INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE

I. Basic Information
Date prepared/updated: 05/13/2010 Report No.: AC5111

1. Basic Project Data
Country: Kenya Project ID: P094692
Project Name: Kenya Coastal Development Project
Task Team Leader: William Leeds Lane
GEF Focal Area: M-Multi-focal area Global Supplemental ID: P108845
Estimated Appraisal Date: May 12, 2010 Estimated Board Date: June 24, 2010
Managing Unit: AFTEN Lending Instrument: Specific Investment Loan
Sector: General agriculture, fishing and forestry sector (100%)
Theme: Land administration and management (50%); Rural non-farm income generation (25%); Rural services and infrastructure (25%)
IBRD Amount (US$m.): 0.00
IDA Amount (US$m.): 35.00
GEF Amount (US$m.): 5.00
PCF Amount (US$m.): 0.00
Other financing amounts by source:
BORROWER/RECIPIENT 7.00
Global Environment Facility - Cofinancing Trust Funds 5.00
12.00

Environmental Category: B - Partial Assessment
Simplified Processing Simple [ ] Repeater [ ]
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies) Yes [ ] No [X]

2. Project Objectives
Project development objective (PDO)

The PDO is 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. The general outcome of achieving the PDO would be that the Coast Province is better able to assimilate and effectively use future, more aggressive, development assistance. In particular, the PDO will be achieved by: (i) increasing fisheries revenue earning potential of the government of Kenya (GoK) through licensing of foreign vessels to sustainable levels; (ii) improving sustainable management/regeneration of the fisheries resources and inshore ecosystem with the participation of communities; and (iii) support for alternative livelihoods that make more sustainable and profitable use of coastal natural resources.
3. Project Description

Background

The project is essentially a rural development project that has focus on direct and leveraged support of natural resource use systems that are inherently environmentally and socially sustainable. The KCDP would be financed through $35 million IDA and $5 million GEF. The GEF co-financing portion comes from the Strategic Partnership for a Sustainable Fisheries Investment Fund in Africa, which was approved by the GEF Council in November 2005. The partnership investment fund of the initiative is advised by a Regional Advisory Council (RAC) of stakeholders, which is chaired by the African Union (AU) and supported by the United Nations Food and Agriculture Organization (FAO) and the World Wildlife Fund (WWF), and includes the implementing agencies for the large marine ecosystems programs (LME programs). The Kenya Marine and Fisheries Research Institute (KMFRI) within the Government of Kenya submitted this concept note to the RAC in August, 2006. There is also interest in the Nordic Development Fund (NDF) to support some activities pertaining to adaptation to climate change. Dialogue has been initiated to assess whether there is a convergence of interest between the partners on the activities that will be supported.

The project will be implemented through the following components requiring US$40 million (including contingencies) as follows:

Component 1: Sustainable management of fisheries resources

4. The Project will support the reform of the governance of fisheries in the Kenyan 200 nautical miles EEZ. The support will include legislation and regulatory review, capacity building and the strengthening of monitoring, control and surveillance (MCS) of fishing activities. The project will also support the establishment of regional linkages with support from the South West Indian Ocean Fisheries Project (SWIOFP) and other regional initiatives. Governance issues addressed by the component will also address the need to optimize benefits derived from the licensing of distant water fishing nations (DWFN) operating in the Kenyan EEZ. A new fisheries legal framework will be adopted before project starts (law CAP 378) facilitating the imposing of penalties for fishing without authorization thereby significantly increasing fines and vessel seizures compared to marginal fines presently applied. Further, during the project life, the deterrence for fishing without a license will help increase purchasing of licenses during the project life. The increased penalties as well as the higher probability to be caught as a result of an expanded MCS strategy through to patrols and regional collaboration (exchange of information with VMS, observers etc.) are activities that are expected to enhance licensing revenue.

In addition, this component will also address the need for promoting research on fish stocks, value addition and market chain enhancement including access to markets and credit for more sustainable and profitable fishing practices including promoting non-consumptive activities in support of the tourist sector. Activities under this component would support development of pilot public-private partnerships in aquaculture ventures.
such as crab fattening, seaweed farming, crustacean culture and other technologies such as Fish Aggregating Devices (FAD). Technical extension services and business service advice will be provided to promote micro and small enterprises for new uses of marine and coastal resources. The sub-components are briefly outlined below.

Sub-component 1.1. Governance and management of offshore and coastal fisheries resources.

Three outcomes from this sub-component are expected. These are: (a) Improved fisheries governance structures and appropriate legislation (b) increased fisheries management capacity (c) a cost-effective monitoring control and surveillance (MCS) structures directed at the Kenya Exclusive Economic Zone (EEZ). The MCS strategy is based on both deterrence and regional collaboration to be developed through increases in penalties and increased surveillance. The improvement of intelligence and exchange of information will increase familiarity with fishing patterns and of the vessels operating in neighboring countries fishing zones (EEZs) - patrols will be organized in the areas and season when and where the main fishing activity is taking place. Because of the improved regional data exchange, potential offenders will be more easily identified. Kenyan and Tanzanian fisheries administration are already discussing the hiring together of patrol vessels used in the region under an adaptive surveillance strategy, although there are no plans to acquire a patrol vessel as these costs are prohibitive. Ultimately, the project strategy will demonstrate the trade off in costs and benefits through generation of license fees and potential revenue gains through an improved MCS and management regime for offshore fisheries.

Sub-Component 1.2. Research on fish stocks and fisheries, fish value addition and market chain enhancement.

Four outcomes are expected from this component. They are: (a) Research focused on improved understanding of Kenya’s fish resources and fisheries exploiting them thereby enhancing the management of these resources. This will include developing fishery specific co-management plans (including spatial mapping of fisheries and related oceanographic and environmental parameters), research to support stock assessments for 10 priority species, research on by-catch mitigation tools for turtles, seabirds and mammals and other protected and endangered species. Once baseline knowledge on fish stocks in Kenyan waters is known, the best available assessment methodologies will be used to support management of these resources. These could include both dependent and independent assessment methods that utilize both local and international knowledge and international. In this regard synergies with SWIOFP will be developed to avoid overlapping and cost inefficiency; (b) Research focusing on a Quality Control and Value addition Systems. This will strengthen the existing QC systems in Kenya Fisheries as well as improving value addition of fish caught and landed in Kenya by artisanal, semi-industrial and offshore industrial sectors to improve fish quality and increase the financial benefits derived from harvesting these stocks as well as improved value and market chain infrastructure including eco-labeling benefits and product value enhancement and optimization strategies. Note that because of the complexity of tuna value addition
there is no intention of directly promoting this aspect in KCDP. Value addition of tuna will be indirectly promoted by improved licensing of DWFN and flag state operations. This might include governance and the development of for example, fishing agreements with the EU (since all the EU vessels are presently licensed individually); (c) Promoting and helping develop the use of alternative sustainable technologies for fisheries exploitation to be used by communities dependant on fishing. In particular these alternative fishing methods will aim to reduce impacts on sensitive coral reefs and will encourage exploitation in the near-shore areas away from the fringing reefs. Such technologies will include for example, the potential use of Fish Aggregating Devices (FADs) such as those already deployed by fishers in the Indian Ocean and Indonesia. Synergies will also be created with SWIOFP and other on-going initiative in the region. The deployment of ring nets (small purse seines) is also an existing activity on the Kenyan coast that is controversial with costs and benefits that will be determined by this Component (d) Development of Public Private Partnerships (PPPs), specifically related to fisheries. These will include partnering communities with established industry entrepreneurs, and exploring opportunities to develop community capacity to exploit fish resources through these partnerships.

Sub-Component 1.3. Fish production through sustainable aquaculture development

The Expected outcomes of the sub-component are: (a) Sustainable aquaculture and opportunities developed and or promoted. This will include demand-driven research for aquaculture, the rehabilitation and construction of hatcheries, artemia production and quality assurance, establishing shrimp and finfish culture demonstration/pilot farms in Ngomeni and Gazi, and establishing seaweed farming in suitable areas. These activities will be conducted simultaneously with a program to increase the awareness and capacity building for coastal communities.

COMPONENT 2: Sound Management of Natural Resources

Kenya’s Vision 2030 highlights the need for value addition to increase the value of local resources to local stakeholders and improved Government revenues. Also according to the vision, tourism will be a leading sector in achieving the development goals. Specific strategies mentioned for realizing the goals emphasize an aggressive strategy to develop new tourism in Kenya’s coast, increasing the country’s premium safari parks, creating new high value niche products (e.g. cultural, eco-sports and water-based tourism-Vision 2030). In keeping with the government’s goals, the objective of this component is to improve, at least in geographically prioritized areas, sustainable management and regeneration of natural resources and biodiversity in the terrestrial and coastal areas of the Coast Province, and the marine environment. The vision of this component is to understand and conserve the unique coastal biodiversity and its natural resources as the basis for sustainable development. Activities under the component will promote sustainable tourism and new and alternative types of livelihoods.

Optimal use of natural resources requires careful planning based on good information on the distribution of various resources and their condition. Fundamentally, this requires
knowledge of the underlying land capability, the baseline state of these resources, the rate at which they change and the associated infrastructure. The existing understanding of the resource base is limited, posing a challenge to decision-making and sustainable resource exploitation. The existing information is fragmented, inaccessible or stored in incompatible media. The sub-component aims to collect and collate the relevant data in a GIS information management system for decision support and wise use of the coastal and marine resources. There are closely linked four sub-components under this component.

Sub- Component 2.1. Biodiversity & natural resources assessed and an integrated information system developed.

Outcomes include: (a) GIS template developed & populated to establish baseline information on the status of natural resources at the coast. (b) improved information on the status of natural resources, their ecological threats, economic valuation and resource use patterns collected and interpreted; Activities include:

(i) The creation of a coastal biodiversity information management system;
(ii) Coastal biodiversity data collation, biodiversity information gap analysis, specialized surveys on flora and fauna in Arabuko-Sokoke, Boni-Dodori and Kiunga forests; biodiversity assessments in Kisite-Mpunguti, Shimba Hills and Mombasa Marine National Park,
(iii) Biodiversity assessment in all proposed community conservation areas Shimoni, Marereni, Assakone,
(iv) Develop a uniform biodiversity monitoring protocol and implement the biodiversity monitoring protocols in all key biodiversity hotspots,
(v) Conduct a strategic impact assessment in all protected areas and develop mitigation strategy for identified threats, and
(vi) Conduct economic valuation for Shimba Hills and Malindi - Watamu marine Protected Areas.

Sub- Component 2.2. Management plans, guidelines and strategies for sound management of biodiversity & natural resources developed.

Outcomes include: (a) management plans for Coastal Mangrove ecosystems, and terrestrial community conservation plans in Boni Dondori N.R., Witu, Assakone and Marereni; (b) development of new conservation areas promoted by formulating new management approaches and facilitating their implementation; (c) guideline development for management of critical habitats in the Tana Delta; (d) key transboundary initiatives initiated at Kisite Mpunguti and Shimba Hills, and between South Coast in Kenya and Tanga, Pangani in Tanzania; (e) conservation strategies for endangered species and habitats (i.e. sea turtles, coral reefs and Dugong) supported; and (f) Elephant corridor linking A. Sokoke to Tsavo East N.P. identified and secured.

Sub- Component 2.3. Capacity building & institutional Support,

Main outcomes include: (a) institutional staff and local community members enhanced, (b) best practices on resource utilization and management learnt by community &
institutional exchange visits; (c) capacity of community groups and CBOs across the coast built; (d) capacity of tourism stakeholders in industry governance strengthened; (e) state of the art aquarium, laboratory, visitors information center in an Mombasa MPA supported

Sub- Component 2.4. Research & Technology for Extension Services & Development of cottage industries.

Main outcomes include: (a) existing natural resources reviewed and new biodiversity identified; (b) technical and extension services in GoK agencies put in place and/or strengthened; (c) 10 appropriate technologies and products packaged and rolled out.

Sub- Component 2.5. Tourism And Cultural Heritage Enhanced.

Key outcomes expected include: (a) information on existing tourism infrastructure, assets and activities collected and tourism opportunities for the coast identified; (b) new biodiversity products identified; (c) Tourism circuits in Kiunga/Lamu, Mombasa, Malindi/Watamu/Arabuko-Sokoke and south coast Kenya, Tanga, Pangani and Zanzibar and Pemba developed; (d) package tourism products to strengthen tourist circuit developed and marketed.

COMPONENT 3: Support for Alternative Livelihoods

Sub-Component 3.1.: Spatial Planning.

This is the component designed to manage environmental, social and cultural impact of development in the Coast Province, whether sourced from the KCDP, or other donor and GoK investments. It will promote a locally based, transparent and participatory development planning process. Key outcomes include: (a) Institutional capacity reinforced and community awareness on planning issues developed; and (b) A land use framework developed and implemented to guide the sustainable use and development of the Kenyan Coast. Activities here include:

(i) Rehabilitate and refurbish provincial and district offices;
(ii) Train and build capacity of the spatial planning team and sensitize the community on land use planning;
(iii) Prepare Land Use Plans (Coast Province Land Use Plan at a scale of 1:100,000; 4 District/Regional Land Use Plans at a scale of 1: 50,000; 16 Area Action Land Use Plans at Ward Level at a scale of 1:5,000; (iv) Prepare Land Capability Plans (Coast Province land Capability Plan at a scale of 1:100,000; 4 District/Regional Land Capability Plans at a scale of 1: 50,000; 16 Area Action Land Capability Plans at Ward Level at a scale of 1:5,000

Sub-Component 3.2, Environmental Governance.

17. Key outcomes include: (a) Developing capacity of the National Environment Management Authority (NEMA) to implement the Coastal Governance Sub-component;
(b) An integrated coastal zone management (ICZM) framework implemented; (c) Legislative and regulatory framework for harmonizing between natural resource management sectors; (d) Compliance and enforcement enhanced which include:
   (i) Develop and implement ICZM awareness strategy;
   (ii) Develop and implement incentives on environmental awards schemes to recognize good practice in environmental conservation;
   (iii) Develop resource use conflict resolution mechanism;
   (iv) Training of ICZM Steering Committee on ICZM Policy Formulation, Action Planning, Implementation and Monitoring; (v) strengthen EA regulations and guidelines to address environmental degradation from mining activities along the Coast;
   (v) Harmonization of relevant legislation (EMCA, Wildlife, Fisheries, physical planning Act, Survey Act); (vii) sensitized (targeting PEC, DECs & CBOs) on existing Environmental legal and regulatory frameworks; (viii) capacity building for lead agencies on EIA/EA review process; (ix) promote best practice identified on effluent discharge in two hotels; (x) implement the Environment Management Framework (EMF) on community based projects; and (xi) undertake joint enforcement operations with relevant lead agencies

Sub- Component 3.3. : Microenterprise Development.

This component aims to promote MSMEs through research and technological to identify opportunities to more sustainably and profitably use coastal resources, production and business management extension services, training for developing public private partnerships. Most coastal communities comprise artisanal fishermen and subsistence farmers. Due to inefficient, rudimentary production techniques and equipment, and inadequate alternative livelihood opportunities, there is considerable inefficiency and wastage in production systems. The situation is further exacerbated by the lack of, and access to, markets for products and technologies for value addition and product development. Additionally, the implementing agencies are not well facilitated to deliver the needed extension services to promote technology adoption and best practice promotion.

Key outcomes expected from the sub-component include: (a) Enhance the Coastal Development Authority’s physical operation and build the capacity of its personnel; (b) Business Development Services (BDS) to MSME’s facilitated; (c) leveraging private investment and partnerships with viable SME’s in promising sectors. Activities include:
   (i) Purchase of equipment and physical improvements;
   (ii) Training of staff;
   (iii) Undertake focused micro studies on value chains in selected subsectors in the program areas;
   (iv) Provide Business Development Services (BDS) for small enterprises;
   (v) Establish Business Resource Centers for capacity building;
   (vi) Establish viable cottage level value addition activities in 5 subsectors;
   (vii) Establish a Private Public Partnership (PPP) Fund.
Subcomponent 3.4: Leveraging greater availability and affordability of credit to coastal MSMEs.

The Project will work with existing, or help start new, village-level financial self help groups to find opportunities to increase membership to the point where a group can afford to hire permanent staff. Once a group reaches this size, the project will provide assistance to establish simple financial management processes, a simple credit assessment and governance processes and support procurement of office and basic equipment to the group. The project will also provide oversight and regular supervision and advice to the self-help group for at least 1 year. The project will also assist interested individuals to form production cooperatives that may or may not be linked to the financial self-help groups described above. This support would target small holders, small mariculturists or fishermen that would not be able to afford inputs necessary to maintain livelihoods, or to produce the volume of products needed to take full advantage of alternative livelihoods in the coastal zone. Other assistance would include establishing partnership agreements between investors (most likely Kenyan entrepreneurs) and coastal MSMEs, helping MSMEs develop a simple business plan, technical extension advice, and hand-holding through the business licensing process.

Sub-component 3.5. Coastal Village Fund (CVF).

The purpose of the CVF is to leverage construction of village infrastructure and changes from damaging to more sustainable and profitable alternative livelihoods supported under the KCDP. The main target of the CVF is the poorest and most disadvantaged and isolated individuals and communities in the coast, supplementing the assistance provided through public: private partnerships and to MSMEs that are more entrepreneurial and ready for linkage to private sector investors. Although the exact number of sub-projects supported under this subcomponent will depend on demand, up to 450 of these small grants at an average value of $15,000 each is likely to be required. Groups receiving grants will be expected to contribute approximately 30% of the total value of the microproject in cash or in-kind.

Identification of an efficient and transparent delivery mechanism for such a large part of the KCDP is critical. Management of the CVF will therefore be through the district structures already in place to service coastal CDD under the Arid Lands project. The Arid Lands project will establish a window within the project for funds from KCDP to ensure easier accountability and greater transparency. The two projects will agree on the type of projects (a negative list will be established) that are eligible for funding through this window, but selection, disbursement and subproject monitoring will follow the process set up by the Arid Lands project. The selection of the Arid Lands to facilitate service delivery is due to the project’s success. Another lesson learned and applied in KCDP is from the KCDP sister project, the Tanzania Marine and Environmental Management Project (MACEMP). MACEMP has a very significant CDD component that is very successfully being implemented in partnership with the Tanzania social Action Fund 2 (TASAF 2). Other frameworks for micro-finance initiatives in Kenya
include: (a) GoK, Youth Enterprise Fund, and GOK Women Enterprise Fund, GoK Constituency Development Fund as well as the CDA#s community programs.

COMPONENT 4: Capacity Building, Monitoring & Evaluation System, Project Management And Communication.

The outcomes include: (a) Project Coordination Unit strengthened to manage and coordinate KCDP supported activities; (b) institutional capacity of all GoK agencies participating in KCDP and responsible for natural resource management in the coast increased; (c) an Information & Communication Strategy developed and implemented to increase public awareness at local and regional levels; (d) an effective Monitoring and Evaluation System (M&E) developed; and (e) skills of project leaders (particularly those in ministries tasked as component coordinators) enhanced to handle project implementation. Activities here include:

(i) Policy & Technical Steering Committee Consultations;
(ii) Meetings of the Project Implementation Committee;
(iii) Meetings of the Coast Area Committee;
(iv) Parliamentary outreach for policy purposes;
(v) Strengthen regional cooperation by visits to strategic partners in the region;
(vi) Develop a Memorandum of Understanding with all partners;
(vii) Develop and equip office space for project management staff;
(viii) Enhance mobility of the project management staff;
(ix) Strengthen the procurement and financial capacity;
(x) Engage communication specialist to develop Information & Communication Strategy;
(xi) Develop an effective M&E System;
(xii) Short and long term training for project leaders and other staff.

4. Project Location and salient physical characteristics relevant to the safeguard analysis
PDO Integration with Environmental and Social Safeguards

The KCDP is a rural development project that is designed to leverage economic growth in the Coastal Province through investment in technical support and business advisory services to micro/small/medium sized enterprises (MSMEs), support to develop a system of sustainable finance of marine and terrestrial parks and conservation areas, and strengthening management/co-management of natural resources. The project can be divided into two complementary segments. The first is promotion of rural growth in the Coast Province through identification and support for more profitable and sustainable use of natural resources by MSMEs. Since this segment of the project may have cumulative environmental and social impact if not properly manage, the second segment of the project focuses on support for development of a locally based, participatory and transparent Spatial Development Planning Process.

The KCDP support to rural MSMEs will be based on what the land and aquatic resources are capable of supporting (as determined by FAO Land Capability Assessment
methodologies) and on what other sectors, local stakeholders and municipalities have decided (within the Spatial Planning context as described below) is appropriate for given areas. The Project will also provide capacity building to MSMEs in business management so that they don’t fail simply because they do not understand basic principles of how to manage their finances and how to invest in their own enterprises. But as mentioned, success in this aspect of the KCDP presents a potential for cumulative environmental impact that is difficult for the traditional Environmental and Social Assessment (EA and SA) processes to handle in a cost-effective way. EA and SA processes are too costly to be applied at the single MSME level. KCDP will therefore address the potential cumulative impact of many MSMEs doing the same thing in the same geographic area through a two-pronged approach: First, A local government-based Spatial Planning Process would indicate the specific geographic areas in which particular types of physical investments would and would not be allowed (particularly environmentally and socially sensitive areas). Second, subproject and MSME investments would undergo environmental screening through the ongoing mechanism of the ALRMP II (these are both through a prior review process that identifies and approves subprojects, and by annual reviews of the actual impact of a subset of each type of subproject undertaken).

The Spatial Planning Process links what is possible (what CAN be done based on Land Capability Assessments) with what SHOULD be done based on environmental, cultural and social safeguards as determined by local, regional and national stakeholders. Cumulative impact of rural, MSME-lead growth, to be addressed before that growth becomes a problem.

Spatial Planning as a vehicle to manage cumulative impacts

26. Spatial Development Planning is a practical, ongoing and #living process# that becomes more and more accurate as time goes on (the scale of land allocation gets #bigger# as more money and capacity to implement at the larger scale are available). During Project Preparation, an ESMF (Environmental and Social Management Framework which includes an Indigenous Peoples Framework) was done for the Coast Province. The KCDP includes USD 4 million to form a permanent control over rural development by investing in spatial planning at the District level and in pilot areas. A follow-on phase of the KCDP would support development of spatial plans to the sub-location level for the entire coast (1:5,000 and 1:2,000 for priority areas). Spatial plans must precede identification of investment opportunities and also must be a part of project implementation for all areas involved in Component 1-3. They help the investor to locate appropriate sites, and bring all stakeholders (particularly at the local level) into the investment decision making before a decision is made to support an investment or development opportunity. To ensure that spatial planning precedes project development activities, implementation will be phased. The initial year of the project will focus on developing capacity. There may also be some initial KCDP investment in subprojects and leveraged private sector partnerships with local communities. These physical activities will be limited to areas where there are existing Land Use Plans already prepared, disclosed and adopted by all stakeholders. This will give the spatial planning team in Lands sufficient time to begin district level planning in all other pilot areas.
5. Environmental and Social Safeguards Specialists
Mr. William Leeds Lane (AFTEN) (ISDS Reviewed by George Ledec)
Ms. Nyambura Githagui, Maria Cruz (AFTCS)

5. Environmental and Social Safeguards Specialists
Mr. William Leeds Lane (AFTEN)
Ms. Nyambura Githagui (AFTCS)

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II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Possible Safeguard Issues and Applicable Policies—>

Environmental Assessment (OP/BP 4.01). The project is rated as #Category B# and safeguard clearance has been delegated to AFTEN. An ESMF has been prepared. The Project is designed to institute a participatory policy and planning framework at the local government level to develop and oversee local development planning; any environmental impacts will be moderate. The KCDP does support rural economic development through assistance to MSMEs and a community driven development (CDD) program to respond to basic needs of coastal communities. These projects may have site specific negative environmental impacts as well significant cumulative impact if the process is not well managed. These potential negative impacts could reduce the overall benefits of the investment. In view of this risk, a design feature has been built into the KCDP to support spatial planning at the district level (at 1:20,000 or better) that is participatory and environmentally and socially-based. Building on sensitivity mapping initiative undertaken a few years ago by KMFRI, KCDP will support a province-level land capability mapping exercise (to include use and non-use associated with environmental, social and cultural values). Additionally, under the leadership of NEMA, Integrated Coastal Management Planning will be carried out as a closely related endeavor to ensure that potential negative environmental and social impacts are addressed and mitigated.
Any larger investments such as coastal infrastructure which may be supported by the project will be carried out only after an EA has been prepared.

The CDD activities of the KCDP will be handled through the existing processes as currently implemented by the ALRMP II district groups implementing CDD operations for that project. The ALRMP is in its second phase and has an established record of efficiently including evaluation of social, cultural and environmental issues in selection of proposals submitted for CDD funding. This minimizes the risk that a new and separate evaluation system might have. Conditionality in the KCDP legal agreements will include how CDD operations will be implemented in the unlikely event that the ALRMP II closes before the KCDP. Legal agreements for the KCDP will also cross reference relevant sections of agreements between the Bank and the Government of Kenya, and include a Memorandum of Understanding between the two projects that address transfer of funds to cover any additional costs and responsibilities incurred by ALRMP.

Natural Habitats (OP/BP 4.04). About 50% of the marine coastal area is classified with some form of protection. There are also national parks within coastal districts. Only a few of the marine protected areas are under any form of active management or monitoring, and many of these protected areas are severely degraded. The Project will undertake a review of these gazetted areas to determine which areas should receive priority attention for improved conservation measures. Where strengthened protection is needed, the Project will facilitate a sustainable and participatory approach to improve management. The assessment of current status of marine protected areas will consist of collection of existing data for a data gap analysis under preparation grant support. The indicated gaps in data (coral reef quality, no fishing zones and their justification, etc.) would then help in the design of studies and management effort in a rationalized protected area program funded during implementation. The protected areas may be included in a network that comprises MPA with no-take areas, MPA with partial protection, co-managed areas, privately managed areas and transfrontier cooperative areas. Given that tourism is expected to be the engine of growth in Kenya over the next 20 years, the preservation of unique natural habitat which is the basis for tourism is a priority. This preservation however, needs to be balanced with the needs of the coastal communities and how they share in the growth along the coast.

Forests (OP/BP 4.36). The Project is very unlikely to have negative impacts on any existing primary or mature secondary forest areas. There is however, potential for positive environmental impact through improved land use planning, and enhanced monitoring and enforcement including community co-management of forested areas. There is also a likelihood that degraded or poorly producing agricultural land may be converted to forest crops (along with intercropping). The integrated forest planning will conform to the participatory spatial planning process to be instituted under the Project at the local government level (including off-site environmental and social impact). The District level will need to be sensitized to the KCDP tools of spatial planning, land capability mapping and ICM planning in order to manage the type, scope, coverage, land use in component 3.
Cultural Resources (OP/BP 4.11). The Kenya coast is rich in historical and archaeological sites, a reminder of centuries of Swahili culture. The ruins of mosques and other buildings reflect different ensembles of Islamic architecture using lime, coral stone and timber. The sites include mosques, groups of tombs located inside or outside city walls, mounds and house walls representing the old city houses. The Project will be implemented within a framework of spatial planning and land capability assessment. The spatial plans will be GIS-based and these GIS data storage systems will be the recipient of all spatial data produced during the KCDP. This includes information about cultural sites to enable prioritization of the areas to be restored or rehabilitated under KCDP. The Project will provide the needed support (legal and physical in terms of works and services) to The Kenya Museum and other relevant authorities for the protection and restoration of important cultural heritage sites. In undertaking this task, the project needs to ensure adherence to both the national and international (UNESCO) guidelines for restoration of valuable cultural sites.

Indigenous Peoples (OP/BP 4.10). Given the presence of Indigenous Peoples (such adjoining box) in the project area, the Indigenous Peoples OP has been triggered. KCDP involves promotion of economic growth in the coastal areas through improved governance of coastal and marine resources; better revenue generation through sound monitoring, control and surveillance; enhance equity and reduce poverty through the promotion of alternative income generating activities and MSMEs, and through provision of access to credit, technology and services. KCDP will generate potential benefits to vulnerable/marginalized and indigenous peoples. In this context, an Indigenous Peoples Policy Framework (IPPF) was prepared and has been disclosed to the public and coastal indigenous people during the week of March 1, 2010. The purpose of the IPPF is to ensure that the development process fully respects the dignity, rights, economies, and cultures of these communities and that the project is able to gain broad community support of affected indigenous peoples and other vulnerable marginalized groups.

Subprojects to be financed under KCDP will be screened and if Indigenous Peoples are a factor in the subproject, specific Indigenous Peoples Plans (IPP) will be prepared through an open, fair and culturally appropriate manner. A Social Assessment (SA) will be prepared prior to any project activities. It will provide information on practical measures in which the Indigenous Peoples and other marginalized groups can be helped to benefit from the project activities. Gender considerations will also be addressed so that women as well as men among the Indigenous Peoples are able to benefit from the project. The SA will also identify mechanisms that can be adopted to address any grievances that may arise through project implementation.

Involuntary Resettlement (OP/BP 4.12). Given that the project encompasses the possibility of restriction of access to parks and protected areas, OP 4.12 is triggered and a Process Framework has been prepared. Land acquisition is not expected to be issue in the project. Indeed, the project will not support activities that involve land acquisition nor will it seek to restrict access or regulate occupancy and use in protected areas on either land or in marine areas. Rather, it would enlist cooperation by residents to assist in managing protected areas. In addition, a draft social assessment has been prepared prior
to appraisal that will inform the project on ways of managing the social dynamics and opportunities that exist for enhancement of livelihoods in coastal communities; completion of the social assessment and establishment of a grievance mechanism for the project will be a condition of project effectiveness.

No new protected areas are expected to be created as a result of the KCDP. But if new areas were to be created, they would be identified and developed in cooperation with local communities along the lines used, for example, by WWF to create the Mafia Marine Park in Tanzania. Further, a World Bank # no objection# would be required to include new protected areas within the KCDP. In any case, villagers would remain in the park and become part of Park management and protection (co-management) and there would be an agreed management plan that they help draft, including procedures for conflict resolution. However, as regional experiences in other open access coastal resources have shown, even with a co-management system where protection and implementation of a management plan depends on local communities; the possibility of unforeseen issues may arise, particularly in relation to natural resource use conflicts between the indigenous co-managers and outside communities encroaching in the area. The KCDP does not expect this to occur but intends to use a proactive approach by closely monitoring this situation through the M&E process. The Project Implementation Manual that will need to be produced as a condition of effectiveness will include a process for addressing use-rights and conflicts in protected areas, including responsible agencies for auctioning the process; involvement of local community leaders and NGOs; and a budget for carrying out any remedies that might be needed.

KCDP is mainly a capacity building, prioritization, and exploratory phase of development that focuses on co-management and sharing of operation of, and benefits from, protected areas. As indicated above, any resettlement proposed in a protected area in the Coast by a KCDP implementing agency could become grounds for suspension of disbursements under KCDP. As such, there will be no resettlement supported or required under the project.

Projects on International Waterways (OP/BP 7.50). The policy is not triggered, as the types of activities are not considered to meet the definition of projects on international waterways. Nevertheless, it is important to note that there are some issues related to management of migratory and transboundary fish stocks between Kenya and Tanzania, which is mainly related to the migration patterns of large pelagic fish such as tuna, billfish and shark. Also there may be opportunities for transfrontier terrestrial conservation areas between Tanzania and Kenya. Cooperation and joint monitoring possibilities are already being explored and facilitated between the two countries with support from MACEMP and KCDP (through preparation grants). These issues are addressed in the ESMF. In addition, a formal Memorandum of Understanding between the two governments is planned to cover the scope and areas of cooperation regarding assessment, monitoring and management of transboundary issues. The issues may include offshore, inshore and terrestrial resource use (including "non-use") and protection. The 200 mile EEZ cooperation issues are being facilitated by SWIOFP which is the regional
project that includes both Tanzania and Kenya. SWIOFP oversight at the #government# level is through the legally constituted Southwest Indian Ocean Fisheries Commission (SWIOFC), and Kenya, Tanzania and all other countries of the South West Indian Ocean are members of the Commission. Regular meetings at SWIOFC dialogue on transboundary issues in general and migratory fisheries in particular and therefore provide a forum for sharing KCDP information to other riparians.

Pest Management (OP 4.09). The project would not support agricultural development that leverages widespread use of pesticides and herbicides, and these chemical and pest control measures are not an issue in the Coast in any case. The project would, in fact, influence agricultural development throughout the Coast Province (including the Tana River and its catchment) through the development of the Spatial Planning process. This process allows consideration of all aspects of land development, including offsite impacts of fertilizer and pest control chemicals, in land allocation. The Operational Policy is not triggered.

During the preparation of the ESMF, an evaluation was made of the existing legal framework and institutional structure for monitoring and identifying mitigation measures to minimize environmental and social impacts. The Government framework (as actioned through NEMA) is deemed to be adequate. However, the capacity of almost all participating agencies to monitor the safeguard policies is inadequate and requires strengthening during the first year of the project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
Impact Evaluation of Project Components--->

The proposed project activities cut across several thematic areas, of which (i) fisheries, (ii) marine and coastal habitats, and (iii) MSMEs are of special interest from an environmental and social safeguards standpoint.

Assessment of potential impacts of project activities on Fisheries

Positive Environmental Impacts: Reduced negative impacts from fishing due to: i) a reduction in illegal, unregulated and unreported (IUU) fishing, ii) enhanced compliance of regulations in EEZ waters which includes improved institutional capacity in implementing a MCS strategy, iii) improved management of the EEZ fisheries resources (moving to an ecosystem-based system of management), iv) more sustainable and productive exploitation of nearshore fisheries and associated habitats as a result of improved efficacy of fisheries resource management strategies and diversification of livelihoods. The improvement of fisheries management will be linked to both capacity of the KMFRI to undertake research leveraging improved understanding of resource status through increased scientific baseline information on selected fisheries stocks to feed into fisheries management plans, and a more stable and integrated relationship between KMFRI and the Fisheries Department.
Negative Environmental Impacts: If unaddressed, short-term impacts of cumulative MSME activities might be expected from; i) mariculture activities on fish habitats including organic waste disposal, minor habitat impacts, viewshed incompatibilities (mariculture and tourism side by side as an example), ii) increased sedimentation if incompatible land uses are not discouraged, iii) stress on water resources, depletion of wood to process fish, and other resource conflicts where environmentally sensitive areas might be impinged upon by MSME activities, iv) changes in biodiversity associated with localized loss of vegetation and water quality. Upgrading of infrastructure at landing beaches would increase pressure on fisheries resources within the fringing coral reef zone if efforts were not made to develop deeper water fisheries outside the coral reef.

Monitoring and Evaluation: The following data will be collected and monitored: i) Changes in catch per unit effort (CPUE), ii) size structure and species composition of artisanal catches aggregated by gear type, and iii) target fishery collected by KMFRI and various NGOs Frame Surveys Changes in income to fishers Changes in number, diversity and value of alternative livelihood investments among fisher communities developed through the Community Village Fund. Changes in revenue generated from EEZ fisheries, changes in water quality and benthic habitats, and data from onboard observers on industrial fishing vessels will also be collected.

Mitigation: Site aquaculture/mariculture demonstration projects away from vulnerable habitats and must include efficient water treatment as per NEMA standards. Revise existing licensing fees and associated MCS frameworks to improve income generated from high seas fisheries in the EEZ to support added costs of MCS implementation. Enhance effective monitoring and compliance of fisheries management measures (gear, fish size, mesh size, spatial and temporal restrictions). Develop alternative, non-destructive, fishing methods that can be used in target fisheries beyond the coral reef. Develop standardized data collection and habitat monitoring protocols for collecting relevant ecological and socioeconomic information to feed into development of adaptive fisheries management plans. Build institutional capacity in fisheries research and fish stock monitoring through short and long term trainings. Link and support local communities to foster enhanced commitment to good fishing practices and environmental management through jointly developed co-management frameworks and strategies (including BMUs and MMAs). Develop resource centers to increase overall awareness of KCDP, its associated activities; and to strengthen interaction and information sharing between stakeholders (managers, scientists, local communities, NGOs and government). All of the above will build a sense of ownership and understanding on the project objectives and activities and the anticipated potential impacts that may require behavioral change.

Assessment of potential impacts of project activities on Marine and Coastal Habitats

# Positive Environmental Impacts: Delineation of CMAs and MMAs will lead to enhanced ecosystem protection while improving sustainable use by local communities through improved conservation of coastal and marine habitats (e.g. shoreline protection, control of fishing effort, carbon sequestration, and control of water quality). Improved
service delivery (parks/protected areas and fisheries management and protection) resulting from construction of local institutional offices for relevant GoK managers.

Negative Environmental Impacts: Potential for minor habitat degradation from establishment of commercial plots and woodlots if not sited in accordance with agreed spatial plans. Minor and temporary stress on water resources specific to construction activities. Minor and temporary air quality changes due to construction activities (aquarium and offices). Minor and temporary solid waste pollution from construction activities (aquarium and offices).

Mitigation: Under the CVF, the project will conduct environmental screening for all alternative livelihood projects under KCDP/ALRMPII prior to approval to help ensure activities operate within acceptable environmental limits (this system has proven successful in the Tanzania MACEMP/TASAF relationship). Should the findings reveal some potential for significant negative environmental impact, an appropriately scoped environmental assessment would be done (the CVF supports microprojects so impacts would be limited). Facilitate effective awareness training and assistance at the village level during the preparation of mitigation plans as part of the identification, development and approval process for proposals funded under the Coastal Village Fund to encourage appropriate community choices. Construct structures on land that is marginal and not of high biodiversity which are away from areas of traditional water use (build these site selection mechanisms into the Spatial Planning Process). Protective clothing should be provided for those undertaking constructions of microprojects. Construction waste should be properly disposed in landfill areas. Provide waste management facilities at the construction sites. Support campaigns on HIV/AIDS and behavior change to discourage drug use.

Assessment of potential impacts of project activities associated with MSMEs

Positive Environmental Impacts: Strengthening agricultural and livestock cottage industries through the use of appropriate technologies and incentives which will lead to improve land use of marginal areas reduce habitat degradation, improved food security through value addition.

Negative Environmental Impacts: Depending on the type of cottage industry, activities may have impacts on the environment including solid waste production, increased sedimentation in waterways, soil erosion, stress on water resources, sewage/waste water production, noise, changes in biodiversity, loss of vegetation and water quality degradation. Too many cottage industries in one locality may have a cumulative impact. Other, less significant impact possibilities include displacement of indigenous subsistence crops, minor and temporary impacts from construction of resource centers and other minor construction impacts of KCDP works including stress on water resources, air quality and solid waste pollution.

Monitoring and Evaluation: The following indicators should be measured and monitored: i) Livelihood activities at the village level, focusing on the collection of information on the spatial intensity of coastal and marine resource use by ecosystem type as an indicator of the pressure on the resource; ii) Health of coral reefs, seagrass beds and
mangrove forests within CMAs, MMAs and MPAs (specific measures to be determined); iii) Assessment of any health and safety risks to workers as a result of dust, fumes, odors, or pollutants from KCDP-supported civil works; iv) Water, sediment quality analyses, chemical assessment of handling and storage of effluents and waste materials produced from MSME activities supported by KCDP; v) Assessment of changes in income to local communities; vi) Assessment of changes in number, diversity and value of alternative livelihood investments among local communities benefiting from the CVF, and vi) Assessment of human development indices and tourist revenue.

Mitigation: Promote community involvement and training on environmental management skills to provide micro-entrepreneurs with useful information and general guidance on how to improve the environmental performance of their enterprises. Ensure that microenterprise activities are not contributing to any unacceptable environmental impacts from activities such as the cutting in primary forests, inclusion of CVF activities in critical wetlands or wildlife habitat, or the unsustainable intensification of agriculture, through use of a #negative list# for application in review of CVF proposals. Wherever possible, locate the micro-enterprise as close as possible to waste treatment facilities and use preventive measures such as the reuse of wastewater. In cases where wastewater cannot be eliminated, ensure that water sources are able to absorb effluent discharges. Put in place management plans for raw materials (e.g., wood, potable water, and fuel) and adequate storage facilities. Although a use for most waste residue in food processing activity is usually found at the micro-enterprise level, there may be exceptions. Avoid burning waste as this contributes to air pollution. Ensure that, wherever feasible, any waste residue that is generated is used in some other productive activity such as making compost or providing feed to poultry or other animals. Ensure that location of cottage operations does not threaten wildlife, green space or sensitive ecosystems. Ensure that stagnant waters do not build up around the food processing operations through provision of appropriate drainage structures. Site the operations in such a way that minimizes the impacts of noise, odors, and pollutants. Provide easy access to local health facilities. Ensure that micro-entrepreneurs and workers are aware of health and safety risks and establish a workplace safety strategy with micro-entrepreneurs and workers. Promote the use of appropriate gear (masks, gloves, and ear plugs and ensure proper ventilation). Incorporate environmental management systems in the public: private partnership enterprises and increase overall awareness in all KCDP associated activities that might impact on the environment. Promote feedback among stakeholders through BMUs and MMAs to ensure adequate community participation in planning and operation of the projects.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Project Preparation Approach--->

The proposed project design is a result of one year of discussions and negotiations with project partners drawn from ministries of the Government of Kenya and stakeholders from NGOs and CBO#s. Project preparation involved consultations at various levels with discussions focused on poverty eradication and livelihood options, land capability
mapping, prawn fishery assessment as precursor to understanding previous use conflicts, and assessing the foreseen impact of the KCDP. Several scenarios have been considered should there be no project and they are listed below.

If there is no project then poverty levels are likely to remain the same or become even worse given the rate of damage to the environment and resources upon which livelihoods are based: The people living in the Kenyan coastal area are amongst the poorest in the country with 62% of the people living below the poverty line thus making the coast the second poorest of Kenya's eight provinces. Implementation of a sound projects that delivers clear and measurable benefits to mainly rural coastal communities, that creates opportunities for knowledge exchange and capacity building, and that improves natural resource management will have significant impact on the quality of life of people living in the Coast Province. These benefits are unlikely to occur without KCDP.

Project Alternatives Considered

The project was initially conceived as an environmental project with sustainable fisheries at its core. However, it was redesigned as a development project with a focus on mainly rural conservation and development. The objective became- to reducing poverty along the coast through the strengthening of MSMEs, training and capacity building of natural resource managers, leveraging of private sector investment, market identification, and improved protected area management.

Several project alternatives were considered and rejected in view of the extreme poverty and social issues along the coast. Alternatives discussed included (a) having a larger number of components focusing more on the #green# (biodiversity and conservation) agenda, (b) a larger (greater percentage of CDD in the total project cost) Coastal Village Fund managed by KMFRI or all of its partners, and c) a smaller project that focused solely on capacity building without the investment in prioritizing and testing development options. These alternatives were rejected because they either didn't have sufficient positive impact on the lives of coastal residents, the alternatives were inefficient in that they didn't make use of all agencies, donors and projects operating in the coast, or could not be implemented without a comprehensive program of data collection to more fully understand natural resource potentials and current use levels. As an example, the Arid Lands Resources Management Project (ALRMPII) project, which has been successful in the delivery of assistance to communities, was selected to manage disbursements instead of a KCDP implementing agency.

The KCDP is in line with the priorities of Vision 2030. On its own the Government of Kenya would not be able to meet the targets of this vision thereby the input of development partners like the World Bank would provide a higher probability of achieving the goals of the vision for the coastal region. Focus on environmental impacts and the mitigation measures that are inbuilt in KCDP provide strong linkages between environmental integrity and the reduction of coastal poverty. The budgetary support would provide for greater monitoring, supervision and evaluation for proposed development activities. It is worth noting that the original project was conceived without
a focus on environmental governance issues of the Kenyan coast. Its absence would have meant that the project activities would overlook compliance to provisions of sustainable use in relevant legislation and in particular environmental rules and regulations.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
Response by Borrower to Identifying and Mitigating Impact--->

Response by Borrower to Identifying and Mitigating Impact

During the preparation of the ESMF and IPPF, an evaluation was made of the existing legal framework and institutional structure for monitoring and identifying mitigation measures to minimize environmental and social impacts. The legal and institutional framework is deemed to be adequate. However, the capacity of almost all participating agencies to monitor the safeguard policies is inadequate and requires strengthening during the first year of the project. Additionally, while at the present moment the monitoring capacity may be adequate, when the KCDP is initiated, the work load for the participating agencies will increase considerably. In that situation, the monitoring capability is likely to be strained. In the sister project to the KCDP, the Tanzania Marine and Coastal Environmental Management Project (MACEMP), Safeguards Specialists were engaged by both sides of the Union, Mainland Tanzania and Zanzibar. Their responsibility is to routinely monitor project activities for their impact on safeguard policies and the identification of mitigation measures and report to the Monitoring and Evaluation Specialist who would enter these inputs into the main monitoring data base. An arrangement similar to the one in the MACEMP is planned to ensure that the benefits from the project do not lead to long term negative environmental or social impacts.

Sound mitigation measures that respond to the Safeguard Policies of the World Bank and the provisions of the environmental and other sector regulations are integrated into the design of the KCDP. Examples include (i) the environmental screening procedures that will be applied during the participatory rural appraisals (PRAs) to identify impacts and recommend mitigating measures; (ii) Participatory spatial development plans implemented at the local government level. The spatial plans will allow for cost efficient and proactive management of any cumulative impact resulting from KCDP-induced MSME growth; (iii) Land Capability mapping to identify vulnerable areas to influence the types and scope of the project interventions; and (iv) Integrated Coastal Management planning to ensure that environmental and social impacts are minimized. The Information and Communication Strategy would integrate the findings of the spatial planning, land capability mapping and the ICM process to inform beneficiaries early on, about these planning frameworks and how they relate to minimizing potential adverse environmental and social impacts. The project budget for Environmental Audits to be carried out once an year to identify how the spatial plans and land capability assessments are being utilized by project activities, will assess the potential for environmental and social impacts and recommend course corrections. The findings would be incorporated into the Annual reports to the Policy Steering Committee, Technical committee and the World Bank.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

**KCDP: Key Stakeholders & their roles in project Implementation**

1) Ministry of Finance, Minister, Ext Resources dept
2) Min of Fisheries, Dept of Fisheries & KMFRI
3) Min of Tourism, Dept of Tourism
4) Min of Environment and Mineral Resources, NEMA
5) Min of Lands, Dept of Land
6) Min of Forestry and Wildlife, KWS, KEFRI
7) Min of Livestock Dev, Dept Livestock
8) Min of Agriculture, Dept of Agric
9) Office of the President, Min State/Prov Admin & Int Security
10) ALRMP which will implement the Coastal Village Fund
11) Min of State for Planning Depts of Planning/prov-dist levels
12) Min. of State for Natl Heritage&Culture/NMK, Dept of Museums

The KCDP was prepared over a period of one year with significant consultations and discussions that included key ministries and departments mandated with the oversight of coastal and marine resource use, local government, NGO#s and coastal residents. During the many stakeholder consultations, the project design evolved from being a conservation and development project into a development project that would be implemented within a spatially planned and land use management framework. A significant investment is also being made in the review, strengthening and harmonization of pertinent legislation and regulations with the aim that the KCDP and other investments along the coast abide by the strengthened regulatory framework. As part of preparation and included in the stakeholder consultations described above, an ESMF (Environmental and Social Management Framework, RPF, including a Process Framework, and an IPPF (Indigenous Peoples Planning Framework) were undertaken. The ESMF and IPPF were cleared with the National Environmental Management Agency and disclosed on February 5, 2010. The IPPF was also rolled out to the indigenous communities in a workshop on March 2, 2010. The RPF was cleared with the Kenya Marine & Fisheries Research Institute (KMFRI) and disclosed on May 10, 2010.

### B. Disclosure Requirements Date

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other:</th>
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<tbody>
<tr>
<td>Was the document disclosed prior to appraisal?</td>
<td>Yes</td>
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<tr>
<td>Date of receipt by the Bank</td>
<td>02/05/2010</td>
</tr>
<tr>
<td>Date of &quot;in-country&quot; disclosure</td>
<td>02/05/2010</td>
</tr>
<tr>
<td>Date of submission to InfoShop</td>
<td>02/08/2010</td>
</tr>
<tr>
<td>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</td>
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**Resettlement Action Plan/Framework/Policy Process:**
| **Was the document disclosed prior to appraisal?** | **Yes** |
| Date of receipt by the Bank | 05/04/2010 |
| Date of "in-country" disclosure | 05/07/2010 |
| Date of submission to InfoShop | 05/10/2010 |

**Indigenous Peoples Plan/Planning Framework:**

| **Was the document disclosed prior to appraisal?** | **Yes** |
| Date of receipt by the Bank | 02/05/2010 |
| Date of "in-country" disclosure | 02/05/2010 |
| Date of submission to InfoShop | 02/08/2010 |

**Pest Management Plan:**

| **Was the document disclosed prior to appraisal?** |
| Date of receipt by the Bank |
| Date of "in-country" disclosure |
| Date of submission to InfoShop |

* If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

**If in-country disclosure of any of the above documents is not expected, please explain why:**

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**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

- Does the project require a stand-alone EA (including EMP) report? **No**
- If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report? **N/A**
- Are the cost and the accountabilities for the EMP incorporated in the credit/loan? **Yes**

**OP/BP 4.04 - Natural Habitats**

- Would the project result in any significant conversion or degradation of critical natural habitats? **No**
- If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank? **N/A**

**OP/BP 4.11 - Physical Cultural Resources**

- Does the EA include adequate measures related to cultural property? **Yes**
- Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property? **Yes**

**OP/BP 4.10 - Indigenous Peoples**

- Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples? **Yes**
- If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? **Yes**
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?  

<table>
<thead>
<tr>
<th>OP/BP 4.12 - Involuntary Resettlement</th>
<th>N/A</th>
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<tbody>
<tr>
<td>Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?</td>
<td>Yes</td>
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<tr>
<td>If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?</td>
<td>Yes</td>
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<table>
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<tr>
<th>OP/BP 4.36 - Forests</th>
<th>Yes</th>
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<tbody>
<tr>
<td>Has the sector-wide analysis of policy and institutional issues and constraints been carried out?</td>
<td>Yes</td>
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<tr>
<td>Does the project design include satisfactory measures to overcome these constraints?</td>
<td>Yes</td>
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<tr>
<td>Does the project finance commercial harvesting, and if so, does it include provisions for certification system?</td>
<td>No</td>
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<thead>
<tr>
<th>The World Bank Policy on Disclosure of Information</th>
<th>Yes</th>
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<tr>
<td>Have relevant safeguard policies documents been sent to the World Bank’s Infoshop?</td>
<td>Yes</td>
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<tr>
<td>Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?</td>
<td>Yes</td>
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<thead>
<tr>
<th>All Safeguard Policies</th>
<th>Yes</th>
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<tr>
<td>Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?</td>
<td>Yes</td>
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<tr>
<td>Have costs related to safeguard policy measures been included in the project cost?</td>
<td>Yes</td>
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<tr>
<td>Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?</td>
<td>Yes</td>
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<tr>
<td>Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?</td>
<td>Yes</td>
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**D. Approvals**

<table>
<thead>
<tr>
<th>Signed and submitted by:</th>
<th>Name</th>
<th>Date</th>
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<tbody>
<tr>
<td>Task Team Leader:</td>
<td>Mr William Leeds Lane</td>
<td>05/13/2010</td>
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<tr>
<td>Environmental Specialist:</td>
<td>Mr George Campos Ledec</td>
<td>05/13/2010</td>
</tr>
<tr>
<td>Social Development Specialist</td>
<td>Ms Nyambura Githagui</td>
<td>05/13/2010</td>
</tr>
<tr>
<td>Additional Environmental and/or Social Development Specialist(s):</td>
<td>Ms Maria Concepcion J. Cruz</td>
<td>05/13/2010</td>
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<th>Approved by:</th>
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<tbody>
<tr>
<td>Sector Manager:</td>
<td>Ms Idah Z. Pswarayi-Riddihough</td>
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<td>Comments:</td>
<td></td>
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