was noted as a hindrance to adoption thus the need for an indicator on acquiring and disseminating information. | 5 | 10 | Bi-Annually | Policy studies, monitoring reports | KWS, KEFRI, CDA, KMFRI, FiD |
| *Intermediate Result indicator Six*:Number of community level resource-based businesses established |  | D | Number | 0 |  | Not a direct aspect of the PDO, which focuses on improved effectiveness of coastal and marine ecosystem management and use | 3 |  |  |  |  |
| **Intermediate Result (Component Three): Support for Alternative Livelihoods** |
| **Revised Intermediate Result (Component Three):** |
| *Intermediate Result indicator One*:Land Capability and Spatial Development Plans prepared in 1 Coast Province; 2 Districts; 8 combined action plans developed  |  | R | Number | 0 | Coastal land capability plan/map, regional plans and ward level plans developed | Indicator changed due to consideration of various components, sub components and sectoral spatial planning needs. Resultant output is integrated spatial development plan | 1 provincial,2 district, 8 action plans | 1 coast region, 2 county, 8 ward level plans | Bi-Annually | Reconnaissance Surveys, GIS progress reports, GIS data base | Physical Planning Department |
| *Intermediate Result indicator Two*:Number of officers from lead agencies trained on EIA/EA review process |  | R | Number | 0 | Number of officers from lead agencies trained on ICZM & EIA (including EIA certification)  | Same indicator, but improved clarity of formulation and better link with PDO | 85 | 85 | Bi-Annually | Training reports, NEMA reports | NEMA |
| *Intermediate Result indicator Three*:Number of environmental audits for KCDP community based projects undertaken |  | R | Number | 0 | Annual environmental and social audits for KCDP supported projects undertaken | Same indicator, but improved clarity of formulation | 3 | 3 | Bi-Annually | NEMA reports | NEMA |
| *Intermediate Result indicator Four*:Number of PPPs funded and still in operation at EOP |  | D | Number | 0 |  | Not a direct aspect of the PDO, which focuses on improved effectiveness of coastal and marine ecosystem management and use | 5 |  | By-Annually | CDA records and monitoring reports | CDA |
| *Intermediate Result indicator Five:* Entrepreneurs identified, trained, and with business plan developed |  | N | Number | 0 |  | The new indicator measures key progress towards effective management of coastal and marine resources use  |  | 200 | Bi-Annually | Project records and progress reports | CDA |
| **Intermediate Result (Component Four): Capacity Building, Monitoring & Evaluation System, Project Management, Communication and Coastal Village Fund** |
| **Revised Intermediate Result (Component Four): Capacity Building, Monitoring & Evaluation System, Project Management, Communication and Development Fund of the Coast** |
| *Intermediate Result indicator One*:Number of CVF subprojects (community demand-driven, social, and income generating) completed and operational |  | R | Number | 0 | Number of HMP subprojects(community demand-driven, social, and income generating) completed or operational | Same indicator, the change merely reflects the new name of the grant fund -- Development Fund of the Coast (*Hazina ya Maendeleo ya Pwani* – HMP). The target has been reduced to better reflect the pilot nature of these activities.  | 500 | 200 | Bi-Annually | M&E reports, Certificates of completion | KEMFRI |
| *Intermediate Result indicator Two*:M&E reports produced |  | R | YES/NO | 0 | Performance monitoring reports (with progress on agreed indicators) produced on time and with satisfactory quality | Same indicator, but improved clarity of formulation | YES | YES | Quarterly and Annually | M&E reports, Mid-Term review report, ICR | KCDP/KEMFRI |
| *Intermediate Result indicator Three*:Number of staff from participating institutions trained |  | D | Number | 0 |  | This information is in the work plan-input level indicator |  |  |  |  |  |
| *Intermediate Result indicator Four*:Communication products and channels identified and developed by end of PY1 and accomplished by EOP |  | R | YES/NO | NO | Communication strategy in place | Replaced with a measurable indicator | YES | YES | Quarterly, Annually | Outputs from strategy | KMFRI |

**Annex C: Revised Disbursement Allocation Table**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category of Expenditure** | **Allocation****(in SDR)** | **% of Financing** | **Increase/ (Decrease)** | **Increase/****(Decrease)****% of original allocation** |
| Current | Revised | Current | Revised | Current | Revised |  |  |
| 1. Goods, Works, Services, Training and Operating Costs under Part 1 and 2 of the Project | 1.Goods, Works, Services, Training and Operating Costs under Parts 1 and 2 of the Project (excluding Parts 1(b) and 2(b)) | 7,800,000 | 7,800,000 | IDA 70% | IDA 100% | 0 | 0 |
| 2.Goods, Works, Services, Training and Operating Costs under Part 3 and 4 (excluding Part 3(k) and Part 4(a)) of the Project  | 2.Goods, Works, Services, Training and Operating Costs under Part 3 and 4 (excluding Part 3(d) and Part 4(c)) of the Project | 5,500,000 | 9,400,000 | IDA 100% | IDA 100% | 3,900,000 | 71% |
| 3.Investments under Part 3(k) of the Project | 3.Investments under Part 3(d) of the Project | 3,850,000 | 1,000,000 | IDA 100% | IDA 100% | (2,850,000) | (74%) |
| 4.Grants under the Coastal Village Fund under Part 4(a) of the Project | 4.Grants under the Development Fund of the Coast under Part 4(b) of the Project | 6,650,000 | 3,300,000 | IDA 100% | IDA 100% | (3,350,000) | (50%) |
|  | 5. Unallocated | N/A | 2,300,000 |  |  |  |  |
| **TOTAL AMOUNT** |  | 23,800,000 | 23,800,000 |  |  |  |  |

**Grant Agreement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category of Expenditure** | **Allocation****(in USD)** | **% of Financing** | **Increase/ (Decrease)** | **Increase/****(Decrease)****% of original allocation** |
| Current | Revised | Current | Revised | Current | Revised |  |  |
| Goods, Works, Training, Services and Operating Costs  | Goods, Works, Training, Services and Operating Costs under Parts 1 (b) and 2 (b) | 5,000,000 | 5,000,000 | 30% | 100% | N/A | N/A |

**Annex D: Revised Draft Schedule 1 of Financing and Grant Agreements**

**SCHEDULE 1 of the Financing Agreement**

**Project Description**

The objective of the Project is to promote environmentally sustainable management of Kenya’s coastal and marine resources.

The Project consists of the following parts:

**Part 1 Sustainable Management of Fisheries Resources**

Promoting sustainable management of fisheries resources and enhancing the benefits and revenue generation derived from coastal fisheries through:

1. Promoting and developing fisheries governance including support for and the development of increased capacity to undertake monitoring, control and surveillance and optimizing the use of deep-sea resources within Kenya’s Exclusive Economic Fishing zone;
2. Promoting and developing the Recipients fisheries management and research capacity including assessment of fish stocks, ecosystem approach to fisheries, co-management of fisheries through beach management units and fishery management plans;
3. Promoting and developing value addition of fish catches in the coastal fisheries and the affected communities;
4. Promoting and developing aquaculture through research and technical support;

**Part 2 Sound Management of Natural Resources**

Promoting sound management of natural resources and eco-tourism related industries through:

1. Improvement of sound management and regeneration of natural resources and biodiversity through research, effective information systems, co-management and partnerships;
2. Improving research capacity and information systems for natural resource management and biodiversity conservation;
3. Identification of biodiversity products and markets that will assist in promoting eco-tourism and spin-off industries;
4. Conducting institutional and local communities’ awareness and capacity building in sustainable natural resource management and ensuring improved extension services.

Part 3 **Support for Alternative Livelihoods**

Promoting sustainable livelihoods within a sound governance framework through:

**Part 3: Support for Alternative Livelihoods**

Promoting sustainable livelihoods within a sound governance framework through:

1. Build the capacity of the county offices in the coast region for the implementing agencies (MoL, NEMA and CDA)
2. Prepare land capability plan for the coast region and land use plans for selected counties and wards
3. Enhance NEMA's capacity to strengthen and implement the Integrated Coastal Zone Management (ICZM) framework
4. Promote development of Micro, Small and Medium Enterprises (MSMEs) through value chain studies, promote provision of business development services and financial services, value addition and piloting of Private and Public Partnerships (PPP)

**Part 4 Capacity Building, Monitoring & Evaluation System, Project Management, Communication and Community Village Fund**

Promoting the capacity for Project implementation and investment in village based economic activities, and enhancing, and stakeholder dialogue through:

1. Establishing efficient coordination mechanisms and management procedures;
2. establishing and building capacity of the Project staff through training, technical advisory services and provision of relevant goods;
3. establishing and implementing a Coastal Development Fund (Hazina ya Maendeleo ya Pwani) to provide grants to Beneficiaries to implement pre-selected activities that promote micro and small enterprises (MSME), natural resource management and community services;
4. developing an information and communication strategy for the Project;
5. developing and implementing an effective monitoring and evaluation system;
6. financing of Operating Costs.

**SCHEDULE 1 of the Grant Agreement**

**Project Description**

The objective of the Project is to strengthen the conservation and sustainable use of marine and coastal biodiversity.

The Project consists of the following parts:

Part 1 Sustainable Management of Fisheries Resources

Promoting sustainable management of fisheries resources and enhancing the benefits and revenue generation derived from coastal fisheries through:

1. Improved governance including control & surveillance;
2. Advanced research on coastal, near-shore, fish stocks & technologies.

Part 2 Sound Management of Natural Resources

Promoting sound management of natural resources and eco-tourism related industries through:

1. Development of a coastal biodiversity information system;
2. Improved management plans, guidelines and biodiversity strategies developed.

**Annex E: Hasina ya Mandeleo ya Pwani” (HMP) or “Development Fund of the Coast**

Technical Annex 3: Structuring of the “Hazina ya Manedeleo ya Pwani” (HMP) or “Development Fund of the Coast” (ex ‘Coastal Village Fund’)

## From 9-13 January, the Investment Centre of the FAO conducted a brief mission[[2]](#footnote-2) to advance the design of the Coastal Village Fund (CVF). This mission was necessitated by the change of operational approach that was caused by the premature closure of the Arid Lands Resource Management Project (ALRMP) and the provision that the CVF of the KCDP was to be implemented by the ALRMP. On 9 January, discussions were held with KCDP staff on the overall nature and possible interventions of the grant fund and the activities to be undertaken. On 10 and 11 January, the KCDP organized a workshop on the design of the grant mechanism with participants from different participating institutions. On 12 January, further discussions were held on single structural and operational aspects of the grant fund. A debriefing meeting with the WB Country Director and staff in charge of social accountability at the WB office in Nairobi, initially scheduled for 13 January, were called off due to other commitments. Attachment 1 contains a list of persons met during the mission in Mombasa.

## Proposed new label. It is herewith proposed to change the label of the Coastal Village Fund (CVF) of the KCDP to “Hasina ya Mandeleo ya Pwani” (HMP) or “Development Fund of the Coast” in response to the criticisms about this name and to make it more clearly distinct from other grant funds operating in the region.

## The main results of the mission were: (i) definition of the intervention areas of the HMP; (ii) definition of the main procedures and steps of screening, vetting, approval and monitoring of projects to be supported; (iii) determination of an intervention model at the county level; (iv) a revised monitoring and reporting framework; (v) elaborating the terms of reference (ToR) of the County Liaison Officers (CLOs) which are to be posted at county level; and (vi) proposing a time frame for the implementation of the HMP.

## New windows. The first structuring of the HMP done in September 2011 during the ISM contained a number of logical and systemic weaknesses, in the sense that the different windows were not clearly separated, that there was some redundancy and overlapping, and that the support to marginalized and vulnerable communities was comprised, although the support to these communities was not meant to comprise a competitive element. The three proposed windows for the HMP are:

* Micro and Small Enterprise Window (MSE);
* Natural Resource Management Window (NRM);
* Community Service Window (CS).

## Overall separation of windows. The MSE window is principally marked by a for-profit nature of the activity, thus a private good. The NRM window is generally marked by the intention to improve the natural resources of the coastal region, thus a public goods approach, but often with only medium to long term benefits for the society at large. The Community Service window is marked by a public goods nature, which directly benefits the society in the short run.

## Treatment of overlaps and concurrence. The above windows cannot be clearly separated from each other: there may principally be activities that are directly benefitting the community and/or natural resources, but which also provide profits to the proponent(s). In cases where one and the same proposed project would fall in more than one window, thus complying with the terms and conditions of several windows, the main dividing line will be where the main emphasis, focus and objective of the proposed activity is located, be it the for-profit nature or the public goods nature. Ultimately, the predominant use of funds for either side will be dividing line.

## The main features, terms and conditions for the MSE window are:

**Table 1: Terms and conditions of the Micro and Small Enterprise (MSE) Window under the HMP**

|  |  |
| --- | --- |
| Item | Terms and conditions |
| Objectives | * To enhance livelihoods/micro and small enterprises through sustainable use of coastal and marine resources
* To develop entrepreneurial skills and talents among the coastal communities
 |
| Link with KCDP objectives | * Through objectives, target groups, emphasis on NRM and environmental protection, livelihoods approach
 |
| Target groups | * Start-ups and existing business activities of individuals and common interest groups, women, men and the youth
 |
| Eligibility criteria | * Citizen of Kenya with business and residence of promoters located in the 6 coastal counties
* In the case of individuals: aged 18-60 years, unless justified otherwise
* In the case of common interest groups (CIGs): well established governance structure, appropriate record keeping level, coherence among members, has preferably existed and functioned for some years
* Activity related to agriculture, fisheries and aquaculture, livestock, forestry, eco and cultural tourism
* Technically viable and financially feasible project
* Legality of the proposed project
* Compliance with environmental standard
 |
| Conditionality | * Loan with no interest But with mechanism administered by a financial institution at a fee. Retain and link strongly to Component 3. Mechanism ready by August 2012; Call for proposals by January 2013
 |
| Selection criteria | * Extent of value addition, preservation and storage
* Depth of professional experience and skills related to the project
* Extent of matching contribution above the minimum
* Quality of records kept so far
* Prior savings activities (incl. chamas)
* Loan repayment records
* Access to credit for proposed project
* Innovativeness of project
* Extent of remoteness of location
* Extent of coverage of vulnerable and marginalized groups
* Registration certificate (in the case of groups)
 |
| Examples of projects that can be supported | * Sea weed farming in designated areas
* Eco-tourism
* Value addition in agriculture
 |
| Examples of projects that cannot be supported | * Dynamite fishing
* Projects located in conflict areas
 |
| Minimum size of project | * KSH 50,000
 |
| Maximum size of project | * KSH 100,000 in the case of youth
* KSH 1,000,000 for adults
 |
| KCDP matching grant and recipient matching contribution  | * Youth (as defined being in the 18-35 years age bracket): for project amounts in the range of KSH 50,000-100,000: 10% contributed by proponent, 90% by KCDP; half of the equity contributed by the proponent, i.e. 5% of total costs, must be contributed in cash, the rest may be in kind
* All other projects of adults above KSH 100,000:
	+ for projects up to KSH 200,000: 20% by proponent, 80% by KCDP
	+ For projects above KSH 200,000: 30% by proponent, 70% by KCDP
 |
| Nature of matching contribution of recipients | * Both, in cash and in kind, of which at least 10% of total project costs in cash, evidenced by deposit in bank/SACCO account
* In kind contribution: in labour, animals, equipment, land, raw material, etc.
* Evidence of cash contribution to be provided by applicant at time of approval at lowest level; availability of funds to be verified again before actual disbursement; failure to provide evidence of the required cash contribution within two weeks after request for second verification before disbursement leads to cancellation of grant
 |
| Disbursement modalities | * Pre-payment of expenses by KCDP
* Disbursement in cash only (bank, check, M-PESA, etc.)
* For projects > 200,000: In two tranches of 50% each
* For projects < 200,000: In trances of 40/40/20 % of total costs
* The second and third tranche will be paid only after justifying/accounting for the use of three quarters of previous tranche
 |
| Exclusions | * Examples of items that cannot be financed: Purchase of land
 |
| Link with other KCDP components | MSME development under Comp 3:* Common referral to financial institutions
* Referral to BDS offered under Comp. 3
* Referral by comp. 3 to financial support under comp. 4 if complying with requirements
 |
| Environmental impact analysis | * First screening along a checklist to be developed by KCDP by the CLOs
* For all projects rated as critical as identified, a standard EIA has to be done
* Costs of the EIA will be covered under the KCDP
* Potential service providers: participating agencies, unless beyond their capacity
 |
| Social impact analysis | * First screening along a checklist to be developed by KCDP by the CLOs
* In the case of group applicants, benefits should accrue more or less equally
 |

## The main features, terms and conditions for the NRM window are:

**Table 2: Terms and conditions of the Natural Resources Management (NRM) Window under the HMP**

|  |  |
| --- | --- |
| Item | Terms and conditions |
| Objectives | * To promote the conservation and sustainable use of natural resources in the six coastal counties
 |
| Link with KCDP objectives | * Concern for protecting the environment and NRM
 |
| Target groups | * Communities and common interest groups, Community Forest Associations, Beach Management Units, Kayas/Cultural Groups, local NGOs/Community-Based Organizations
 |
| Eligibility criteria | * Communities/organizations operating in the in the 6 coastal counties
* well established governance structure
* Coherence and common interest
* Track records for other public goods activities undertaken
 |
| Selection criteria | * No. of potential beneficiaries from the efforts to be undertaken
* Extent of threat to the ecosystem
* No. of potential actors/activists engaged
* Potential impact on govt. tax revenues
* Uniqueness and innovativeness of the proposal
* Extent of impact on environment and people’s lives
* Duration of impact (long-lasting and sustainable)
* Extent of matching contribution above the minimum
 |
| Examples of projects that can be supported | * Waste management
* Tree planting/reforestation
* Terracing and vetiver grass planting
* Water pans and small dam construction, water harvesting
* Protection and rehabilitation of fish breeding grounds
* Mangrove protection/replanting
* Beach cleaning
* Quarry rehabilitation
* Livestock feed production reducing the pressure on pastures
* Soil and water conservation
* Awareness campaigns
 |
| Examples of projects that cannot be supported | * --
 |
| Minimum size of project | * KSH 50,000
 |
| Maximum size of project | * KSH 2,000,000
 |
| KCDP matching grant and recipient matching contribution  | * Proponent: 10%
* KCDP grant: 90%
 |
| Nature of matching contribution of recipients | * Both, in cash and in kind, of which at least half to be contributed in cash, evidenced by deposit in bank/SACCO account
* In kind contribution: in labour, animals, equipment, land, raw material, etc.
* Evidence of cash contribution to be provided by applicant at time of approval at lowest level; availability of funds to be verified again before actual disbursement; failure to provide evidence of the required cash contribution within two weeks after request for second verification before disbursement leads to cancellation of grant
 |
| Disbursement modalities | * Pre-payment of expenses by KCDP
* Disbursement in cash only (bank, check, M-PESA, etc.)
* For projects > 200,000: In two tranches of 50% each
* For projects < 200,000: In trances of 40/40/20% of total costs
* The second and third tranche will be paid only after justifying/accounting for the use of three quarters of previous tranche
 |
| Exclusions | * Purchase of land
 |
| Link with other KCDP components | * --
 |
| Environmental impact analysis | * First screening along a checklist to be developed by KCDP by the CLOs
* Potential service providers for assistance in conducting pre-project appraisal/analysis: NEMA, KEFRI, KMFRI, KWS, CDA, Ministry of Fisheries Development
* Costs of partner assistance will be covered under the KCDP
 |
| Social impact analysis | * First screening along a checklist to be developed by KCDP by the CLOs
* Benefits should accrue more or less equally
 |

## The main features, terms and conditions for the Community Services window are:

**Table 3: Terms and conditions of the Community Services (CS) Window under the HMP**

|  |  |
| --- | --- |
| Item | Terms and conditions |
| Objectives | * To maximize the social benefits of the communities involved
* To promote services and actions that enhance social-wellbeing and environmental health
 |
| Link with KCDP objectives |  |
| Target groups | * CBOs
* Self-help groups
 |
| Eligibility criteria | * Organized and functional community group with solid governance structure
* Improved provision of services to community with clear social benefits that will accrue to the communities involved
* Good community approval/support
* Sustainability prospects
 |
| Selection criteria | * Track records of the proponent
* Extent of potential benefits to the community
* Number of potential beneficiaries
* Innovativeness and uniqueness of project
* Extent of matching contribution above the minimum
* Long lasting effects to the community
 |
| Examples of projects that can be supported | * Communal waste management
* Provision of social amenities
* Physical infrastructure such as bridges and culverts that constitute critical constraints
* Projects that improve hygienic conditions of produce, such as model fish landing bandas with associated access roads
* Latrines
* Rehabilitation of community infrastructure, such as education facilities or rural clinics
* Water harvesting
 |
| Examples of projects that cannot be supported | * Waste management projects (in window 2)
* Environmental rehabilitation (in window 2)
* Cultural /eco-tourism tourism (in window 1)
* Profit making projects
* Projects illegal in nature
* Projects that support individual interest
* Projects that have negative impacts on the environment
 |
| Minimum size of project | * KSH 200,000
 |
| Maximum size of project | * KSH 6,000,000
 |
| KCDP matching grant and recipient matching contribution  | * Proponent: 10%
* KCDP grant: 90%
 |
| Nature of matching contribution of recipients | * Both, in cash and in kind, of which at least half to be contributed in cash, evidenced by deposit in bank/SACCO account
* In kind contribution: in labour, animals, equipment, land, raw material, etc.
* Evidence of cash contribution to be provided by applicant at time of approval at lowest level; availability of funds to be verified again before actual disbursement; failure to provide evidence of the required cash contribution within two weeks after request for second verification before disbursement leads to cancellation of grant
 |
| Disbursement modalities | * Pre-payment of expenses by KCDP
* Disbursement in cash only (bank, check, M-PESA, etc.)
* For all projects: In trances of 40/40/20% of total costs
* The second and third tranche will be paid only after justifying/accounting for the use of three quarters of previous tranche
 |
| Exclusions | * Purchase of land
 |
| Link with other KCDP components |  |
| Environmental impact analysis | * First screening along a checklist to be developed by KCDP by the CLOs
* For all projects rated as critical as identified, a standard EIA has to be done
* Costs of the EIA will be covered under the KCDP
* Potential service providers: participating agencies, unless beyond their capacity
 |
| Social impact analysis | * First screening along a checklist to be developed by KCDP by the CLOs
* In the case of group applicants, benefits should accrue more or less equally
 |

## Common conditions for all projects. The following conditions apply to all applications for grant:

* Only projects that have not yet been financed by any other donor agency or government body can be supported. This also applies to projects that are undertaken in phases, where one phase has been previously supported by a third party;
* Only projects that have not yet been started can be supported. Projects that have already been started, or where construction of buildings etc. has already begun, or where equipment has already been acquired or commanded, are not eligible;
* Persons working for KCDP and any associated institution, as well as their parents, spouses, children and siblings are excluded.

## Definition of project size. A project size is defined by the total costs as contributed by the promoters/grant recipients, the grant of KCDP and any eventual third party contribution or loan. Total project costs are defined as: (i) project size; (ii) directly attributable costs of technical assistance, training, other capacity building measures etc.; and (iii) proportional costs of project appraisal, including processing, appraisal, committees, M&E, reporting, training, technical assistance and institutional support to the sub-component.

## Projects sizes above the ceilings. Projects worth more than the ceilings defined for a window are not automatically ineligible. Instead, project worth up to twice the ceiling defined remain principally eligible, but the maximum amount of support for the window will remain in place. Assuming an activity benefitting a community would entail total costs of KSH 10 million, thus higher than the ceiling of KSH 6 million, the project could not avail of a support of 90% of KSH 10 million (=KSH 9 million), but only of KSH 5.4 million as upper ceiling. However, the proponents of the project must provide clear evidence for the financing of the gap between their minimum contribution, the grant of the KCDP and the total costs.

## The table below provides an overview of the funding arrangements for the different windows of the HMP.

**Table 4: Funding arrangements per type of project under the HMP**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Window | Minimum project size | Maximum project size | Potential grant amount per project | Maximum support per project |
| (in ‘000 KSH) | (in % of total project costs) | (in KSH ‘000) |
| 1a: Micro and small entrepreneurs: youth only | 50 | 100 | 90% | 180 |
| 1 b: Micro and small entrepreneurs: youth and adults | 50 | 1000 | 80% for projects up to KSH 200 | 160 |
| 70% for projects above KSH 200 | 700 |
| 2: Natural Resource Management | 50 | 2000 | 90% for all projects | 1800 |
| 3: Community Services | 200 | 6000 | 90% for all projects | 5400 |

## The table below provides an overview of the funding allocation principles of the HMP. All of these allocation approaches should be applied simultaneously, to the extent possible.

**Table 5: Funding allocation principles for the HMP**

|  |  |
| --- | --- |
| **Allocation item** | **Approach taken** |
| Allocation by county | * During the first year, funds will be allocated equitably; if funds are not likely to be absorbed, a decision will be made by the end of the sixth month after allocation to reallocate remaining funds to other counties to enable these respond to actual demand; the causes for under-utilization are to be evaluated and corrective measures taken, where possible
* For subsequent years, counties which received less than an equitable proportion of the total allocations will be given priority if other counties will not be absorbing their full fund allocation
* In subsequent years, a country will be allocated funds equivalent to the mean amount absorbed during the two preceding years
 |
| Allocation by gender and age group | * For youth (aged ≈ 18-35 years): Minimum of 20% of total HMP endowment
* Women: Minimum of 40% of total HMP endowment
* Men: Maximum of 40% of HMP endowment
 |
| Allocation by window | * MSE window: 45%
* NRM: 30%
* CS: 25%
 |

## Using the above parameters, the following details regarding project values by window will emerge:

**Table 6: Funding values by window and county of the HMP**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** | **Window 1** | **Window 2** | **Window 3** | **Total** |
| Allocation of funds by window | 45% | 30% | 25% | 100% |
| Estimated value/window in KSH | 180,000,000 | 120,000,000 | 100,000,000 | 400,000,000 |
| Av. size of project in KSH | 400,000 | 400,000 | 2,000,000 |  |
| Av. grant value in % of project size | 80% | 90% | 90% |  |
| Av. size of grant in KSH | 320,000 | 360,000 | 1,800,000 |  |
| Total no. of projects funded | 563 | 333 | 56 | 951 |
| Total no. of projects funded/year | 113 | 67 | 11 | 190 |
| Total no. of projects funded/year/county | 19 | 11 | 2 | 32 |
| Total value of projects funded/year/county | 6,000,000 | 4,000,000 | 3,333,333 | 13,333,333 |

## Appraisal instances. Three different layers and instances of screening and vetting are envisaged:

1. KCDP County Liaison Office;
2. County Council; and
3. Project HMP Vetting Committee.

## First instance: County Liaison Office. The KCDP will establish one liaison office in each of the six coastal counties, at the latest by July 1, 2012. Each office will be staffed by two persons, comprising at least one female officer. Officers are recruited in a competitive process along specific terms of reference. The proposed ToR for the CLOs are presented in Attachment 2, and some guidance on the recruitment and training of the CLOs in Attachment 3. CLOs will act as intermediary structure and instance between the project management unit and the beneficiaries of the HMP recipients. Their main duties are to create awareness in the coastal region about the support facility, to receive applications, to conduct a comprehensive screening of all applications, to pass on the applications certified as compliant with the regulations to the next instance, to monitor grant recipients, and to provide comprehensive reports on their activities, deliveries and achievements. Upon their satisfaction that an application complies with all terms and conditions of the HMP, the two CLOs will certify this with their signature and provide a first assessment of the competitiveness of the respective application in accordance with the respective selection criteria. CLOs are requested to reject all applications not complying with all set criteria.

## Second instance: County Council. The second instance of screening of applications will be constituted of the County Council. Details on each applicant processed by the CLO will be submitted to the County Council in a prescribed summary format. The County Council will assess each application in terms of: (i) genuineness of the applicant (individual, group or community); (ii) track records of past activities performed and capacity to implement the proposed project as stated; and (iii) compliance with the HMP minimum criteria and regulations. No assessment of the performance of an applicant in terms of the selection criteria will be required at this level. Decisions of the County Council are to be made in a session with the required quorum, and with a majority of the votes cast. Upon approval of applications, the chairperson of the County Council confirms with her/his signature that the respective applications are endorsed in terms of the above mandate of the council and hands over the confirmation to the KCDP Liaison officer in charge. The two CLOs serve on a rotating basis as secretary to the respective County Council session in which the applications are decided. County Councils are free to transfer the mandate to deliberate and decide on the applications to a sub-committee, subject to a respective decision taken during an ordinary session of the Council and properly retained in the minutes. Only projects complying with the above three conditions shall be endorsed by the County Council. The County Council cannot reject a proposal on grounds other than non-compliance with the above three sets of conditions. The Council is furthermore not permitted to directly introduce or propose certain projects itself. However, the County Council is encouraged to inform eligible citizens and the population residing in the six coastal counties to elaborate and submit their proposals along the prescribed formats.

## Third instance: PCU Vetting Committee. The third and final instance of grant appraisal under the HMP will be established within the PCU. This committee will be composed of: (i) the Project Coordinator; (ii) the four component heads in the PCU; (iii) the procurement officer of the PCU, and in his absence, the finance officer; and (iv) three representatives of the seven partner institutions. The quorum shall be attained if six out of its nine members are present. Decisions of the committee are made with a simple majority of votes cast. One of the assistants of the head of Component 4 in charge of supervising the HMP activities will serve as secretary to the committee, however without voting rights.

## The heads of the seven partner institutions will appoint one staff as representative to the HMP. The duration of this assignment will be one year, renewable once. Upon preparation of a session of the PCU Vetting Committee, the Project Coordinator will circulate a message to the seven members asking for their availability for this specific date, selects the three members to attend the respective meeting, and informs them and the other four representatives about the selection. The selection shall be done in such a way so as to ensure the most equitable participation of all representatives. A member who declines attendance at three consecutive meetings will automatically cease to be a member of the committee. In such a case, the Project Coordinator informs the respective head of the institution and requests for a new appointment.

## The PCU Vetting Committee undertakes a comprehensive assessment of each application. It reviews the first scoring of the project along the selection criteria undertaken by the County Liaison Office and ultimately decides on the rejection or approval of an application.

## Re-submission. In case an application has been rejected on the grounds of receiving a lower score or non-compliance with terms and conditions, the applicant is permitted to submit it once more, eventually after some modifications of the application as deemed appropriate.

## Notification. All applicants shall be notified of the final outcome regarding their application. In the case of approval, the Head of KCDP Component 4 informs the respective County Liaison office and requests for immediate notification of the grantees. In the case of rejection, the Committee will notify the applicants directly and inform them about the reasons for rejection, and eventually the opportunity to re-submit their application, eventually after modification. The County Liaison Office will notify the County Council in summary form about all applications finally approved by the PCU Vetting Committee.

## Application process at CLO level. The application form shall comprise two different sections, a first one common for all windows with details on the applicant, and a second one specific to each window. The first sections shall contain information about the names, status, age, gender, residence and business locations, contact details, bank accounts, registration certificate, etc. In the case of groups or communities, specific information pertaining to governance, objectives, record keeping, audit, internal control and supervision mechanisms, donor relations, etc. shall also be required.

## The second section is different as per the specific window under which an applicant will wish to submit the proposed project. The main items to be covered comprise:

* History of the organization and the proposal, other activities conducted prior to this proposed project;
* Overall objectives and goals;
* Targets that the proponents want to see achieved within 2 years;
* Expected benefits for the proponents, community and environment, also in terms of incremental income and employment (part-time vs. full-time, temporary vs. permanent)
* Technical proposal;
* In the case of window 1: Projection of income and expenditure, net result;
* Projection of costs, items to be procured, procurement sources;
* Financing plan: internal and external contributions, both in cash and in kind, plus eventually loans from third parties or financial institutions;
* Source of funds for the equity contributions;
* Record keeping methods envisaged for the project;
* Mechanisms of control and supervision envisaged for the project;
* Environmental impact;
* Socio-economic impact.

## Certification. Each proposal should also contain the required certifications by the project proponents, in particular about the absence of any prior project funding by third parties, that the project has not yet been commenced and that the proponents are not related to persons actually working for KCDP and partner agencies.

##  Screening and vetting by CLOs. The CLOs assess each application in view of the terms and conditions. Unlike the second and third instances, they provide ample guidance to applications to enable these meeting the requirements and possibly scoring high on the selection criteria. At the end of the process, once the two CLOs are convinced that a given application complies with all terms and conditions, they forward an excerpt of the application to the next level. This excerpt contains: (i) the contact details of the applicant; (ii) details about the project submitted; (iii) a summary assessment of the application, excluding however the selection criteria; and (iv) a certification that the applicant has provided all required certifications and that the CLOs endorsed the application.

## The main items of screening and verification for CLOs comprise:

* Verification of contacts;
* Applicant has not received support for the same project from other projects/donors, and has not applied for assistance for the same project from another donor/project;
* Project has not been commenced;
* Compliance with all eligibility criteria;
* Technical feasibility;
* Financial viability;
* Sales and marketing (for cat. 1); demand, use and patronage for cat. 2 and 3;
* Sustainability in medium terms;
* Environmental compliance (either certification that the project would not provide any threat to the environment, or comprehensive EIA;
* Social benefits, equity;
* Innovativeness;
* Replicability;
* Estimated impacts;
* Assessment of proposal along the respective selection criteria in a prescribed format;
* Availability of the required cash matching contribution;
* Assessment that all other required contributions are likely to be made as proposed;
* Availability of funds for the respective category in the annual budgets approved for the county;
* Assessment that the record keeping and reporting obligations are likely to be complied with.

## Duration of processing. The duration of the entire processing shall be as short as possible. For all project applications received, the duration of processing until disbursement of the first tranche shall be measured. The following targets are to provide guidance for the duration:

**Table 7: Proposed duration of steps of appraisal under the HMP by window (in weeks)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Step | **Window 1a: MSEs: Youth** | **Window 1b: MSEs: Adults** | **Window 2: NRM** | **Window 3: Com-munity Services** |
| Finalisation of application by CLOs | 1-3 | 2-4 | 2-6 | 2-6 |
| add for EIA if necessary | 3  | 3 | 4 | 4 |
| Decision by County Council | 2-4 | 2-4 | 2-4 | 2-4 |
| Decision by PCU Committee | 2-4 | 2-4 | 2-4 | 2-4 |
| Total | 5-12 | 6-15 | 6-18 | 6-18 |

## Processing software. It is recommended to use the software package “RuralInvest” elaborated by FAO. This software, which is available free of charge from the FAO internet site[[3]](#footnote-3), permits handling, processing, monitoring and reporting of grant and matching grant schemes such as the HMP under different windows/terms and conditions. Configuration is relatively easy, and can be done to suit different levels of complexity (e.g. by using a lesser number of the available modules for smaller and simpler projects involving smaller amounts than for larger projects with higher levels of complexity).

## The PCU will send each grantee a standard letter of grant agreement, which contains the main points of the application, including the objectives, implementation and budget (in summary form), the terms and conditions of the grant, eventually with any conditionality imposed on the grantees, a disbursement schedule and a reference to the conditions under which the grant may be revoked. The PCU will further issue a certificate to the grantee in which it confirms the grant approval and the date of decision. A copy of this certificate shall be forwarded to the local/community administrative office, chief or sub-chief, as the applicable, for information to the general public.

## Information disclosure. By July 1, 2012, at the latest, the PCU shall have established a dedicated website on the HMP. This website shall contain at least:

* The overall objectives and main terms and conditions and procedural steps of grants under the HMP in both English and Swahili (HMP leaflet or brochure);
* The procedures and guidelines for processing (in English only);
* A complete and up-to-date list of grant recipients, containing at least: (i) the name and contact details of the applicant; the nature and main objective of the project; the window under which this was awarded; the amount of support; any eventual conditions or restrictions as decided by the PCU Vetting Committee; and the dates of application, approval by the PCU Vetting Committee and disbursement of the first tranche; this information shall be provided in the form of a spreadsheet program and shall be updated on a monthly basis by the PCU;
* A list of grants that have been revoked, with the main reason for revocation (in summary form);
* A map of the coast containing the GPS coordinates of each project financed by county with some basic information and a reference number to the spreadsheet information provided on the same website; the site shall be updated at least on a quarterly basis;
* Application forms for each window;
* A reference to a complaints, whistle blowing or grievances facility, with dedicated email addresses and mobile phone number;
* A short introduction of the CLOs in the counties, with names, office physical and postal address, and official fixed/mobile phone numbers;
* An annual report on the results achieved, with details and analysis on applications received, reasons for rejections, approvals, funding, results achieved by projects, status, total disbursements, by window, nature of projects, type of applicant, county, etc.;
* Any other relevant information related to the HMP, such as audit reports, evaluation reports, etc.

## Grievances and complaints approach. The KCDP shall introduce a complaints and grievances system regarding the HMP. It shall consist of at least the following elements:

* Introduction of a dedicated central mobile phone number exclusively used to receive complaints;
* Introduction of a central complaints email address (e.g. complaints@kcdp.gov.ke), which will be exclusively used for receiving and communicating with persons sending complaints;
* This mobile phone number and the email address are to be controlled only by the head of component 4; each complaint received shall be properly documented in writing; the head of component 4 shall also maintain a register of all complaints, with the nature of each complaint, the respective outcomes of the investigation, and reaction of the PCU, be it to address them or to judge them as non material and unjustified.
* The head of Component 4 submits a monthly report on the grievances received, the outcomes of the investigation and the measures to address them to the Project Coordinator, and proposes any necessary systemic changes as a result of the complaints.

## Printed HMP Brochure. Upon approval of the regulations for the HMP, the KCDP shall print a one-page brochure with key information on the HMP. This brochure shall contain information covering:

* KCDP objectives;
* Role and objectives of the HMP;
* Summary terms and conditions for the three windows, including the summary Table 4 above;
* Summary of the main screening steps;
* Reference to the HMP website;
* Reference to the County Liaison Office from where application forms and guidance can be obtained, with physical addresses and office phone numbers;
* Reference to the grievances and complaints mechanisms envisaged.

## Value-for-money audit. 18 months after the first disbursements, the KCDP will commission a first value for money audit of a sample of 15-20% of recipients. The selection of the service provider will of course be on a competitive basis. The main focus of the external audit is to assess whether, and to what extent, the monies have been well spent by the recipients, what outcomes and impacts can be observed, and what level of sustainability could be expected from the supported projects that had survived till that dated. Where possible, the CLOs shall, prior to this external assessment, conduct their own assessment of a different sample about one or two months prior to the audit with a view to compare results and methods.

## Revised M&E indicators for the HMP. The PAD and provisions for the M&E system of the KCDP so far envisage only one indicator related to the HMP (ex CVF): No. of projects completed and operational. Through this indicator, only the outputs of the activities would be measured. It is therefore proposed to retain this indicator but supplement it by the following:

* No. of projects by county, by type of recipient and by window supported;
* No. of projects supported, by county, by type of recipient and by window, that are operational after 18-24 months of start;
* No. of projects supported, by county, by type of recipient and by window, which are rated by the proponents as successful 18-24 months after the start;
* Projected and final income and employment effects.

## The Integrated Safeguards Data Sheet (dated 13 May 2010) for the HMP also envisaged an assessment of changes in number, diversity and value of alternative livelihoods investments among local communities benefitting from the HMP. Given the complexities associated with this indicator, it is not recommended to retain it.

## Environmental safeguards. It is necessary to prepare a checklist of activities that are not compliant with environmental standards of the Republic of Kenya and the KCDP. This list will serve for screening of all applications at the three different instances. The list will also assist the CLOs to identify which applications are not problematic at all, and which ones would need a deeper analysis and eventually an EIA by a specialized partner institution.

## Record keeping requirements by recipients. All grant recipients are requested to keep an appropriate level of records as regards their project. The level varies in accordance with the level of complexity and amount of grant.

##  Training facility for recipients. Given the variability of skills and knowledge required to implement projects, there is a high probability that not all project proponents have the required level of skills and knowledge in all dimensions. As a consequence, CLOs shall undertake an assessment of the skills and knowledge level of each applicant with a view to close any gap, and inquire about the demand for training. Training and capacity building shall be provided first of all by the CLOs within their own capacity, and then by other institutions and agencies as per the demand and opportunity. The formats for record keeping are to be prepared by KCDP, including the forms and record books to be used. The following issues are to be assessed, and solutions for capacity building offered where needed:

* Business development;
* Saving and credit for MSEs, and linkages with financial institutions;
* Linkages with technical service providers;
* Record keeping of own contributions and receipts from KCDP;
* Procurement rules for micro projects;
* Procurement rules for medium projects;
* Reporting on project progress.

## Reporting. Grant recipients are requested to submit short monthly implementation progress reports during the period between receipt of the first tranche and the procurement of and accounting for the last item to be procured under the project. During this period, the CLOs shall visit them as and when needed, in accordance with their operating capacity. Thereafter, CLOs shall visit each grant recipient once per quarter to assess the continuity of the project and the prospects for sustainability.

## Cancellation of grants. The grant agreement shall envisage a provision that the KCDP reserves its right to cancel a grant agreement under certain conditions. Grant recipients are to sign a certification that they have understood and taken note of this clause. The cancellation of a grant can only be done by the PCU. The PCU would have to decide whether to stop the disbursement of the next tranches (in case not all tranches have been disbursed) or to recall the entire grant and ask the recipient to pay back all amounts received. In The conditions for a cancellation of grants shall comprise:

1. Impossibility to reach the stated objectives of the project;
2. Inability of a recipient to fully account for the spending of the entire amount received within a specified period of time, say four weeks after receiving a notice requiring for compliance and threatening to recall the grant;
3. Use of grant funds for purposes and projects other than those stated in the grant agreement.

## Preparation schedule for implementation. The following time schedule for actions to be conducted until the end of June 2012 is submitted for consideration:

|  |  |  |
| --- | --- | --- |
| **No.** | **Activity** | **Deadline** |
| 1 | Circulation of this report to participants of the planning workshop and to all partner agencies for comments, suggestions and modifications | 18/01/2012 |
| 2 | Finalization of list of items to be procured for County Liaison Offices | 25/01/2012 |
| 3 | Advertisement of CLO and driver positions | 30/01/2012 |
| 4 | Finalisation of ToR for CLOs and drivers | 31/01/2012 |
| 5 | Consolidation of comments and finalisation of draft regulations | 31/01/2012 |
| 6 | Pre-screening of CLO applications received finalized | 01/03/2012 |
| 7 | Draft revision of HMP regulations | 10/03/2012 |
| 8 | Interview of CLO candidates finalized | 20/03/2012 |
| 9 | Finalization of HMP regulations on basis of comments by all stakeholders | 31/03/2012 |
| 10 | Decision about retention of 18 CLO candidates as trainees | 01/04/2012 |
| 11 | Request for NO from WB office Nairobi | 01/04/2012 |
| 12 | NO in HMP regulations received from WB | 15/04/2012 |
| 13 | Recruitment of 6 drivers for County Liaison Offices finalized | 30/04/2012 |
| 14 | Draft an environmental screening list for projects and circulate for review  | 30/04/2012 |
| 15 | Elaborate guidelines for social benefit analysis | 30/04/2012 |
| 16 | Start of duty of 18 trainees | 01/05/2012 |
| 17 | Submission of PIM sections related to the HMP to the Kenya Anti-Corruption Commission and to Transparency International Kenya for assessment of transparency and accountability provisions | 10/05/2012 |
| 18 | Finalize environmental screening list and reference guide for EIAs | 31/05/2012 |
| 19 | All items needed to equip County Liaison Offices procured | 01/06/2012 |
| 20 | Decision about retention of 12 trainees as CLOs | 10/06/2012 |
| 21 | Labour contract between KCDP and CLOs | 15/06/2012 |
| 22 | Equipment deployed to and installed in County Liaison Offices | 20/06/2012 |
| 23 | Start of duty of 12 CLOs | 01/07/2012 |
| 24 | Start of duty of County Liaison Office drivers | 01/07/2012 |

## ATTACHMENT 1: LIST OF PERSONS MET

|  |  |
| --- | --- |
| **Name and Institution** | **Contact** |
| Mr. Christian Peter, TTL, WB office Nairobi | Cpeter@worldbank/org  |
| Mr. Geoffrey RonoKenya Coast Development Authority (CDA) |  Tel: +254 0723419742ronogeoffrey@yahoo/com |
| Dr. Jacqueline Uku, Kenya Marine and Fisheries Research Institute | Tel: +254 0722683935juku@kmfri/co/ke / jaquiuku@gmail/com |
| Mr. Collins K. NdoroFisheries Department | Tel: + 2540722 403292ndoroka@hotmail/com  |
| Dr. Mohamed OmarKenya Wildlife Services | Tel: + 2540722 764671msaid@kws/go/ke |
| Ms. Farida HassanKenya Coast Development Authority (CDA) | Tel: +254 0726089946mtembuvi@gmail/com |
| Mr. Kennedy ShikamiFisheries Department | Tel: +254 0722 887 838Email: shikami@gmail/com  |
| Dr. Melckezedek OsoreKenya Marine and Fisheries Research Institute | Tel: +254 0721616519mosore@kmfri/co/ke  |
| Mr. James KamulaNational Environnent Management Authority  | Tel : +254 0722 942081kamulajm@gmail/com  |
| Mr. Jacob OchiewoKenya Marine and Fisheries Research Institute | Tel: +254 0733 804395jochiewo@kmfri/co/ke  |
| Mr. Linus WekesaKEFRI, Gede | Tel: +254 0721385 833Email: weknus@yahoo/com  |
| Mr. Ricky KambiKenya Marine and Fisheries Research Institute | Tel: +254 0736052406 |
| Mr. Stephen MwangiKenya Marine and Fisheries Research Institute | Tel: +254 0722796229Email: smwangi@kmfri/co/ke |
| Mr. Francis MutukuKenya Wildlife Service |  |

**Attachment 2: TOR for County Liaison Officer (CLO)**

**Role and Position**

The County Liaison Officer CLO) intervenes in the preparation, screening and monitoring of projects funded under the Coastal Village Fund. CLOs are posted in one of the six counties supported under the KCDP. CLOs maintain close relationships with the potential applicants and actual recipients under the sub-component, and also with the county council, county administration, relevant ministries and government agencies in areas related to the KCDP, and with relevant private sector support services, such as business development services, financial sector, etc.

The candidates will be selected through a competitive process. The position is for an initial period of one year, renewable subject to positive performance review. There is a 6-month probation period.

**Main activities:**

1. Conduct an inventory of service providers relevant to potential recipients under the CVF, such as financial institutions, and agencies and service providers offering business-related training, coaching and mentoring, and technical assistance, their respective terms and conditions, and establish and maintain good working relationship with them;
2. Carry out awareness and information campaigns about the support facility and its intervention models and encourage interested persons, groups and communities to apply for support;
3. Receive applications for grant support;
4. Screen applications for completeness and compliance of applications with regulations, and guide applicants to submit valid and comprehensive proposals that comply with the terms and conditions;
5. Arrange for technical appraisals by technical agencies;
6. Conduct institutional analyses of corporate clients (groups, cooperatives, companies, communities) of applicants as required;
7. Conduct the required social benefit analysis and financial analysis of the proposals;
8. In collaboration with District Environmental Officers from NEMA, undertake the first environmental screening, decide on the need for an Environmental Impact Analysis (EIA), and to arrange for the EIA where needed;
9. Conduct local training of applicants on project management, record keeping requirements, procurement methods, sound financial management practices, etc.;
10. Conduct simple training of grant recipients on the need for linkages with the financial sector, be it through deposit or credit facilities, the terms and conditions of financial institutions operating in the area, and on approaches to apply for and repay loans;
11. Link applicants to other and similar grant services and facilities, and to business development services, technical support from govt. agencies, financial institutions, etc., where appropriate and demanded by the applicants;
12. Arrange for exchange of information about recipients of and applicants for grants;
13. Maintain a data base on all applications, with the respective dates of all major steps and decisions along set regulations in prescribed format;
14. Conduct post-disbursement visits in the field to monitor project progress and provide, where appropriate and needed, guidance on project implementation;
15. Conduct verification visits to grant recipients to verify use of funds;
16. Monitor all on-going projects up to completion;
17. Report, along prescribed formats, on applications, the implementation process and the outcomes of projects;
18. Arrange for ex-post financial audit and value-for-money audit;
19. Assist, upon demand, implementing agencies in their county operations related to the KCDP.

**2. Minimum requirements**

* BSc, BA or LLB in NRM, agriculture, forestry, animal/veterinary sciences, aquaculture, fishery, social sciences, law, business management, economics, or similar
* 3 years of professional experience
* Practical experience in working with rural communities
* Good command of English and Kiswahili, orally and in writing
* Demonstrated ability to work in teams
* Ability to work with minimum supervision
* Solid computer skills (Windows, Excel, Word, internet)
* Typing skills

**3. Selection criteria**

* Broad spectrum of knowledge and skills across different faculties
* Broad spectrum of knowledge about the various activities to be performed
* Extent of familiarity with the socio-cultural and economic framework of the coastal region
* Financial analysis skills and experience
* Experience in appraising applicants against a set of criteria
* Experience in community mobilization
* Speaking a language of the coastal region other than English and Swahili is an added advantage
* The KCDP encourages the application of qualified female candidates

**Attachment 3: guidance for the recruitment and training of County Liaison Officers**

## The KCDP shall recruit a total of 12 CLOs for the six county offices. In order to achieve the desired qualification and number of staff, it is advisable to recruit a total of about 18 candidates for the initial training/induction process, and to retain only the most qualified 12 candidates. The number of candidates retained for the induction process shall contain an equal number of male and female persons. During the induction training, the 18 candidates shall be paid the salary of a trainee, and only receive a full salary upon final selection.

## The following items shall be procured by the PCU in such a way that all items are available by mid June 2012:

* 6 four-wheel drive pick-ups;
* 12 laptops, 6 scanner-cum-printers;
* 12 office desks, 12 office chairs;
* 12 chairs for visitors;
* 12 mobile phones;
* 6 mobile GPS units;
* Minor standard office equipment for 12 staff.

## Each office should be equipped with internet access and have a fixed telephone connection. For each office, one driver shall also be recruited. The term of employment is for one year, renewable upon satisfactory job performance. Drivers shall also be used for minor vehicle maintenance and cleaning, office maintenance and office cleaning.

## Induction training. The selection and induction training of the 12 CLOs is of paramount importance for the success of the HMP. The list of topics below serves as memo item for the structuring of the training:

* KCDP and all its dimensions
* The HMP and all its dimensions
* Loan appraisal of micro and small enterprises
* Promotion of MSEs
* Techniques of screening of groups, corporate bodies and communities
* Conducting inventory studies
* Essential financial services for MSEs and linking MSEs with financial institutions
* Procurement rules and principles
* Collaboration with partner institutions
* Screening methods
* Record keeping methods and approaches for MSEs, groups and communities
* M&E principles and formats
* Risks of mismanagement, fraud, embezzlement, political pressure, and how to deal with these risks
* Use of RuralInvest
* Grievances and complaints mechanisms
* Revision of the HMP pamphlets and brochures.

## It is advisable to review the appropriateness of all forms and procedures and of working methods with the trainees. These exercises may serve as item of appraisal of candidates and may also improve the appropriateness of the tools and methods used. Suitable objects for such exercises are: (i) a guide book for grant recipients on record keeping; (ii) grant application forms; (iii) guidance for the valuation of labour and other in kind contributions; (iv) code of conduct for CLOs; (v) monthly reporting format for CLOs; and (vi) risk mitigation matrix for CLO operations.

## It is advisable to subject all candidates to written tests about various aspects of the induction training, such as an inventory of service provider, a poverty assessment of a division. Field assignments should be done in teams. Presentations and reports should be reviewed by peers. CLOs should preferably be posted outside their counties of origin in order not to expose them to additional risks of external influence.

**Annex F: Procurement Plan**

**Annex G: World Bank Comments on KCDP Research Plan**

***Note: WB Comments are in italics***

**KCDP Research Strategy**

All research in KCDP will be guided by the project development objective (PDO) and global environmental objectives (GEO). Research questions will therefore be linked to these objectives and will address information needs for PDO and intermediate results indicators as outlined in the project monitoring and evaluation framework. The below table presents KCDP Year 1 research questions and the link between these questions and the project indicators.

***World Bank comments in italics***

***Overall this is inadequate as a research plan.***

***Add a column to outline the research approach, time frames for the different activities.***

| **Research Questions** | **Supporting indicator for the sub-component** |
| --- | --- |
| **Component 1** |
| ***What about fisheries research, stock assessments etc – this is a major aspect of Component 1*** **Aquaculture** |
| 1. **What is the most appropriate seed and feed for the various aquaculture production systems being tested?**

***Expand on this, species, pilot areas, roll-out strategies, safeguards and environmental implications addressed*** | **Level of fish and fishery resource (e.g. seaweed) production from aquaculture *check what has already been done – any duplication ? Refer to how aquaculture will achieve the PDO and indicators.*** |
| 1. **What are the most appropriate aquaculture production systems?**
 | **Level of fish and fishery resource (e.g. seaweed) production from aquaculture *need to check past and current activities for overlap. What is the strategic scaling up strategy, how will the results be used, will they support local communities, briefly outline costs and benefits ?*** |
| **QC/Value addition** |
| 1. **How will the proposed processing systems improve the quality of fishery products?**
 | **Number of sub projects scaling up post-harvest technology demonstrations *as above – why only demonstrations, is there a role out strategy, describe in brief strategic research approach*** |
| 1. **How will the improved infrastructure upstream (bandas, freezers etc) lead to hygienic fish handling?**
 | **Number of sub projects scaling up post-harvest technology demonstrations *as above*** |
| 1. **What attributes will the value added fish products have, and how will these contribute to high income generation?**
 | **Number of sub projects scaling up post-harvest technology demonstrations *as above*** |
| **Component 2 *these also need to be presented and more detail and demonstrated - how, where when*** |
| **Research and Extension** |
| 1. **How can we improve the contribution of farm forestry to sustainable livelihoods?**
 | **Number of ecologically sustainable and economically viable enterprises (e.g. beekeeping, eco-tourism, nature trails, butterfly farming) established / improved *expand on the research approach and outputs and how this research will contribute to KCDP objectives*** |
| 1. **What are the most effective delivery models for the sustainable management and conservation of forest based resources in the coast region?**
 | **Number of ecologically sustainable and economically viable enterprises (e.g. beekeeping, eco-tourism, nature trails, butterfly farming) established / improved *expand on the research approach and outputs and how this research will contribute to KCDP objectives*** |
| 1. **How do biophysical settings influence productivity?**
 | **PDO (To promote environmentally sustainable management of Kenya’s coastal and marine resources)*as above*** |
| 1. **What are the major land based activities impacting on marine environment?**
 | **PDO (To promote environmentally sustainable management of Kenya’s coastal and marine resources)*how does this fit into the KCDP prgramme, in particular be explicit about the research to be undertaken.*** |
| 1. **How does ecosystem health influence fisheries?**
 | **PDO (To promote environmentally sustainable management of Kenya’s coastal and marine resources)*cross check with Component 1*** |
| 1. **How effective are MPAs in biodiversity conservation?**
 | **PDO (To promote environmentally sustainable management of Kenya’s coastal and marine resources)*The research plan needs to be put in the context of Kenya and KCDP – needs to be more explicitly described.******Also ample research supports the effectiveness of MPAs in biodiversity conservation. The question should be related to the effectiveness of management practices in specific project targeted areas. (see also GEF tracking tool).*** **% of target areas with annually updated geo-referenced biodiversity data**  |

**Annex H: Safeguards Action Plans**

1. Action Plan for Operationalizing the Environmental and Social Management Framework

|  |  |  |
| --- | --- | --- |
| **ESMF Action** | **Responsibility** | **By When?** |
| Develop list of likely expected subprojects | PCU | by 3rd Feb 2012  |
| Identify and formalize safeguards focal points within each implementing agency (KWS, KMFRI, CDA, Lands, KEFRI, MOF, and NEMA)  | PCU/Implementing Agencies | By 29th Feb 2012 |
| Revise ESMF to: 1) improve screening criteria to include more specificity, and require justification; 2) clarify institutional responsibilities for ESMF implementation; 3) simplify and clarify additional environmental work needed for subprojects with potential environmental or social risk (including specifying which kinds of projects require full EIA); 4) clear structure/tools for environmental reporting, auditing, and monitoring and evaluation (also linked to overall project M & E) between the different components and the PCU; 5) develop environmental guidelines for likely expected subprojects (eg ecotourism, fish processing, aquaculture, production of wood lots, etc) | NEMA, with KMFRI support, to draft TOR and hire consulting firm | Finalize TORs by by 1st March 2012 |
| Develop and implement a environmental capacity building plan for key players (linked to component 3 activity) | NEMA to draft TOR  | 1st March 2012 |
| Develop and implement environmental management plans for communities for the various subprojects (linked to component 3 CVF activity), based on environmental guidelines | NEMA/DEO | Ongoing during implementation |

1. In order to underline the role of the CAAC as an advisory body of the KCDP the name of was changed from CADC (Coastal Area Development Committee) to CAAC (Coastal Area Advisory Committee). [↑](#footnote-ref-1)
2. Conducted by Michael Marx, Sen. Credit and Rural Finance Officer, FAO Rome [↑](#footnote-ref-2)
3. See <http://www.fao.org/investment/ourrole/ruralinvest/en/> [↑](#footnote-ref-3)