OFFICIAL DOCUMENTS

KMP GRANT NUMBER TF017423

Sida Cofinancing Kenya Municipal Project Trust Fund
Grant Agreement

(Kenya Municipal Project)

between

REPUBLIC OF KENYA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as administrator of the
Sida Cofinancing Kenya Municipal Project Trust Fund

Dated March 31, 2015
KENYA MUNICIPAL PROJECT
GRANT AGREEMENT

AGREEMENT dated MARCH 31, 2015, entered into between:

REPUBLIC OF KENYA ("Recipient"); and

INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Sida Cofinancing Kenya Municipal Project Trust Fund (the "Trust Fund").

WHEREAS (A) the Recipient: (i) having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to the Agreement (the "Project"); (ii) has requested the World Bank, acting as administrator of various trust funds, to assist in the financing of the Project;

(B) said request has been approved in accordance with the rules and procedures governing the Trust Fund; and

(C) the Project is also financed from an International Development Association credit (IDA Credit No. 4714-KE, dated May 20, 2010) in the amount of Special SDR 65,300,000.

WHEREAS The World Bank has agreed, on the basis, inter alia, of the foregoing, to extend a grant out of the Trust Fund to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the World Bank and the Recipient hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank out of Various Funds, dated February 15, 2012 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.
Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to twelve million sixty eight thousand eight hundred seventy nine United States Dollars ($12,068,879) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister for Finance.

4.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
National Treasury  
Treasury Building  
P.O. Box 30007-00100  
Nairobi, Kenya  

Cable: Telex: Facsimile:  
Financenairobi 22921 minfin-ke 254 20 330426  

4.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:  

International Bank for Reconstruction and Development and International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America  

Cable: Telex: Facsimile:  
INDEVAS 248423 (MCI) or 1-202-477-6391  
Washington, D.C. 64145 (MCI)
AGREED at Naivasha, Kenya, as of the day and year first above written.

REPUBLIC OF KENYA

By

[Signature]

Authorized Representative

Name: Henry Karih

Title: Cabinet Secretary, National Treasury

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Kenya Municipal Project

By

[Signature]

Authorized Representative

Name: Diaricou Gaye

Title: Country Director for Kenya
SCHEDULE 1

Project Description

The objective of the Project is to improve planning and delivery of infrastructure services in urban areas in Selected Counties.

The Project constitutes the first phase of the Program, and consists of the following parts:

Part A. Institutional Strengthening

1. Carrying out a program of activities to strengthen the Recipient’s decentralization capacity at the national level, including: (a) developing national policies related to decentralization and establishing the frameworks for clarifying the roles and responsibilities of urban administrations; and, (b) strengthening of management systems of urban areas and of Selected Counties, all through provision of advisory services, technical assistance and training.

2. Carrying out a program of activities to strengthen the Recipient’s capacity to build an accountable county government systems including: (a) reviewing the urban areas’ administrative units and supporting their establishment; (b) conducting capacity needs assessments and preparing and implementing training and capacity building plans; (c) developing asset inventories and improved systems for asset management and operations; and (d) strengthening counties’ management systems.

Part B. Participatory Strategic Urban Development Planning

1. Preparing in consultation with stakeholders, Strategic Urban Development Plans which include Physical Structure Plans and Capital Investment Plans.

2. Carrying out consultations with communities and other relevant stakeholders in the PCs on planning, investment priorities and other program related activities.

3. Establishing and strengthening the PCs’ planning offices through provision of technical assistance, basic equipment, software and training.

Part C. Investments in Infrastructure and Service Delivery

Implementing a program of agreed critical urban infrastructure, including solid waste management, motorized and non-motorized transport facilities, street lighting, public parks and green spaces, bus parks, markets, storm
water drainage and disaster management facilities, all through implementation of works and provision of technical assistance and needed equipment.

Part D. **Project Management, Monitoring and Evaluation**

Carrying out Project implementation activities including: (a) establishing and operating a monitoring and evaluation system; and (b) carrying out preparatory activities for a follow-up project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Project Coordination and Implementation

1. Ministry of Lands, Housing, and Urban Development. The Ministry of Lands, Housing, and Urban Development (MLHUD) shall be responsible for the implementation of the Project and providing overall policy guidance to the Project.

Quarterly Meetings

2. The Recipient shall ensure that a meeting chaired by the Cabinet Secretary or the Principal Secretary in the MLHUD be held every quarter to coordinate and oversee Project implementation.

National Program Coordinator

3. The Recipient shall maintain throughout Project implementation the National Program Coordinator with qualifications, resources and terms of reference satisfactory to the World Bank.

4. Without limitation upon the provisions of paragraph 3 of this Section, the National Program Coordinator shall be responsible for the coordination of the Project.

National Program Coordination Team

5. The Recipient shall maintain throughout Project implementation, the National Program Coordination Team comprising four Component Heads and such technical specialists as may be agreed with the World Bank, including a financial management specialist, procurement specialist, environmental and social safeguards specialists, monitoring and evaluation specialist and a team assistant all with qualifications, resources and terms of reference satisfactory to the World Bank.

6. Without limitation upon the provisions of paragraph 5 of this Section, the National Program Coordination Team in collaboration with the National Project Coordinator shall be responsible for the overall administration and coordination of the Project at the national level.
County Project Coordinator

7. The Recipient shall ensure that each Participating County recruits or assigns and maintains throughout Project implementation a County Project Coordinator with qualifications and experience satisfactory to the World Bank.

8. Without limitation upon the provisions of paragraph 7 of this Section, each respective County Project Coordinator shall be responsible for the overall Project coordination at the county level.

County Project Coordination Team

9. The Recipient shall ensure that each PC establishes and maintains throughout Project implementation a County Project Coordination Team comprising staff with qualifications, resources and terms of reference satisfactory to the World Bank.

10. Without limitation upon the provisions of paragraph 9 of this Section, each respective County Project Coordination Team shall be responsible for the overall Project coordination at the county level.

KMP Operations Manual

11. The Recipient shall: (a) no later than October 15, 2010 or any other date agreed with the World Bank submit a KMP Operations Manual satisfactory to the World Bank, and (b) throughout Project implementation, implement the Project in accordance with the KMP Operations Manual and except as the World Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the KMP Operations Manual if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project.

County Projects

12. The Recipient shall, through the MLHUD implement County Projects.

13. In cases where financing to implement County Projects are being provided to PCs: (a) such PCs must meet the eligibility criteria set forth in the KMP Operations Manual; and (b) the Recipient shall provide financing to the PCs under County Agreements consistent with a Model County Agreement to be prepared by the Recipient not later than June 30, 2015 or any other date agreed with the World Bank.
14. The Model County Agreement shall stipulate terms and conditions acceptable to the World Bank, which shall, *inter alia*, include the following:

(a) opening and maintaining throughout the implementation of the Project, a County Project Account in a commercial bank satisfactory to the World Bank.

(b) provision of financing for the County Projects on a grant basis.

(c) rights adequate to protect its interests and those of the World Bank, including the right to: (i) suspend or terminate the right of the PC to use the proceeds of the financing of all or any part of the amount of financing then withdrawn, upon the PC's failure to perform any of its obligations under the applicable County Agreement; and (ii) require each PC to: (A) carry out the County Project with due diligence and efficiency and environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines, (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the financing in accordance with the provisions of the KMP Operations Manual; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Municipal Project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the County Project; and (2) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (F) enable the Recipient and the World Bank to inspect the County Project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.
15. The Recipient shall exercise its rights under each County Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any County Agreement or any of its provisions.

C. Anti-Corruption

16. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

17. The Recipient shall:

(a) implement the Environmental and Social Management Framework (ESMF) in a manner satisfactory to the World Bank designed to ensure that the Project is implemented in accordance with sound environmental practices and standards;

(b) as may be necessary in accordance with the requirements set forth in said ESMF and in a manner satisfactory to the World Bank, carry out, environmental and social assessments and prepare and implement management plans acceptable to the World Bank;

(c) provide to the World Bank for its prior approval any revision proposed to be introduced into said ESMF or into any environmental management plan prepared pursuant to said ESMF in order to achieve its objectives, and thereafter only introduce such revision into said ESMF or said plan as shall have been agreed with the World Bank and subject to the requirements for public consultation and disclosure carried out in preparing the original documents; and

(d) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the World Bank, the implementation of said ESMF and environmental management plans, and the achievement of their respective objectives.

18. The Recipient shall:

(a) implement the Resettlement Policy Framework (RPF) in a manner satisfactory to the World Bank;

(b) wherever implementation of the Project or any part thereof, would give rise to Displaced Persons, prior to commencing such
implementation, provide to the World Bank for its review a resettlement action plan prepared in accordance with the principles and procedures set forth in said RPF and, thereafter, implement and cause to be implemented, in a manner satisfactory to the World Bank, such resettlement action plan as shall have been approved by the World Bank;

(c) provide to the World Bank for its prior approval any revision proposed to be introduced into said RPF or into any resettlement plan prepared pursuant to said RPF in order to achieve its objectives, and thereafter only introduce such revision into said RPF or said plan as shall have been agreed with the World Bank and subject to the requirements for public consultation and disclosure carried out in preparing the original documents; and

(d) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the World Bank, the implementation of said RPF and any resettlement plan prepared pursuant thereto, and the achievement of their respective objectives.

19. Except as the World Bank shall otherwise agree in writing and subject to the requirements for public consultation and disclosure carried out in preparing the original documents, the Recipient shall not amend or waive any provision of the ESMF, RPF, resettlement action plans and environmental management plans, if any such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project.

E. Disclosure of information and Social Accountability

20. The Recipient shall throughout the implementation of the Project, ensure that there are adequate Social Accountability mechanisms to ensure that PCs and stakeholders participate in the monitoring and use of Project resources.
SCHEDULE 2

Project Execution

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank and set forth in the KMP Operations Manual. Each Project Report shall cover the period of ninety (90) days, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan:
<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding, subject to the following additional provisions.*</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
</tbody>
</table>

(*) National Competitive Bidding shall be undertaken in accordance with the Recipient’s Public Procurement and Disposal Act, 2005 (no. 3 of 2005) (herein referred to as the “PPDA”), and its Public Procurement Disposal Regulations, 2006 (herein referred to as the “Regulations”), as may be amended from time to time, subject, however, to the following qualifications:

(i) the tender submission date shall be set so as to allow a period of at least thirty (30) days from the later of (A) the date of advertisement, and (B) the date of availability of the tender documents.

(ii) Recipient-owned enterprises shall be allowed to participate in the tendering only if they can establish that they are legally and financially autonomous, operate under commercial law and are independent agencies of the Recipient’s Government.

(iii) the Recipient shall use, or cause to be used, bidding documents and tender documents containing, *inter alia*, draft contracts and conditions of contracts, including provisions on fraud and corruption, audit and publication of award in form and substance satisfactory to the World Bank.

(iv) extension of tender validity shall be allowed once only, and for not more than thirty (30) days, unless otherwise previously agreed in writing by the World Bank.

(v) evaluation tender shall be based on quantifiable criteria expressed in monetary terms as defined in the tender documents, and not on a merit points system.
(vi) no domestic preference shall be used in the evaluation of tenders. Accordingly, contracts shall be awarded to qualified tenderers having submitted the lowest evaluated substantially responsive tender.

(vii) notification of contract award shall constitute formation of the contract. No negotiation shall be carried out prior to contract award.

(viii) the two envelope bid opening procedure shall not apply.

(ix) Shopping procedure will apply for each low value contracts in lieu of Direct Procurement, except as otherwise previously agreed in writing by the World Bank.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2, 5.3 and 5.4 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services and Training</td>
<td>11,810,879</td>
<td>25%</td>
</tr>
<tr>
<td>(2) Operating Costs</td>
<td>250,000</td>
<td>25%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>12,068,879</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is May 31, 2017.
APPENDIX

Section I. Definitions


2. "Capital Investment Plan" means an infrastructure investment plan developed by the PCs for Participating Urban Centers through a participatory process outlining the priority investments in urban infrastructure, including a realistic budget.

3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. "Component Heads" means the lead technical specialists in the National Coordination Team (as hereinafter defined) and the County Coordination Team (as hereinafter defined) selected by the Recipient to lead implementation of a specified Part of the Project.

5. "Displaced Person" means a person who, on account of the execution of the Project, had or would have her: (i) standard of living adversely affected; or ii) right, title, or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

6. "Environmental and Social Management Framework" or "ESMF" means the framework dated March 9, 2010, in form and substance satisfactory to the World Bank, prepared and adopted by the Recipient pursuant to Section 1.D (17) (i) of Schedule 2 to this Agreement, describing the environmental mitigation, monitoring, and institutional measures to be applied in the implementation of the Project including the procedures for preparing the environmental management plans, including appropriate measures for avoiding or mitigating impacts on physical cultural resources and the resettlement action plans, as the same may be amended from time to time with the prior written approval of the World Bank.

7. "Kenya Municipal Program Operations Manual" or "KMP Operations Manual" means the manual prepared by the Recipient setting forth the rules, procedures, standards and guidelines for the implementation of the
Project and Program and referred to in Section I.A (11) of Schedule 2 to
this Agreement, as the same may be amended and supplemented from time
to time with the prior written agreement of the World Bank.

8. “Kenya Shillings” means the lawful currency of the Recipient.

9. “Management Letter” means a letter issued by the external auditors as part
of the annual audit report setting forth internal control weaknesses
identified during the audit period and referred to in Section II.B (3) of
Schedule 2 to this Agreement.

10. “Model County Agreement” means an agreement prepared by the
Recipient satisfactory to the World Bank setting out the standard terms
and conditions in the County Agreements (as hereinafter defined) to be
entered into between the MLHUD and the PCs (as hereinafter defined)
and referred to in Section 1.A (14) of Schedule 2 to this Agreement.

11. “County Agreement” means an agreement entered into between the
Recipient and the eligible PC for purposes of implementing the County
Project (as hereinafter defined) and referred to in Section 1.A (13) of
Schedule 2 to this Agreement.

12. “County Projects” means activities identified by the PCs which meet the
criteria set forth in the KMP Operations Manual and referred to in Section
1.A (12) of Schedule 2 to this Agreement.

13. “County Project Coordinator” means the team leader responsible for the
implementation of the Project in a given county referred to in Section 1.A
(7) of Schedule 2 to this Agreement.

14. “County Project Coordination Team” means the county level Project
coordination teams referred to in Section 1.A (9) of Schedule 2 to this
Agreement.

15. “National Program Coordinator” means the team leader responsible for the
implementation of the Project at the national level referred to in Section 1.A
(3) of Schedule 2 to this Agreement.

16. “National Program Coordination Team” means the national level Project
and Program coordination team referred to in Section 1.A(5) of Schedule 2
to this Agreement.

17. “Ministry of Lands, Housing, and Urban Development” or “MLHUD”
means the Recipient’s ministry responsible for lands, housing and urban
development.
18. "Operating Costs" means the incremental expenses incurred on account of the Project by the Recipient in accordance with budgets approved by the World Bank to meet vehicle operating costs, office operating costs, bank charges and staff travel related expenses (but excluding salaries and honoraria of officials of the Recipient’s civil service).

19. "Participating Urban Centers" means the urban centers selected from among the urban centers of Eldoret, Embu, Garissa, Kakamega, Kericho, Kitui, Kisumu, Malindi, Mombasa, Nakuru, Nyeri, Naivasha, Thika, the City of Nairobi or any other urban center agreed with the World Bank.

20. "Physical Structure Plan" means a plan developed by the PCs for the Participating Urban Centers in consultation with communities and other stakeholders containing maps, indicating natural systems, infrastructure, and current and proposed future land use guidelines referred to in Part B (1) of Schedule I to this Agreement.

21. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the World Bank to the Recipient pursuant to the letter agreement signed on behalf of the World Bank on October 15, 2009 and on behalf of the Recipient on November 4, 2009.

22. "Procurement Audit" means an assessment of procurement for compliance with the procurement procedures and laws and recommending on mitigatory measures to address identified risks.

23. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated August 19, 2012 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

24. "Resettlement Policy Framework" means the policy framework prepared by the Recipient dated March 8, 2010 as said framework may be amended from time to time with the prior concurrence of the World Bank.

25. "Revenue Enhancement Plan" or "REP" means a plan developed by the Recipient for the purposes of increasing revenue collection of a county and referred to in Part A.2 (g) of Schedule I to this Agreement.

26. "Selected Counties" means the counties selected from among the counties of Garissa, Kakamega, Kilifi, Kiambu, Kericho, Kisumu, Kitui, Machakos, Mombasa, Nairobi City, Nakuru, Nyeri, and Uasin
Gishu selected by the Recipient to participate in the Project in accordance with criteria set forth in the KMP Operations Manual as may be agreed from time to time with the prior written approval of the World Bank.

27. "Social Accountability" means the measures taken by the Recipient for periodic disclosure of information related to the Project and includes information on budget allocation, allocation of funds to the PCs, project operational results, project implementation progress, audit findings; reports on corruption and fraud; and mechanisms for public complaints and feedback referred to in Section 1. E (20) of Schedule 2 to this Agreement.


29. "Strategic Urban Development Plan" means a plan developed by the Recipient to guide planning and includes Physical Structure Plans and Capital Investment Plans.

30. "Training" means seminars, workshops and study tours and training related costs including travel, subsistence allowances for training participants, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities.