KENYA: Water Security and Climate Resilience Program
Implementation Support Mission (May 23 - June 6, 2016)
Aide Memoire

A. INTRODUCTION

1. A World Bank mission visited Kenya from May 23 to June 6, 2016 (May 23-31 for KWSCR-1, and May 31-June 6 for KWSCR-2) to supervise the implementation of Kenya water security projects. The mission was led by Xiaokai Li (Team Leader, Lead Water Resources Specialist) and comprised Jonathan Kamkwala (Practice Manager for Water), Eileen Burke (Sr. Water Resources Management Specialist, CO-Team Leader for KWSCR-1), Pascaline Ndungu (Water and Sanitation Specialist, CO-Team Leader for KWSCR-2), Gustavo Saltiel (Lead Water and Sanitation Specialist), John B. Collier (Senior Environmental Specialist), Mary Bitekerezo (Sr. Social Development Specialist), Berina Uwimbabazi (Sr. Water Resources Management Specialist), Dahir Warsame (Sr. Procurement Specialist), Henry Amuguni (Sr. Financial Management Specialist), Juan Morelli (Agricultural Economist), Lewnida Sara (Operations Analyst), and Violette Mwikali Wambua (Social Development Specialist). Elizabeth Karuoya (Program Assistant) from the Bank’s Kenya Office and Dawit Tadesse (Program Assistant) from Washington DC provided support to the mission. The objectives of the missions are to: (i) identify and discuss ways to address bottlenecks for much faster implementation and disbursement; (ii) seek increased senior management support and attention to the Program from the implementing and executing agencies; (iii) endeavor in helping the client teams set up essential project implementation management systems and mechanisms; and (iv) strengthen synergy/partnerships with development partners and related programs. This mission marks the completion in team leadership handover on the Bank side.

2. The mission held discussions with senior officials of the implementing agencies and executing agencies – Honorable Cabinet Secretary and Principal Secretaries of the Ministry of Water and Irrigation (MoWI), CEO of the Water Resources Management Authority (WRMA) and acting General Manager of the National Irrigation Board (NIB), Honorable governors of Kwale and Mombasa counties; with senior officers and project staff from the national project management unit (PMU) under the MoWI, and project implementing units (PIUs), as well as development partners involved in the projects. Wrap-up meetings for the missions were held with the project teams and National Treasury on May 31, June 3 and June 6, 2016 respectively. The mission wish to thank the government officials and project staff for the cooperation and support to the mission.

B. PROGRESS IN PROJECT IMPLEMENTATION AND PDO ACHIEVEMENT

3. **KWSCR 1:** Further progress has been made since the last mission in advancing some key procurements for Lower Nzoia irrigation and flood management works and catchment management, basin planning and management, in preparatory works for improving water supply services of Mombasa County, in supporting the sector reform process, and in clarifying internal processes that will enable future project implementation to happen more efficiently. However, the cumulative progress towards many key project deliverables, including the Nzoia irrigation and flood dyke works, basin planning as well as some aspects of the reforms and investment planning sub-components, is still substantially behind schedule. Some of the actions concerning fast-track and critical path activities agreed during the November 2015 Bank mission remain to be completed (See Annex 3). This slow speed of implementation is reflected in low disbursement rate, as of June 6, 2016, some US$8.89 million out of the total US$144.70 million IDA credit has been disbursed. For this reason, the implementation progress of KWSCR1 was rated *moderately unsatisfactory*. This calls for urgent high-level attention to
advancing critical procurement and design works, strengthening management of associated safeguards activities, as well as resolving implementation bottlenecks at management and working levels, including through convening the Project Steering Committee, where strategic and policy issues and inter-ministerial and inter-agency issues need to be discussed and resolved.

4. **KWSCR P2**: Significant progress has been made since last mission in advancing the design and supervision consultancy recruitment for the Mwache Dam, in carrying out the ground work for participatory management of Mwache catchment, and in procurement and preparatory work for different water supply and sanitation as well as livelihoods support activities in Kwale County. In relative terms, the KWSCR P2 appears to be progressing faster than KWSCR P1 in starting-up the critical path activities. Cumulative progress is still much slower than expected however, with only some 2% of the total IDA credit has been disbursed to date. Implementation bottlenecks similar to KWSCR P1 exists, the implementing agency and executing agencies at management and working levels should step up their efforts in strengthening implementation management and speeding up the project progress in all fronts.

C. **SUMMARY FINDINGS AND RECOMMENDATIONS**

**KWSCR P1 (including AF):**

**Component 1: Water Resources Development**

**Sub-Component 1.1: Water Sector Investments**

**SC 1.1.1. Program for enhanced water security in Nzoia river basin**

**SC 1.1.1.1 – Lower Nzoia Irrigation Project (LNIP):**

5. The mission noted that the NIB as the executing agency of the LNIP has appointed most of the PIU and sub-PIU (SPIU) staff. Initial actions including preparation of the concept notes have been taken for supporting farming activities, irrigation water user associations (IWUAs), and value chain (VC) development. The pool of trainers to support implementation was identified including experts from the County Governments (Busia and Siaya), KALRO, MALF and MWI. Action plans with KALRO for the development of the demonstration farms and farmers training on high value crops (HVCs) are being developed as agreed: a draft Adaptive Research and Demonstration Farm Concept Plan was presented to the mission and the comments and recommendations received are being incorporated. A sensitization meeting with farmers on the introduction of new HVCs was held in October 2015, and workshops for the induction of trainers in support of farming activities, value chain management, and IWUAs strengthening were done between November 2015 and February 2016. A market survey to identify existing channels, challenges and opportunities is under way. Procurement of the implementation support consultant (ISC) for LNIP and the flood protection dykes is at the negotiations stage. The MoU between NIB and KALRO will be adjusted and signed before end of June, 2016.

6. The mission recommends that special attention be given to the following issues:

(a) **SPIU Staffing**: The SPIU staffing should be enhanced in the coming weeks with a sociologist and an agronomist to accelerate activities in the field, including KALRO supported demonstration farm development, installation of suitable irrigation facilities (drip, bubble, sprinkler, farrow, etc.), and the nursery for production of HVCs seedlings (i.e. passion fruit, pawpaw, banana, grapes, mango, and vegetables), for conducting adaptive research and preparation of commercial plots in the Bunyala area with advanced farmers. KALRO is expected to collaborate in definition of efficient land use management (appropriate farm plan designs and layouts) for optimal land utilization with diversified cropping pattern and integrated farming where applicable;

(b) **Issues requiring special attention prior to contract negotiations with the ISC**. These include: (i) the existing cropping pattern and farm structure in the area and the eventual changes that could be introduced for shared benefits from the high LNIP investments; (ii) revision and adjustment of the ASVC activities
to be developed with NIB and KALRO, as well as the PIM activities mentioned above; and (iii) the detailed design and assessment of advancing the operation of irrigation in about 2,000 ha in the lower lands of the project area, based on the rehabilitation and expansion of the existing Bunyala pumping station. The mission requested that the financing gap issue with the existing design of LNIP, should be addressed during contract negotiations with the ISC; and

(c) Immediate ASVC activities. It was agreed to start with the development of the rice VC before the next rice planting season. This would include: (i) implementation of 3 or 4 demonstration farms in farmers’ fields applying the complete package of technologies under the System of Rice Intensification (SRI) with NIB and KALRO support; and (ii) development of the milling activities being promoted by the Bunyala rice farmers’ Cooperative (Magombe Rice Multipurpose Society). For that purpose, it was agreed with the National Coordinator of the Kenya Agricultural Productivity Program (KAPP) to start preparing the way to finance these VC activities through the Bank financed National Agriculture and Rural Inclusive Growth Project (NARIGP) expected to be operational in 2017. Until NARIGP is operational, all these VC support activities will be financed under KWSCR-1. NIB will submit a detailed action plan for the development of the rice VC in Bunyala by June 30, 2016.

SC1.1.1.2 – Nzoia Dikes and Flood Forecasting & Early Warning System (FF&EW):

7. This sub-component was approved by the World Bank through an Additional Financing in June 2015. The ISC being hired for the SC 1.1.1.1. – LNIP, will also serve as the ISC for the flood protection dyke works. The executing agency for the dykes, the Lake Victoria North Water Services Board, has formed an official PIU, including a project manager, a financial management and a safeguards specialist. The PMU and PIU will develop an inclusive staffing plan, including staff from government institutions, as well as to be supported with project funds, and a more detailed work plan for this sub-component by June 15, 2016.

8. The NIB has agreed with the PMU and LVNWSB to form the project coordination committee, to coordinate on the implementation of the Nzoia and dykes projects. Initial activities will include the development of the TOR of the committee, preparation for negotiation with the winning firm for the ISC, and developing a joint communications plan to inform the communities of project status and plans. The committee is recommended to first meet on in June, and TOR and communication plans will be provided to the Bank by end June, 2016.

9. The PMU will urgently procure a conveyance consultant for the LNIP and flood protection dyke works, to begin working with the project teams and the necessary government authorities, to develop a plan of action for the resettlement. As the RAP for the dykes and irrigation projects identified a large percentage of project affected persons without land titles, the work to establish procedures for resettlement must begin as soon as possible. In addition, as only 10 percent of funds needed for resettlement have been obtained for the project (under current estimates, which may change with final design), the Ministry of Water and Irrigation will work to obtain the full funds needed for resettlement in FY17.

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1 The Project Development Objective of NARIGP is “to increase agricultural productivity and profitability leading to improved livelihoods and reduced vulnerabilities of targeted rural communities in selected counties”. It has 4 components: (1) Supporting Community-Driven Development entailing (i) mobilizing smallholder farmers into associations; (ii) building their capacities to plan, implement, manage and monitor community-level sub-projects along their priority VCs; and (iii) providing primary production TIMPs; (2) Strengthening Producer Organizations and Value Chain Development focusing on federating CIGs and VMGs, capacitated under (1), to form POs (or join existing POs); (3) Supporting County Community-Led Development provides (i) technical advisory services (e.g., public extension services) facilitated by the counties; (ii) an enabling environment for the private sector and public-private partnership (PPP) to operate; and (iii) implements inter-community (e.g., catchment or landscape-wide and larger rural infrastructure) investments based on priorities identified under (1) and (2); and (4) Project Coordination and Management supports the national and county level project coordination activities.
10. **Lower Nzoia FF&EW System.** Through support from the Korean – World Bank Partnership Fund, the Government of Kenya has received an additional US$3.5 million grant to develop an improved flood forecasting systems for the Nzoia River. This system can serve as a pilot intervention for future WRMA efforts to develop flood forecasting capabilities in other basins, through sub-component 2.1 or more broadly. The Bank has been providing TA to enable the Government to design and prepare the bidding documents from January through May, 2016, using support from the above Fund. By mission end, good progress had been made in designing and developing bidding documents for the Lower Nzoia Flood Forecasting and Early Warning System, which will be released for bidding following the mission, by July 2016. In addition, the mission team encouraged the PMU to further develop and pursue the MOU with the Kenya Meteorological Agency, to clearly outline the roles of each entity in weather forecasting, flood forecasting, and in issuance of flood warnings.

11. **SC1.1.1.3 – Nzoia Watershed Management:**

   **This sub-component supports activities designed to reduce sedimentation in the Lower Nzoia watershed. While acknowledging the progress made to date, the mission noted the need for fast tracking the procurement of the physiographic studies, as these are critical for the identification of the ‘hot spot’ catchments/sub-catchments contributing to increased sedimentation in the Nzoia project areas. The WRMA informed the mission that the evaluation for the consultant’s recruitment has been completed and the consulting firm should be on board by July, 2016 and studies completed by October, 2016.**

12. **The WRMA also informed the mission that community engagement will continue while the physiographic studies are on-going and WRMA through this process will provide technical support to the communities to develop SCMPs in support of sediment reduction, with input from the physiographic studies. It is however not clear how the physiographic studies will be advanced to SCMPs. It was agreed that WRMA would review this and provide clarity on this process as the studies progress. It was also discussed and agreed that a Gantt Chart would be prepared by WRMA (together with the updated work plan), showing the overlap between the physiographic studies and the SCMP preparation process including the related safeguards requirements.**

13. **The mission reviewed an example of a SCMP prepared by WRMA and noted that whilst the Plan provided a good foundation for stakeholder engagement it fell short of the scientific analysis that would provide a qualitative basis for selection and justification of identified interventions. However, noting the need for implementation of quick mitigation measures to curb sedimentation in the watershed, it is recommended that a two pronged approach be taken to ensure improved and sustainable watershed management in the Lower Nzoia and Mwache catchments. One, is for the ongoing process to proceed using the existing SCMPs with input from the respective physiographic studies, in a few selected hotspot catchments, and the second approach, to consider doing a more comprehensive CMP/SCMP process informed by scientific analysis in other hot spot catchments, a process that will also serve to strengthen WRMA’s institutional capacity to undertake this level of technical analysis moving forward. WRMA will discuss and review this internally and inform the Bank on the agreed way forward.**

14. **The mission was also informed that WRMA will be developing water allocation plans over the next financial year, and recommended that a sound and authentic analytical framework will need to be developed a prior, to inform the water allocation process. This will ensure that sustainable and authentic water allocation plans and subsequent SCMPs are developed.**

15. **On the establishment of the WRUAs, it was discussed and agreed that clear criteria would be required to facilitate this process. It was agreed that, the regional and county offices will be engaged in this process to ensure close collaboration with the communities to be involved. And together with all these stakeholders, WRMA will update existing watershed management manuals, with input from the**
PMUs livelihood manuals, which detail all procurement and financial management procedures. In addition, WRMA and the PMU together with the World Bank team, will agree on the related safeguards requirements needed for these activities by June 15, 2016, and thereafter the PIU will ensure that these (including screening tools and related budgets) are integrated into the project activity plans. By July, 2016, the PMU will submit to the Bank the revised livelihood manuals, technical manuals and related safeguards documents for review. A more detailed activity plan for the coming months is included in Annex 2.

**SC1.1.2. Program for improving water services in Mombasa County**

16. The non-revenue water (NRW) reduction works in Mombasa was identified as a fast track activity during the November 2015 mission. It was agreed then that the construction contract for the first priority area (Likoni) would be awarded by June 2016 while the designs for the rest of the NRW works would be completed by May 2016. A water distribution network masterplan for Mombasa County which includes a phased investment plan, is expected to be submitted by June 30, 2016. However, so far only the technical designs for Likoni had been cleared by the Bank while finalization of tender documents, the ESIA and RAP for Likoni are not yet completed, and the designs for other NRW reduction works are awaited and safeguards assessment and action planning to be carried out. There had been no budget allocated for RAP implementation for Likoni works either.

17. An international consulting firm (Vitens Evides International) was engaged to work as the ISC for this entire sub-component, to carry out the designs and construction supervision for the NRW works. Nevertheless, there seems to be confusion on the ISC’s TORs, responsibilities for ESIA and RAP preparation and a lack of insufficient inputs from the ISC to this assignment. The fact that both PMU and Mombasa PIU are responsible for implementation of this sub-component perhaps also created confusion on the accountability for the progress and timely resolution of related issues such as delays in RAP preparation and funding.

18. The mission expressed its great concern over the slow pace of this sub-component, and strongly recommended that the PMU and Mombasa PIU further clarify the ISC’s roles & responsibilities and mechanisms for review and managing interfaces between technical/design and safeguards teams, and build them into the updated MOU/agreements, to prevent similarly incidents from happening again in future. During the visit, the selection/prioritization criteria for the NRW works were discussed, and it was agreed that the final selection criteria and works sequencing report prepared by the ISC and agreed by the PMU and PIU, would be submitted to the Bank for review by June 30, 2016. The other NRW works designs together with the TORs/plans for preparing the ESIA and RAP, would be sent to the Bank at the same time. The Likoni RAP would be completed for review by mid-August 2016.

19. In terms of the MOWASCO management turnaround activities, a strategic planning study has been completed by another international consulting firm (Castalia) and the final report discussed prior to and during the mission. It is expected that the ISC for this sub-component will develop operational program to implement the recommended reforms and changes. It was agreed that Mombasa PIU will submit to the Bank through PMU, the MOWASCO management turnaround implementation plan by July 31, 2016. Further, it was agreed with the county team in Mombasa, that the MOWASCO should substantially strengthen its ownership of this critical project activity by much deeper involvement and proactive actions. The county was also strongly requested to increase the PIU staffing for the project.

**Sub-Component 1.2: Water Investment Pipeline:**

20. Preparatory activities have been carried out, including collection of investment project proposals, feasibility studies and designs, initial screening of some investments, and preparation of the
TORs for the investment framework consultancy. The mission emphasized the need to proceed much faster in implementing this sub-component, and to better utilize the credit funds available to prepare urgently needed investments (such as those in northern counties) to produce quick results in improvement of water security and climate resilience.

21. Prior to the mission, the TORs for the investment framework consultancy (ISC) were received and commented on by the Bank team. During the visit, the implementation plan/approach for this sub-component, as well as the ISC TORs was discussed. It was agreed that three objectives will be achieved through implementing this sub-component, namely: (i) development and application of a detailed sector investment framework, screening/assessment tools and related guiding documents; (ii) a number of prioritized investments (see AF Project Paper results framework) in the form of investment plans, feasibility studies and/or designs (as well as safeguards assessments/plans where needed) to be picked up for financing; and (iii) building the investment planning capacity of the MoWI through training and establishing a formal investment planning unit. These will be achieved through different consultancies working closely for delivering the planned outputs and building the ministry’s investment planning capacity. Therefore, it was agreed that the senior leadership in the Ministry should take actions to establish the unit/office in the Ministry in charge with water sector investment planning, which should be in place by the time the ISC is on board. It was also agreed that the draft REOI together with the RFP for the ISC (including revised TORs incorporating the Bank team’s comments) be submitted to Bank before June 30, 2016 for review.

Component 2: Effective Water Sector Institutions
Sub-Component 2.1: Support for Water Sector Transition and Reforms

22. Consensus building events and planning workshops for the sector transition were carried out in different counties. There has been some good progress in providing just-in-time legal support to water sector institutions in Mombassa County, leading to the passage of a county water bill, as well as in providing technical support to advance approval of the new national water bill. The new water bill has passed readings in both the parliament and senate, and is now in the final stage review. The passage of the new Water Bill will then trigger a great deal of work at all levels of government, in order for institutions to comply for the new water bill. In connection with the implementation of this sub-component, a South-South exchange visit to Mexico by a Kenyan delegation comprising of senior staff from the implementing and executing agencies, took place in May 2016. A study visit report is expected to be shared with the Bank by July 2016, summarizing the findings and insights on potential applications of pertinent learning from the Mexican experiences in water resources development and management, and water service provisions as well as institutional development and reforms at different levels.

23. In order to assist with this transition, a PIU with the MWI has been established to assist with the reform activities funded by the project. During the visit, discussions were held on the overall implementation approach and plan, TORs of the ISC, and the priority needs for institutional development/reform support (both WSS and WRM related). It was agreed that a revised implementation plan, budget and ISC RFP for a framework consultancy, with more specificity in types of staff needed and a wider range of activities including water resources management will be submitted to the World Bank by end June 2016. The revised work plan will incorporate new activities proposed by WASREB, as well as inputs from other water sector institutions that need support under the reforms sub-component.

Sub-Component 2.2: Strengthening Water Management and Planning:

24. The Water Resources Planning and Management Component includes $30.2 million of IDA financing for the water resources management authority (WRMA), to improve the capacity and knowledge base for basin-level water resources management in Kenya, including integrated basin
planning and mainstreaming climate resilience. The Bank has given No Objection to the issuance for the RFP for an Implementation Support Consultancy (ISC). The RFP was issued to short-listed firms in early June. The ISC expected to be mobilized by October 2016 will work with WRMA to further develop the work plan for this component including its own and WRMA activities. WRMA has formed a task force to work with the ISC once they are mobilized, and the list of individuals in the task force will be submitted to the Bank by June 30, 2016. In this context, the mission reiterated the crucial importance of having counterpart teams in each of the regional/basin management offices to participate in the basin planning and management activities for on-the-job training.

25. WRMA is currently undertaking a pollution and abstraction survey in 6 basins. Further, WRMA has developed a plan for procurement and construction of 25 monitoring wells, and is awaiting approval by the PIU. WRMA has also developed concepts for the installation of 100 river gauging stations. During the mission, the need for more broad capacity building related to the core mandates of WRMA was discussed. WRMA has stated a desire to use the services provided by the ISC to better apply scientific knowledge and tools such as decision support systems and strategic social and environmental assessments (SSEAs) in basin and catchment management planning, in water allocation and water permitting processes. These activities will be incorporated in the mini-PIM and related annual work plans for sub-component 2.2.

Component 3: Support for Project Implementation (for both Projects):

26. This component is to enable effective implementation of all the project activities through instituting and operationalizing the project implementation system (with different sub-systems), with well-conceived project implementation plan (PIM), fully-functional project leading body (PSC) and implementing units (PMU/IA and PIUs/EAs), adequate resources (dedicated staffing/HR and financial resources) including timely engagement of required technical assistance (ISCs and other consultants), clearly defined responsibilities and ‘rules of the game’ (manuals, procedures and coordination/collaboration mechanisms), and effective monitoring and evaluation arrangements. To date, much further efforts have been made in establishing the PMU and PIUs, and recruiting the TA consultants and setting up the rules of the projects.

27. Yet a lot more remains to be done to make the project implementation management/support more effective and eliminate this as one of the key implementation bottlenecks. For example, the MoWI needs to consider reconstituting the PSC in consideration of the changed circumstances, and convene the PSC as soon as possible to discuss the high-level issues and urgent needs of the projects for changing the ‘business-as-usual’ pace of project implementation; the PMU needs urgently recruit the chief technical officer (CTO) with the TORs agreed with the mission, to help establish the project implementation system; and the PMU should organize the safeguards management more systematically to constitute a ‘safeguards management sub-system/group’ comprising PMU safeguards experts and PIUs’ safeguards staff/focal points as well as related staff from NLC and counties concerned. In addition to the component/sub-component wise implementation plan, the safeguards group should have an implementation plan (or action plan/roadmap) of its own cutting across all components with significant physical activities.

28. PMU and PIU Establishment and Staffing. As of June 6, 2016, the PMU and all PIUs have been established. However, the number of assigned staffing for some PIUs seems inadequate (e.g. Mombasa and LVNWSB PIUs) while several PIUs still lack some critical members including procurement and finance whose posts need to be filled urgently. And the staff need to be fully dedicated with clear responsibility and terms of reference. Also it is important for PMU to appoint focal persons for each executing agencies (PIU), and for PIUs to designate focal points for each aspect of project implementation (technical, procurement, FM, safeguards, planning/programming/reporting (including
M&E). The focal persons/points will serve as the ‘glue’ to help enable the integration of different implementation processes (e.g. PMU technical focal person for a PIU and related PIU procurement focal point to enable seamless collaboration between procurement team (of PMU) and technical staff (of the PIU and PMU).

29. **Operational Manuals.** Recognizing the bottlenecks in the administrative structure of the project, the PMU has worked with the PIUs to develop additional financial management, procurement and technical guidance, to allow the PIUs to implement small-scale activities at the PIU level. The PIM is being enhanced to include revised Financial Management and Procurement procedures, to allow more autonomy to the PIUs to perform approved project activities involving operational, procurement and financial management aspects. A working session to review the revised FM manual and Livelihoods manual with the PMU, PIUs and the Bank team was held on June 6, 2016. Subsequently, the FM manual has been revised and approved by the Bank, while the updated PIM and revised procurement manual are yet to be submitted to the Bank, and livelihoods manual is under review by the Bank. These manuals are urgently needed for efficient project implementation.

30. The mission was informed that the Ministry has finalized its restructuring process, and that the Water Security Program will now be housed under the State Department of National Water Services, at the Directorate of Water (the official document announcing the new organizational structure was shared with the mission). It is hoped that this will streamline the processes and reporting mechanisms and help quicken the implementation pace. Further, several institutions involved in the project are undergoing management transition, including change in management at the National Irrigation Board, the upcoming retirement of the WRMA CEO, as well as changes in MOWASCO Board and management team. As such, the mission stressed the need for management to ensure that adequate attention is given to the project so that progress is not sacrificed at the time of these transitions. In addition, the mission noted the strong needs for ‘ring-fencing’ the projects against possible political interferences from lead-up to the national/county elections.

**KWSCR 2:**

*Component 1: Mwache Dam and Related Infrastructure*

*SC 1.1: Construction of Mwache Dam*

31. The mission is pleased to note the good progress being made in recruiting the Owner’s Engineer consultants for the design review, detailed design and construction supervision of Mwache Dam, which is expected to be mobilized by August, 2016. The design review and detailed design would take some eight months, but the tendering process for procurement of the dam construction contractor(s) could start earlier so that there may be a possibility of awarding the first contraction contract or at least having the procurement reach advanced stage by June 2017. Considering the critical importance of the dam safety review panel (DSRP) inputs at the initial stage, it was agreed that the DSRP would be convened during the inception stage of the OE consultancy. Further, the team from the USA for the resilience study of Mwache Dam following the decision tree approach, would also be invited to join at the same time to present its study results.

32. The mission noted that the sustainability of bulk water and water service providers in the coastal region was a basic tenet of the KWSCR 2 project, as reflected in the project design and the legal covenant on a bulk water purchase agreement. The Bank is keen to see that discussions on bulk water provisions continue between relevant parties. In this connection, the mission also had the opportunity to discuss with the government at national and county levels and the development partner (AfD), the financing strategy and preparation plan for WSS investment downstream of Mwache Dam. Further
discussions are also being held in connection with the new WaSSIP2 project recently initiated for possible Bank support.

**SC 1.2: Catchment management activities in the Mwache watershed area (CDA/WRMA):**

33. This sub-component supports the catchment management activities in the Mwache watershed area, designed to ensure the sustainability of the Mwache Dam whilst mitigating the rampant degradation within the catchment. These activities include the development of the Mwache Physiographic study, related SCMPs and priority actions therein. The physiographic study will provide key information on the priority ‘hotspot’ areas which will be the basis for the development of the subsequent SCMPs. The Coastal Development Authority (CDA) PIU in partnership with WRMA is preparing the SCMPs and undertaking the related community sensitization, while WRMA is taking the lead in the development of the physiographic study. The mission was informed that the overall implementation of this subcomponent is being undertaken as a partnership between WRMA, CDA and Kwale County, and that a meeting was held to agree on respective roles and responsibilities between the three institutions, and an agreement outlining the mode of operation prepared but still under review. The mission however noted that CDA had limited knowledge if any on the development process of the physiographic study which signified limited engagement by CDA, which they confirmed. It was then discussed and agreed that a steering committee comprising of representatives from the three partnering institutions would be established by June 30, 2016, to provide oversight for the physiographic study and ensure synergies with the respective SCMPs to be updated and/or developed.

34. The CDA PIU informed the mission of the comprehensive community sensitization campaigns undertaken to date within the five locations in the watershed that will be directly affected by the dam. The mission acknowledge the progress to date in this, but noted that whilst the funds spent are not significant, the principle moving forward should be to align these software activities to the actual deliverables expected to be achieved. The mission noted that sensitization is a continuous activity that should be planned for and undertaken in line with the respective tasks for which awareness/capacity is being built. It was discussed and agreed that, the work plan and budget therein for this sub-component would be revised to integrate sensitization into the core activities planned, and consolidate some planned sessions as it was clear that there were overlaps in the work plan. Related to this, the mission was informed that 24 WRUAs have been registered with the Attorney General and eight of these have undergone capacity building. The capacity building for the rest will be undertaken after the funds flow arrangements have been clarified in the financial management manual currently being finalized with the PMU.

35. The work plan for FY16/17 was reviewed and activities restructured to ensure logical sequencing and synergies between the various activities that are planned. It was agreed that the sub-component work plan would be restructured around the following key activities:

i. Finalize the Mwache physiographic study (by October, 2016 - activities to be integrated with the WRMA work plan);

ii. Identification of five priority ‘hot spot’ areas (this will be done in parallel with the physiographic study) and related SCMPs updated and/or developed – to be completed by December, 2016;

iii. In parallel with this process, 2 priority SCMPs will be selected out of the five for implementation – preparation for implementation of selected priority actions will begin in October 2016 with preliminary findings from the physiographic study; and

iv. Preparation of options for long term sustainable catchment management in the Mwache watershed initiated in July 2016 and completed by June 2017, as outlined below.
36. It was agreed that the sub-component work plan will be updated and submitted to the PMU by June 10, 2016 with the related updated activity concepts. The PMU will then integrate the same with the overall project work plan and budget for submission to the Bank by June 30, 2016.

37. **Options for long-term sustainable catchment management in Mwache watershed.** During the last mission, the development of a Payment for Ecological Services (PES) scheme to support long term protection of the Mwache watershed was discussed and activities in this regard agreed to. However during this mission, the PIU informed the team that this activity was not well appreciated or understood by a number of stakeholders which halted the activity. Various options were then discussed, and it was agreed that a broader approach be considered given that PES is just one of the various options that could be undertaken. It was then agreed that the ToR be updated to incorporate this broader view and hence the new title – Options for long-term sustainable catchment management in the Mwache watershed. It was agreed that the process of hiring a consultant to undertake this task would be revived with the key objective of reviewing and assessing various possible options (including PES) and recommending the best possible options. The following key actions were then agreed:

   i. Updated combined ToR (socio-cultural and catchment management options study) and REOI to be submitted for review by July 4, 2016;
   ii. Procurement of firm finalized by October 30, 2016; and
   iii. The final deliverable and implementation plan to be delivered by June 2017 – the related preparation and implementation will then follow thereafter.

It was agreed that PMU will be the focal point for this activity, in collaboration with CDA and WRMA.

**Component 2: Kwale County Development Support**

38. This component is progressing well, with activities having commenced in each of the sub-components. As agreed during preparation of the project, preparation of designs and tender documents for the key consultancies are financed under KWSCRIP-1. All these consultancies are at an advanced stage of procurement. Kwale PIU has been established although some key positions including project coordinator/manager, procurement, accounting and senior engineer are yet to be filled. It was agreed that PMU would hire a senior engineer on behalf of the PIU while the county would nominate staff to fill the other positions.

**SC 2.1: Water Supply Investments in Kwale County**

39. The contract for consultancy services for preparation of Kwale County water supply master plan is expected to be signed by mid-October 2015. The Bank provided no objection to the Technical Evaluation Report (TER) and the combined report will be submitted by June 30, 2016. In addition to the master plan, the consultancy will prepare a phased investment plan, feasibility studies and designs for prioritized investments to be implemented under the project.

40. The project will also support rehabilitation and expansion of existing urban water supply schemes in Kwale, Ukunda, Msambweni, Vanga and Lunga Lunga urban centers. The consultancy for preparation of detailed designs and tender documents for these works is at technical evaluation stage. It was agreed that the TER will be submitted to the Bank by June 30, 2016. The contract is expected to be signed by October, 2016. This consultancy includes provision of technical assistance to Kwale Water and Sanitation Company (KWASCO) to improve its performance in key areas including operational, technical, financial and human resources.
41. The county has undertaken a rainwater harvesting assessment and recommended installation of rainwater harvesting facilities in 15 public institutions (schools and health centers) as a quick-win intervention under this component. A more detailed assessment will be included in the master plan consultancy. The completed assessment and design report will be sent to the PMU by June 15, 2016 and by the PMU to the Bank by June 20, 2016.

42. Kwale County has identified ten boreholes (recently drilled by the county) that are proposed to be equipped for water supply under this project. The mission was informed that relevant documentation including hydro-geological survey reports, borehole drilling completion reports, water quality reports and WRMA authorization to drill are available. The Kwale PIU is in the process of preparing the designs for the borehole water supplies. The designs will be submitted by the end of June 2016. It was agreed that the PMU safeguards team will work with the PIU to ensure that environment and social safeguard assessment reports are prepared and cleared by the Bank, before bidding.

SC 2.2: Sanitation investments in Kwale County

43. This sub-component comprises investments in rural and urban areas. For rural sanitation, three main consultancies form the backbone of the activities to be undertaken: (i) creation, operationalization and maintenance of Community Units (CUs) to ensure long-term sustainability of sanitation & hygiene interventions; (ii) improved Sanitation Campaign Roll-Out. This seeks to combat the high rates of open defecation within Kwale County and other poor sanitation indicators by seeking behavior change through demand-creation activities; and (iii) 3rd Party Certification of Open Defecation Free Status, and establishment of county certification teams. It will support both the Country’s and the County’s move towards an Open-Defecation Free status. The establishment of county certification teams aligns itself to the new devolved status and sanitation service provision by counties.

44. These consultancies were advertised in March 2016 and applications already received and reviewed by a panel that included representatives from Ministry of Health and Kwale County. The evaluation report is being finalized and the contracts are expected to be signed by the end of July 2016. Related procurement for Monitoring & Evaluation (vehicle, motorcycles, bicycles) is currently in progress. The vehicle is on the ground, and 80 out of 200 bicycles and 8 out of 20 motorbikes are to be delivered to the county in the second week of June 2016. The rest will be delivered in FY17. Other planned activities to be implemented in FY17 include the creation and equipping (personnel, ICT) of a Sanitation Hub for coordination of sanitation activities and M&E at the county level and construction of public sanitation facilities (in schools, health centers, market places).

45. On urban sanitation, it was noted that under the WaSSIP project, there is an on-going consultancy to prepare sanitation master plans for selected Coast urban centers including Kwale and Ukunda. Kwale PIU will liaise with the consultant to identify prioritized investments including on fecal sludge management, which could be implemented under this sub-component. In addition, an urban sanitation master plan that will include an assessment and recommendations for conservation of critical water sources and also the coastline, will be prepared for the county under KWSCR P 2. The draft terms of reference for the master plan will be submitted to the Bank by August 2016.

SC 2.3: Livelihoods activities in Mwache watershed located in Kwale County

46. Progress of this sub-component has been relatively slow. The PMU is in the process of hiring a grants management officer and a livelihood coordinator to provide support to Kwale PIU in implementing the sub-component. The two contracts are expected to be signed by end of June 2016.
47. So far, the PIU has conducted awareness creation, launched the Kwale livelihood improvement program, and also prepared a draft livelihoods manual. The livelihoods manual was discussed during the mission, and the revised manual will be submitted to the Bank for review and clearance before June 30, 2016. Once the manual is approved, the PIU with support of PMU will finalize the grants sensitization program for community leaders, county assembly, community development staff and community groups. With the support of the grants and livelihoods officer, the PIU will then work on formation of community groups and articulation of the modalities of accessing grants (including grant module piloting). A livelihood steering committee has already been established to review grant proposals once they are ready. WRMA and CDA will nominate officials to join the steering committee. The planning and implementation of this sub-component are expected to be coordinated closely with the Mwache catchment management sub-component under CDA to ensure synergy, win-win results and sustainability.

SC 2.4: An irrigation demonstration project (incl. one check dam)

48. The main purpose of this sub-component is to validate the development of a large irrigation project (between 2,000 and 3,000 ha) in the Mwache dam area, to be constructed once the main storage dam is completed. The main risk is that the small subsistence farmers in the area could not be reconverted into efficient and competitive farmers of quality products from irrigated HVCs. The irrigation demonstration scheme (IDS) will build the irrigation infrastructure and identify the best intervention strategies for irrigated agriculture development, including adequate agricultural and post-harvesting practices towards the efficient and competitive irrigated HVC-VCs. It was agreed that the attainment of the subcomponent’s purpose will require three phases: (i) the installation of an adaptive research and demonstration farm (ARTF) in 2.5 ha by 2016/17; (ii) the development of a 100 ha IDS in 2017/18; and (iii) the development of the 2,000 - 3,000 ha irrigation project in the main dam area by 2020, if the pilot IDS proves to be a successful and viable investment. The check dam would be financed under the KWSCRIP-2 sub-component 1.1, and the first to phases mentioned above, financed under sub-component 2.4 (US$3.5 million).

49. The mission was pleased to verify that KALRO was engaged in the implementation of this 2.4 subcomponent, and that Kwale County PIU and KALRO have developed a concept note for the installation of the first phase ARDF in the project area with water to be obtained from an excavated water pan to serve this purpose (with an estimated capacity of about 100,000m³). This farm will include 20 plots of 0.25 ac each to be planted with pre-identified promising HVCs, as well as various irrigation methods (basin, furrow, sprinkler and drip) to be installed for demonstration and training purposes. About 100 farmers and 40 agricultural extension agents will be trained for about two years before the 100 ha IDS is constructed, comprising workshops and the farmer field schools (FFS) approaches. Training farmers and extension agents will be done in close collaboration with County extension officers, horticultural products’ buyers, and farmers’ representatives, in identifying and implementing the activities at the farm. They will be trained on good agricultural practices (soil & water management, conservation agriculture, agronomic practices, integrated crop management, pest and disease diagnostic and management, harvesting and post-harvest techniques of HVCs), and in nursery production of healthy and clean pest and disease free HVCs seedlings. The expected outcome would allow improving livelihoods and increasing incomes after connected to profitable markets (local, regional and international), enhancing the ability of farmer groups to jointly negotiate and obtain better prices from buyers through contract farming. It was agreed that the ARTF would be operational by October 15, 2016.

50. The advanced construction of one of the check dam designed for holding sediments from reaching the main water storage dam will have a capacity to deliver 3 million cubic meters (MCM) of water annually, allowing development of irrigation activities with about 200 farms in 100 ha, even when the main dam will still be under construction. Hence, this check dam will have a dual purpose: first, removing and reducing the sediment loads reaching to the main dam site, and second, validating the
viability of a commercially oriented VC development of HVC products. This requires the construction of the check dam with the irrigation and drainage (I&D) infrastructure, together with the adequate support services, the VC and marketing linkages, and the participatory I&D management through the IWUAs. The 100 ha IDS should prove farmers’ ability to adopt the innovative technologies required for the production of market-oriented quality products, and also their capacity to pay for the O&M costs through volumetric water tariffs. It was agreed that the detailed design of the check dam and the irrigation infrastructure for the 100 ha irrigation pilot project would be completed for bidding by April, 2017 (Signing contract Sept 2016; Mobilizing consultants Oct. 2016; Design/bidding doc: April 2017).

51. **Procurement.** The mission noted improvement in the speed and documentation quality of project procurement although there is still much room to further speed up and reduce its constraining effect on project progress. The PMU informed that beginning 2016, the Parliament passed a new legislation for public procurement that resulted in abolishing of Ministerial Tender Committees (MTCs) and transferred their responsibilities to evaluation committees, Procurement Officers and Accounting Officers. While this is expected to accelerate the procurement process, it also creates a critical need to ensure that members of evaluation committees have the right qualifications and include the final beneficiaries (executing agencies). The Bank team was requested to provide faster review and clearance for critical contracts.

52. **Procurement Plan.** The mission discussed in detail the procurement plans for FY2017 with the PMU and PIUs. It was observed that there is much disconnection between technical team (of the PIUs) and the procurement team (of PMU). As a result, there are inconsistency and mismatch between the procurement plan and annual work plans. It was strongly recommended that from now on the procurement and technical teams should be work much more closely in developing procurement plans and preparing procurement documents – the technical focal points of PMU for each PIU should play a stronger liaison role in this regard and each PIU should have a designated procurement focal person. The FY2017 procurement plan should be revised and sent to the Bank for review together with the revised annual work plan by July 2017.

53. **Procurement Manual.** As agreed during last mission the PIUs would be provided with more responsibilities in small scale procurement for faster project implementation. For that purpose and for better guiding the project staff in procurement planning and implementation, the existing procurement manual needs to be revised with more details and reflecting the delegation of procurement responsibilities to PIUs. The revision should be done in light of the approved FM Manual and the livelihoods manual being reviewed by the Bank. It was agreed that the revised procurement manual will be sent to the Bank for review by mid-July 2016.

54. Regarding LNIP related activities under KWSCR1, the mission held discussions with senior staff of the joint financier–KfW, regarding the technical and procurement review arrangements, to better meet the interest of the Project. Further, the mission met with the Dutch Embassy officials to discuss implementation of technical assistance of the Netherlands in connection with that of the Mombasa component of KWSCR1.

55. **Safeguards.** The operations under the KWSCR are rated Category A, following a framework approach for environmental and social safeguards, irrespective of the source of funding, that applies a unified approach to preparation and supervision of safeguards for all activities under the guidance and authority of the PMU. Based on the mission’s review, overall implementation of Environmental and Social Safeguards calls for further enhancement. The mission flagged a strong need to better integrate safeguards activities into the project planning and programming. The Government has not allocated enough counterpart funds for the resettlement for the LNIP and Nzoia Flood Protection Works, and for
the Non-Revenue Water (NRW) reduction activities in Mombasa, which are needed in FY2017. The PMU plans to appeal for a mid-year supplemental budget allotment for the remaining funds. In addition, the PMU is planning to work closely with the National Land Commission to clarify the RAP procedures, as KWSCR works include large number of PAPs that do not hold formal land documentation.

56. In order to strengthen the safeguards work under the Program, the following key points were agreed:

a. **Overall**: As implementation of the overall projects remains slow, to date safeguards implementation has been limited to preparation of safeguards instruments\(^2\) and capacity building. The key safeguards task for the PMU is to ensure the following:

i. PMU to finalize a new Safeguards Tracking Tool reviewed by the mission and forward it to the Bank for review and approval by July 1, 2016;

ii. Ensure PIUs are fully staffed including the planned Social Development and Safeguards officers both for the Lower Nzoia and the Coast;

iii. Ensure proper Environmental Impact Assessment (EIA) licenses are obtained in a timely manner for all works from the National Environmental Management Authority (NEMA); and

iv. Ensure all RAPs are completed and fully budgeted well in advance of the signing of corresponding works contracts.

b. **KWSCR 1**: Key milestones include:

i. ISC on-board by July 2016 and final designs for the Nzoia irrigation scheme and dykes completed by December 2016;

ii. Terms-of-Reference for the Social Development and Safeguards Specialist to the Bank for review by July 1, 2016;

iii. Terms-of-Reference for the RAP update to the Bank for review by July 1, 2016;

iv. Determine if the existing EIA License from NEMA for Nzoia Irrigation Scheme requires a waiver and apply for the Nzoia Dykes EIA License by June 30, 2016 – if required, follow-necessary steps to update license.

c. **KWSCR 2**: Key milestones include:

i. ISC on-board by July 2016 and final designs for the Mwache Dam completed by December 2016;

ii. Advertise for the position of Social Development and Safeguards Specialist by July 1, 2016;

iii. Terms-of-Reference for the Social Development and Safeguards Specialist to the Bank for review by July 1, 2016;

iv. PMU and PIUs establish mechanism for continuous stakeholder engagement by July 1, 2016; and

v. EIA license for Mwache Dam applied for and expected from NEMA by September 2016.

\(^2\) i.e. Environmental and Social Impact Assessments (ESIAs) and Management Plans (ESMPs), Resettlement Action Plans (RAPs), etc.
Detailed discussions of the mission’s Safeguards findings are found in Annex 2.

57. **Financial Management and Disbursement.** The KWSCRPs have adequate FM capacity with qualified project accountants at the PCU and each of the sub-implementers. The Project is in compliance with the financial reporting requirements with the quarterly IFR being submitted within the stipulated 45 days deadline. There are no outstanding audit issues. The PCU has revised the FM manual which has been cleared by the Bank. The document will be subject to regular review and revision to take into account any emerging fiduciary risks. However, there has been funds flow challenges caused by delays in opening of the bank accounts by the sub-implementers. The PMU should follow up and provide update to the Bank by June 30, 2016 that all sub-implementers (PIUs) have opened the required bank accounts and that project expenditures are made from these accounts in line with the PAD and the FM manual.

58. **Project Implementation Manual (PIM) Update and Annual Work Plan (AWP).** The project teams have been undertaking a process to revise and add additional specificity to the PIM, so as to clarify the approaches and action details needed for project implementation. It appeared at the start of the mission there was still much confusion on how each of the components would be implemented perhaps because many of the PMU/PIU staff were not involved in the PIM preparation, and things were inadequately thought through and discussed before finalization. To address this issue, the mission discuss with each PIU and PMU the mini-PIMs for their respective components. It was agreed that the PMU and PIUs would revisit the revised PIM draft component by component, update the implementation approach and organizational arrangements, master time-schedule (showing the sequence and interfaces), timed results targets (outputs and outcomes), and budget allocation, etc. These mini-PIMs need to reflect the recently agreed delegation of certain responsibilities from PMU to PIUs. The revised PIM should be submitted to the Bank for final review by end July 2016.

59. During the visit, a number of PIUs’ AWPs were reviewed and discussed in detail. It was found that there is a general disconnection between the AWP and Procurement Plan in terms of planning process and timelines, and even in contracts/activities, over which the mission expressed concern. The mission explained how the AWP should be prepared in connection with the PIM, PAD (results framework) and procurement plan, and agreed with the project team that the AWP should be revised incorporating the comments received and submitted for Bank review by mid-July 2016.

60. The mission noted the need to reduce expenditures on trainings and workshops, and to ensure that trainings are well targeted and necessary to reach progress results. The project has been advised to include disbursement categories in their annual budgets, to reduce training and workshop and other operating costs, so that more funds are used for productive activities on the ground. The PMU is working to establish caps on the amount of operating costs and per diem expenditures under each sub-component. The training and workshop plan for 2016/2017 has not been approved, given the large number of trainings outside of duty stations, in national and international locations. As such, for the short term, trainings will be screened for no objection by the PMU and World Bank before they may take place. However, the mission emphasized that PMU and PIUs should minimize overseas training/visits before the project implementation gets back on schedule. Where international expertise is needed, the project is encouraged to bring expertise to Kenya so that more people can benefit from the training.

61. **M&E and Reporting.** The PMU and PIUs reported on the implementation progress since last mission including the status of the actions agreed in November 2015. The mission noted that written semi-annual progress report (against project results framework, AWP and agreed action plan) should be provided by the PMU before each mission, and reiterated the importance and roles of M&E and reporting. The M&E and reporting function is expected to flag implementation issues, provide timely
feedback with suggestions for addressing the issues and speeding up implementation to support management decisions. The updated status of key results indicators show that the projects’ implementation is far behind schedule. The M&E function of the PMU should analyze the reasons for slow implementation and recommend actions for improvement.

62. The PMU now has a monitoring and evaluation specialist on staff, who has been developing systems for tracking work plan implementation, and its links to project results, and a web-based M&E system. The mission discussed ways in which monitoring could be used for effective project management, and ways in which reporting burdens on PIUs could be minimized. The PMU is considering using intermediate results indicators in addition to those specified in the project documents, in order to better track project progress. The project is also preparing to implement an impact evaluation of the Lower Nzoia Irrigation Project and the related dykes and flood early warning activities. The field coordinator for the Impact Evaluation has been hired, and the procurement for the firm to conduct the baseline survey is underway, with guidance from the World Bank DIME team. In order to increase awareness of the independent evaluation in the government team, the IE field coordinator will hold an information session on the Independent Evaluation for all the government staff involved with Nzoia-related projects in June, as well as trainings for those more closely involved in the evaluation early in the next fiscal year. The mission noted the importance of coordinating the impact evaluation with other ongoing work in the region, including surveys for the RAP update.

D. AGREED ACTIONS

63. A great deal of the mission time was spent discussing with the government officials and project teams, the main implementation issues concerning implementation management system, dedicated project staffing, clear operational rules and mechanisms, procurement, safeguards, and fund flow. Special attention was devoted to the fast track activities and critical path activities such as the Lower Nzoia works, Mwache dam, Mombassa NRW works, Kwale water supply and sanitation interventions, and basin planning activities. A set of key actions were discussed and agreed focusing on the above issues and activities to orientate the government teams towards achieving expected project results at much faster speed. The main actions agreed at the wrap-up are summarized in Annex 1 to this aide memoire.

64. Next Bank Mission. It is agreed that the next Bank supervision mission would take place around October, 2016, while review visits to the projects by the Bank team and concerned development partners’ representatives are expected before then.

Annexes:

1. A Summary of Main Agreed Actions
2. Review Notes on Safeguards and Catchment Management
Annex 1.

**A Summary of Main Agreed Actions**

<table>
<thead>
<tr>
<th>No.</th>
<th>Action</th>
<th>Due Date</th>
<th>Responsible</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Convene the PSCs</td>
<td>July 2016</td>
<td>PMU</td>
<td>PIUs support</td>
</tr>
<tr>
<td>2</td>
<td>All PIUs adequately staffed with clear responsibility division</td>
<td>August 2016</td>
<td>Executing Agencies</td>
<td>PMU facilitates and monitor</td>
</tr>
<tr>
<td>3</td>
<td>Revised FM Manual endorsed by the World Bank</td>
<td>June 30, 2016</td>
<td>PMU</td>
<td>WB team guides</td>
</tr>
<tr>
<td>4</td>
<td><strong>Safeguards:</strong></td>
<td>See dates in left column</td>
<td>PMU (with support of related PIUs)</td>
<td>See aide memoire text for more details</td>
</tr>
<tr>
<td></td>
<td>Overall:(i) finalize Safeguards Tracking Tool for Bank approval by July 1, 2016; (ii) Secure RAP funding by August 2016; <strong>KWSCR P 1:</strong> (i) TOR for SD and safeguards specialist sent to bank for review by July 1, 2016; (ii) TOR for the LN RAP update to the Bank for review by July 1, 2016; and (iii) determine if the existing EIA License from NEMA for LNIP Scheme requires a waiver and apply for the Nzoia Dykes EIA License by June 30, 2016.</td>
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<tr>
<td></td>
<td><strong>KWSCR P 2:</strong> (i) advertise for the position of Social Development and Safeguards Specialist for Mwache Dam by July 1, 2016; (ii) TOR for SD &amp; safeguards specialist to the Bank for review by July 1, 2016; (iii) PMU and PIUs establish mechanism for continued stakeholder engagement by July 1, 2016; and (iv) EIA license for Mwache Dam applied for and expected from NEMA by Sept. 2016.</td>
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<tr>
<td>5</td>
<td>A Quality Control System established for ALL components</td>
<td>July 2016</td>
<td>PMU with PIUs’ support</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Revised Procurement Manual Endorsed by the WB</td>
<td>July, 2016</td>
<td>PMU</td>
<td>WB team guides</td>
</tr>
<tr>
<td>7</td>
<td>Appoint/recruit key missing PMU/PIU staff</td>
<td>August 2016</td>
<td>PMU and PIUs</td>
<td>As agreed. CTO is a priority</td>
</tr>
<tr>
<td>8</td>
<td>Submit to WB revised AWP &amp; Procurement Plan</td>
<td>June 30, 2016</td>
<td>PMU</td>
<td>PIUs support</td>
</tr>
<tr>
<td>9</td>
<td>Submit to WB Revised PIM</td>
<td>July 2016</td>
<td>PMU</td>
<td>PIUs support</td>
</tr>
<tr>
<td>10</td>
<td>Establish an investment planning unit in MoWI</td>
<td>August 2016</td>
<td>MoWI</td>
<td>PMU follows up</td>
</tr>
<tr>
<td>11</td>
<td>Submit REOI and RFP for pipeline investment framework consultancy</td>
<td>June 30, 2016</td>
<td>PMU</td>
<td>Refer to results framework</td>
</tr>
<tr>
<td>No.</td>
<td>Task Description</td>
<td>Due Date</td>
<td>Implementing Authority</td>
<td>Notes</td>
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<tr>
<td>12</td>
<td>Submit revised ISC TOR together with mini-PIM for the Reform SC</td>
<td>July 2016</td>
<td>PMU</td>
<td>Refer to results framework</td>
</tr>
<tr>
<td>13</td>
<td>Provide further safeguards and procurement/FM training for PIUs</td>
<td>July-Sept. 2016</td>
<td>PMU</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Develop and execute stakeholder engagement/communication strategy for LNIP and Dykes</td>
<td>June 30, 2016</td>
<td>PMU and PIUs concerned</td>
<td>To share with WB for comments</td>
</tr>
<tr>
<td>15</td>
<td>Discuss with NLC the issue and find a solution to ‘lack of land tenure documentation’ issue, etc. at LN and Mwache</td>
<td>June 30, 2016</td>
<td>PMU</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Mombasa NRW reduction works: (i) PMU-PIU discuss resettlement issues; (ii) submit Likoni NRW works RAP for review</td>
<td>(i)June 15, 2016; (ii)mid-Aug., 2016</td>
<td>PMU and Mombasa PIU</td>
<td>Designer needs to actively involve</td>
</tr>
<tr>
<td>17</td>
<td>Submit to WB through PMU: (i) other NRW works designs; and (ii) tendering document for Likoni NRW works</td>
<td>June 30, 2016</td>
<td>Mombasa PIU</td>
<td>PMU reviews and do QC</td>
</tr>
<tr>
<td>18</td>
<td>Submit to WB through PMU: MWASCO mgmt. turnaround implementation plan</td>
<td>July 31, 2016</td>
<td>Mombasa PIU</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Sign revised MOU between PMU and ISC for Mombasa sub-component</td>
<td>July, 2016</td>
<td>PMU</td>
<td>Mombasa PIU facilitates</td>
</tr>
<tr>
<td>20</td>
<td>Mobilize ISC for LNIP &amp; Dykes</td>
<td>August 2016</td>
<td>PMU</td>
<td>NIB and LWNWSB PIUs support</td>
</tr>
<tr>
<td>21</td>
<td><strong>NIB</strong>: (i) sign MOU with KALRO; and (ii) fully Staff SPIU for LNIP</td>
<td>June 15, 2016</td>
<td>NIB PIU</td>
<td>Incl. appointing a sociologist and an agronomist</td>
</tr>
<tr>
<td>22</td>
<td>Establish &amp; Convene Lower Nzoia coordination committee meeting</td>
<td>June 30, 2016</td>
<td>PMU/PIUs of NIB/LWNWSB</td>
<td>Clear TOR and operating mechanism needed</td>
</tr>
<tr>
<td>23</td>
<td>Issue ISC RFP for WRPM</td>
<td>June 3, 2016</td>
<td>PMU</td>
<td>WRMA PIU supports</td>
</tr>
<tr>
<td>24</td>
<td>Complete the physiographic studies</td>
<td>October, 2016</td>
<td>WRMA PIU</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Issue bidding document and RFP for LN FF&amp; EW System</td>
<td>June 15, 2016</td>
<td>PMU</td>
<td>WRMA PIU supports</td>
</tr>
<tr>
<td>26</td>
<td>Submit revised Livelihoods Manual, technical manual and safeguards documents for Kwale/WRMA activities</td>
<td>July 30, 2016</td>
<td>PMU</td>
<td>WRMA and Kwale PIUs support</td>
</tr>
<tr>
<td>27</td>
<td><strong>Mwache Dam</strong>: (i) OE mobilization; (ii) DSRP meeting</td>
<td>(i)Aug. 2016; (ii) Sept. 2016</td>
<td>PMU/CDA PIU</td>
<td>DSRP meets during Inception</td>
</tr>
<tr>
<td>No.</td>
<td>Location</td>
<td>Activities</td>
<td>Dates</td>
<td>PIU</td>
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</tr>
<tr>
<td>28</td>
<td><strong>Mwache Catchment Sub-component:</strong></td>
<td>(i) finalize the Mwache physiographic study by October, 2016; (ii) identify five priority ‘hot spot’ areas and update/develop related SCMPs by December, 2016; (iii) select 2 priority SCMPs out of the five for implementation; (iv) prepare options for long term sustainable Mwache catchment management - initiation in July 2016 and completion by June 2017; and (v) submit for review the updated combined ToR (soico-cultural and catchment management options study) and REOI by July 4, 2016.</td>
<td>See dates in left column</td>
<td>CDA PIU</td>
</tr>
<tr>
<td>29</td>
<td><strong>Kwale:</strong></td>
<td>(i) adaptive research and demonstration farm operational; (ii) rainwater harvesting assessment and design report sent to the PMU by June 15, 2016 and to the Bank by June 20, 2016; and (iii) draft TOR for urban sanitation master plan to the Bank</td>
<td>(i)October 15, 2016; (ii) June 2016; (iii)August 2016</td>
<td>Kwale PIU</td>
</tr>
<tr>
<td>30</td>
<td><strong>Bi-weekly PMU-PIU and Monthly Bank-PMU/PIU meeting</strong></td>
<td></td>
<td>Continuous</td>
<td>PMU/PIUs/WB</td>
</tr>
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*Note: Please also refer to other recommendations in the other parts of the aide memoire.*
Annex 2. Review Notes on Safeguards and Catchment Management

A. Notes on Safeguards Review and Discussions

1. The operations under the KWSCRIP are rated Category A, following a framework approach for environmental and social safeguards, irrespective of the source of funding, that applies a unified approach to preparation and supervision of safeguards for all activities under the guidance and authority of the PMU. Based on the mission’s review, implementation of Environmental Safeguards and Social Safeguards still has much room for improvement to meet the needs of speedy project progress. The following key points were agreed:

2. **Overall:** As implementation of the overall projects remains slow, to date safeguards implementation has been limited to preparation of safeguards instruments\(^3\) and capacity building. The key safeguards task for the PMU is to ensure the following:

   a) The mission and PMU reviewed a proposed Safeguards Tracking Tool prepared by the PMU along with Safeguard action plans for key activities being undertaken by the projects. It was agreed that the individual action plans are important tools and should be maintained and updated regularly by the PIUs. The Safeguards Tracking Tool will be maintained by the PMU and updated no less than quarterly based on inputs from the PIUs through the action plans. *It was agreed that the PMU would forward the final draft of the Safeguards Tracking Tool to the Bank for review and approval by July 1, 2016.*

   b) Safeguards implementation and monitoring will be critical to the success of KWSCRIP; therefore, it is important that the long-term staffing plans for each of the PIUs include designated safeguards staff. Currently, the Nzoia and Mwache Dam PIUs are in the process of hiring Social Development and Safeguards Specialists with the understanding that the social and resettlement issues for each are particularly important early in implementation. As implementation progresses, the PMU will work with the respective PIUs to ensure all safeguards are properly covered and expand, where necessary, PIU safeguards staff.

   c) Ensuring national laws and regulations related to safeguards are followed is one of the main responsibilities of KWSCRIP safeguards staff. Being aware of the requirements and time required to obtain Environmental Impact Assessment (EIA) licenses for all works from the National Environmental Management Agency (NEMA) is important to ensure delays do not occur in implementation. The PMU will work with each of the PIUs to make sure EIA licenses are obtained timely for all required activities financed by KWSCRIP.

   d) Another safeguards issue that often causes delays in the implementation of large infrastructure projects is the financing and implementation of RAPs. The PMU will work with the PIUs to ensure all RAPs are completed and fully budgeted well in advance of the signing of corresponding works contracts. Kenya’s fiscal year is July 1 to June 30; therefore, beginning in February of each year, the PMU and PIUs will analyze the requirements for RAP implementation in the next fiscal year and ensure funds are on hand or applied for in a timely manner during the budget cycle.

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\(^3\) i.e. Environmental and Social Impact Assessments (ESIAs) and Management Plans (ESMPs), Resettlement Action Plans (RAPS), etc.
3. **KWSCRPI:***

a) **Overall Safeguards:**

i) **Water Sector Investment pipeline:** The mission observed that the assessment criteria against which investments would be screened for funding under Sub Component 1.2 include environmental and social and economic impacts and benefits at prefaseability stage. However, the evidence of having done this is not clear. The mission urges the PMU to make the results of quick environment and social assessments to be part of the criteria for selection of a well-balanced Water Sector and Climate Resilience list of investments.

ii) **Capacity Building:** The mission noted the efforts made by the PMU together with the PIUs to build safeguards capacity. In December 2015 training was undertaken in Kilifi and included Mombasa County staff. The newly acquired skills have been put to use in the preparation of the Likoni RAP. Discussions with Lake Victoria North Water Services Board (LVNWSB) revealed both a shortage of staff and the required skills to handle large scale displacement and its related mitigation measures. The mission recommends that PMU discusses capacity building plans with the PIU and include agreed-on plans in the roadmap/work plan to be submitted by June 12, 2016.

b) **Environment:**

i. **Lower Nzoia Irrigation Project (LNIP) and Nzoia Flood Protection Dykes:** The project is responsible for preparing and implementing ESIA for both the Lower Nzoia Irrigation Project and the Nzoia Flood Protection Dykes under PIUs housed in the NIB and LVNWSB PIUs respectively.

1) **EIA Licenses** – NEMA granted an EIA license for the irrigation scheme four years ago. *The PMU will determine if the existing EIA License from NEMA for the LNIP requires a waiver and apply for the Nzoia Dykes EIA License by June 30, 2016. If a waiver or an updated instrument is required for the LNIP, the PMU will submit a plan of action to the Bank by July 15, 2016.*

ii. **Sub catchment Management Plans:** This involves development and implementation of a number of Sub Catchment Management Plans (SCMPs). The mission noted that this activity will commence once the physiographic studies have been concluded. The mission recommends the use of multi criteria assessments, including social and environmental criteria to enhance the preparation process as well as the contents of the SCMP. The mission observed that there are livelihoods and catchment activities within the SCMPs that may require site specific EMPs based on the KWSCRP ESMF. The implementation of these safeguards activities should be indicated and incorporated in the PIU work plan and budget.

iii. **Improving water services for Mombasa - Likoni NRW reduction works:** This entails the preparation of an ESIA and obtaining and EIA License for the Likoni area covering the main and secondary water pipeline. The mission undertook a site visit to the project area and noted the following:

1) The Environmental and Social Impact Assessment prepared by Vitens Evides International has yet to be finalized and disclosed as required. *It was agreed that the PMU would work with Vitens/Mombasa PIU to ensure a final version of the ESIA is forwarded to the Bank for review and disclosure no later than July 31, 2016.*
Once the Bank has cleared the document, KWSCR will proceed with obtaining the required EIA License.

iv. **Improving water services for Mombasa - Mombasa West and North Mainland: Safeguards preparation.** The EISA Terms of Reference will be finalized when the designs are completed by Vitens Evides International and then submitted to the Bank for review and no objection.

v. **WRMA Test Boreholes:** ESMPs for the 25 planned boreholes are being prepared in house by the PMU. Once the locations are identified and WRMA has provided the Hydrological Surveys, each of the sites will be assessed. When the ESIAAs have been prepared and vetted, the PMU will apply to NEMA for the EIA Licenses, which are expected to take no more than 30 days to process. *The PMU and WRMA agreed to prepare a timeline for this process and share it with the Bank by June 15, 2016.*

c) **Social:**

i. **LNIP and Nzoia Flood Protection Dykes:** This entails the preparation of Environmental and Social Impact Assessments, and Resettlement Action Plans for both the irrigation scheme and construction of dykes under the National Irrigation Board (NIB) and Lake Victoria North Water Services Board (LVNWSB) PIUs respectively.

1) **RAPs Update Schedule.** The mission noted that the update of the RAPs depends on the completion of the review of project designs for which an Implementation Support Consultant (ISC) is expected on Board in July 2016. The final designs will be ready by December 2016. In that regard and based on the possibility of beneficiary communities fatigue and potential loss of interest due to delayed implementation of the project, *the mission recommends that the PMU together with the respective PIUs develop and execute a strategy for continuous stakeholder engagement and communication by June 30, 2016.*

2) **Omissions in Existing RAPs.** The mission further noted that the RAP prepared for the irrigation area under LINP did not take into account the land requirements for the irrigation drains, and the design (including the corresponding RAP) for the dykes did not take account of the regular back flows resulting from the existing dykes and which could be exacerbated by the construction of the new dyke works. Moreover, livelihood restoration and enhancement measures as core elements of a RAP should be fully incorporated in the RAPs. The mission therefore recommends that: (a) that the ToRs for the RAP updates should clarify the above requirements, and (b) all omissions indicated above and their budgets be estimated and incorporated in the updated RAPs.

3) **RAPs Budgets.** The mission was informed that so far Ksh. 150 million has been made available by Treasury to cover the cost of the LNIP RAP. *It is recommended that these funds be set aside with the National Land Commission (NLC) by June 15, 2016 for safe keeping awaiting further budgetary releases since the available funds will not be adequate to provide for the entire compensation of PAPs.* The RAP update will include a new budget based on the new census, and inflation rate, etc.

4) **Coordination between PMU and PIUs.** The mission noted that the NIB and LVNWSB PIUs were not adequately involved in the process of procuring the ISC yet they are key to the monitoring and reporting of the RAPs implementation. The
mission recommends that the two PIUs be given opportunity to contribute to preaward negotiations by the PMU to provide for enhanced performance for the RAP update and implementation.

5) The RAPs are an integral aspect of project preparation, implementation, monitoring and reporting, and as such the mission recommends that RAP activities and budgets be closely associated with both project budgets and included in PIU activity schedules. It is therefore recommended that activities to support the RAP process be included in the annual work plans for FY 2016/2017 of both NIB and LVNWSB PIUs.

6) **Coordination with other stakeholders.** With regard to stakeholder engagement, the mission recommends that coordination and linkages between NIB and LVNWSB PIUs be strengthened as the two RAPs are not only in the same location but have overlapping PAPs. Further, the mission recommends stakeholder engagement be broadened to include all relevant stakeholder such as the National Water Corporation, which will play a role in the management aspects of the completed project; Kenya Roads Agency (Kenya National Highways Authority, Kenya Rural Roads Authority), which has existing projects in the area that may be impacted; and the Western Kenya CDD project for good practices, lessons learnt and potential collaborators to be co-opted when necessary. Similarly, close working relationships between PIUs and the County staff including Social Development and Community Development officers, etc. is important for project sustainability.

7) It was noted that majority of the project area is not adjudicated as the government considers the area a flood plain that should not be inhabited. This essentially means that majority of the PAPs do not hold essential documentation which would enable them to secure compensation following regular government procedures. It is recommended that this concern be brought to the attention of the National Land Commission to avoid future delays and the PMU is advised to take up this with the National Land Commission before June 30th, 2016.

8) **The PMU is to prepare and submit to the Bank a roadmap/work plan for the RAPs update and implementation in relation to the review of design and other relevant activities including those indicated above by June 12, 2016.**

ii) **Sub catchment Management Plans:** The mission recommends the use of multi criteria assessments, including social and environmental criteria to enhance the preparation process as well as the content of the SCMP. The mission observed the likelihoods that some types of livelihoods and catchment activities within the SCMPs that may trigger social safeguards issues. It is recommended that these elements be taken into account when planning the SCMP implementation.

iii) **Improving water services for Mombasa - Likoni NRW reduction works:** This entails the preparation of a RAP for the Likoni area covering the main and secondary water pipeline. The mission undertook a site visit to the project area and noted the following:

1) The Environmental and Social Impact Assessment (ESMA) has yet to be finalized and disclosed as required. The framework within which the ESMP will be implemented will have implications on both the preparation, implementation and monitoring and reporting of the RAP for Likoni works. **Therefore the mission**
recommends urgent dialogue between the MoWI and the Netherlands Embassy to iron out the issues on engagement/linkages between the PMU and Vitens Evides International as ISC by June 30, 2016.

2) The mission notes that preparation of the Likoni RAP, covering 27km of main pipeline and 57km of secondary pipelines, is being undertaken in-house by the PMU commencing on 15th May, 2016. The mission also notes that the RAP document is expected to be ready by July 2016. Preliminary findings indicate the likelihood of substantial social impacts arising out of displacement of persons in this area as this highly populated informal settlement and with over 1,000 PAPs expected. There will be a full displacement exercise undertaken in the area as encroachers and road side vendors have numerous businesses and structures on the project wayleave. The full involvement of the Mombasa County government is recommended in the RAP preparation and implementation process as it is the most appropriate entity to enforce regulation on infrastructure wayleaves and facilitate NLC in undertaking evictions.

3) **Livelihood Restoration and Enhancement.** A comprehensive and appropriate livelihood restoration and enhancement strategy should be put in place and a budget provided for as part of the RAP. This is critical for the restitution and improvement of the livelihood/incomes of vulnerable persons (roadside traders and encroachers), a large number of whom are female.

4) **Land related documentation.** The vast majority of potential PAPs do not hold legal documentation, and hence their compensation needs to follow special procedures as per national regulation. *It is recommended that this concern be brought to the attention of the National Land Commission (NLC) and in order to avoid delays, and the PMU is advised to take this up before June 30th, 2016.*

5) **RAP Budget.** Funds needed for the compensation in this area have not been secured and yet have to be deposited with the NLC prior to RAP implementation. Besides, there is need for clarity regarding the lead agency for implementation of this RAP. It is recommended that the PMU addresses these twin issues urgently by facilitating the process of allocation and securing of funding for compensation of PAPs as well as determination of the lead agency for implementation of the RAP.

iv) **Improving water services for Mombasa - Mombasa West and North Mainland:** *Safeguards preparation.* The mission noted that the PMU has prepared draft Terms of Reference for RAPs for these components. The Terms of Reference will be finalized when the designs are completed by Vitens Evides International and only then can they be submitted to the Bank for review

4. **KWSCRPII:**

   a) **Overall Safeguards:**

   i) **Capacity Building:** The mission noted the efforts made by the PMU together with the PIUs to build safeguards capacity. In December 2015 training was undertaken in Kilifi and included Kwale County staff. However, as the update of the Mwache Dam RAP closes in, and preparation of the Livelihood restoration Program for the same area is under preparation, it will be necessary to orient the responsible PIU staff to the basic principles of involuntary resettlement including livelihood restoration. This is due to the fact that the
anticipated number of project affected households are likely to be high. Plans for such
capacity enhancement should also be included in the 2016/17 work plan.

b) Environment:

i) Mwache Dam

1) **EIA Licenses** – The KWSCR has submitted the ESIA to NEMA and applied for
   the required EIA License for Mwache Dam. The formal response from NEMA is
   expected in the early fall of 2016.

   The PMU noted that once the final designs are approved and the works contractor
   is onboard, site specific EIAs and licenses will be required for each of the material
   sites identified for use.

   2) **Staffing.** The mission noted that the process of hiring safeguards specialists for
      Mwache dam based on the Coast is on course.

ii) **Mwache Dam Catchment Protection:** This sub-component is designed to promote
    catchment protection for the Mwache dam and entails the establishment of 23 Water
    Resources Users Associations (WRUAs) and the development and implementation of 23
    Sub-Catchment Management Plans (SCMPs). The mission observed that there are
    livelihood and catchment activities within the SCMPs that may require site specific EMPs
    based on the KWSCR ESMF. The implementation of these safeguards activities should
    be indicated and incorporated in the respective PIUs’ work plan and budget.

iii) **Kwale County Development Support**

1) **Kwale water supply and sanitation investments.** All activities in Kwale will be
   undertaken in accordance with the KWSCR ESMF. The Kwale PIU and PMU will
   ensure that all proper site specific safeguards documents are prepared and necessary
   licenses acquired in a timely manner.

2) **Kwale Boreholes.** The PMU, in coordination with the Kwale PIU, will conduct an
   environmental and social audit of the existing boreholes that are being studied as
   part of the project prior to any other works around these boreholes being conducted.

c) Social:

i) Mwache Dam

1) **RAP Update.** The mission noted that commencement of the RAP update, which is
   contingent on the update/optimization of the designs by the Owner’s Engineer (ISC)
   expected in December 2016. In that regard, and based on the possibility of
   beneficiary community fatigue and potential loss of interest due to delayed
   implementation of the RAP prepared in 2013/2014, the mission recommends that
   the PMU together with the respective PIU develop and execute a strategy for
   continuous stakeholder engagement and communication by June 30, 2016.

2) **RAP Budgets.** The mission was informed that so far Ksh.150 million has been made
   available by Treasury to cover the budget for the Mwache RAP. Based on the
   imminent review and update of project designs, it is possible that the RAP update
   will necessitate a new budget based on new census, inflation rates, etc. Since the
   available funds will not be adequate to cover the entire compensation and livelihood
   restoration, *it is recommended that the PMU commence the process of securing*
funding to set aside with the National Land Commission (NLC) for safe keeping by June 15, 2016.

3) In this regard, a decision was made to explore the possibility of compensating the irrigation demonstration pilot scheme and check dams separately from the reservoir, with the available budget. The mission recommends that the PMU dialogues with the NLC before the RAP update in order to split the Mwache dam RAP into two, one for the check dams and another for the reservoir. The meeting with NLC will be undertaken before June 30, 2016.

4) Livelihood Restoration and Enhancement. It seems that the current RAP may need further strengthening in the livelihood restoration and enhancement plan for the PAPs. In view of the widespread poverty in the area where Mwache dam is located and the fact that a large number of PAPs will be fully displaced, the mission recommends a comprehensive livelihood restoration plan be instituted and a budget provided for the same as part of the updated RAP and budget. Such livelihoods activities should be closely coordinated with the related catchment protection and (Kwale’s) livelihoods support activities.

5) In addition, significant elements in the VMGP that has been prepared for this project seem to be lacking a secure budget and an implementation framework. These include funding for construction or realignment of a road and bridge that will be inundated by the dam as well as the strategy to deal with potential in migration and rise in HIV/AIDS associated with laborers and human movement. The mission notes that the budgets for these could already be included in other components of the project. It is recommended that these aspects are addressed adequately in the updated RAP and funding secured for the same.

6) Land related documentation. There are a large number of PAPs do not hold legal documentation, and hence cannot receive compensation as per national regulation. The mission notes that arrangements are being made to procure a legal conveyance consultant to assist with land issues. Nevertheless, it is recommended that the issue of land documentation be deliberated with the National Land Commission and in order to avoid delays, and the PMU is advised to take this up before June 30, 2016.

7) Work plan/ Road map. It was agreed that the PMU is to prepare and submit to the Bank a roadmap/work plan for the RAPs update including Livelihood Restoration for the PAPs, and their implementation in relation to the review of design and other relevant activities including those indicated above by June 12, 2016.

8) Staffing. The mission noted that the process of hiring safeguards specialists for Mwache dam based at the Coast is on course.

ii) Mwache Dam Catchment Protection: The mission observed the likelihood that some types of livelihoods and catchment activities within the SCMPs that may trigger social safeguards issues. It is recommended that these elements be taken into account when planning the SCMP implementation.

iii) Kwale County Development Support
1) **Kwale water supply and sanitation investments.** It is recommended that planned infrastructures (boreholes, water supply and sanitation activities, etc.) that could trigger social safeguards issues have both mitigation measures and budgets embedded in them. Where land may be donated for boreholes, relevant documentation should be prepared to indicate so.

2) **Sustainable livelihoods.** In order to avoid duplication of effort and possible confusion among PAPs and communities, the option to develop implementation linkages between the different livelihood components (Livelihood restoration plan, Sustainable livelihoods, and Livelihood enhancement program) will be explored, keeping in mind that the livelihood restoration plan in the RAP is funded with GoK funds while the other two are funded with direct project funds.

### B. Discussions Notes on Nzoia Catchment Management

**Sub. Component 1.1.1.3 - Critical Path Activities for WRMA’s Nzoia Watershed Management**

<table>
<thead>
<tr>
<th>Safeguards</th>
<th>Date</th>
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<tbody>
<tr>
<td>agreement on safeguards instruments - meeting with PMU and Bank</td>
<td>Jun-13</td>
</tr>
<tr>
<td>submission of safeguards documents</td>
<td>Jul-30</td>
</tr>
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| Sub PIU named                                   | Jun-13 |

| Revised detailed annual work plan submitted to Bank via PMU | Jun-15 |

| Expert team – Formation of Committee            | Jun-15 |

<table>
<thead>
<tr>
<th>Watershed technical manuals - lists different types of specific interventions</th>
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<tbody>
<tr>
<td>Form small WRMA team</td>
<td>Jun-15</td>
</tr>
<tr>
<td>Gather documents from past WSM projects</td>
<td>Jun-15</td>
</tr>
<tr>
<td>Review -- narrow manuals to sediment and erosion control activities</td>
<td>Jul-30</td>
</tr>
<tr>
<td>Develop criteria and technical guidance to select interventions in each hotspot - which manual to use</td>
<td>Jul-30</td>
</tr>
<tr>
<td>Define sediment monitoring plans - technical and community levels</td>
<td>Jul-30</td>
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<tr>
<td>Schedule for sediment monitoring plans, including baseline</td>
<td>Jul-30</td>
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<tr>
<td>Define plans for training of WRMA staff</td>
<td>Jul-30</td>
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<tr>
<td>Submit to WB for technical review</td>
<td>Jul-30</td>
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<thead>
<tr>
<th>Livelihoods Manual</th>
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<tbody>
<tr>
<td>World Bank provides comments on PMU draft</td>
<td>Jul-20</td>
</tr>
<tr>
<td>PIU customizes sections and simplifies certain sections for community</td>
<td>Jul-31</td>
</tr>
</tbody>
</table>

| Physiographic study results                                                    | Oct. |
| Selection of hot spot areas for intervention                                  | Nov-15 |
| Community activities begin                                                     | Dec-1 |

<table>
<thead>
<tr>
<th>Responsible</th>
<th>Agreed Actions and Target Dates</th>
<th>Fast-track Activities</th>
<th>Critical Path Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMU</td>
<td><strong>Improve PM System</strong> To send updated AWP/IP to Bank for clearance, Nov. 30, 2015; To obtain dispensation for budget line under KWSCRIP2, establishment of DA – December 7, 2015 <em>Status: AWP for 2016 cleared by World Bank. DA for KWSCRIP2 active.</em></td>
<td>To send to the Bank, the NRW reduction TORs for ISC (for design and supervision) &amp; for ESIA, Nov., 2015</td>
<td>To issue RFPs for Mwache Dam Owner’s Engineer and LN Dikes&amp;Irrigation System design &amp; construction supervision, Nov. 2015 <em>Status: Achieved.</em></td>
</tr>
<tr>
<td>PMU</td>
<td><strong>Fast-track Activities</strong> To have FM Manual, Procurement Manual and Plan updated and cleared, Nov.25, 2015. This is to include procedures for delegating small procurements to PIUs. <em>Status: FM to be finalized on mission; procurement manual update still needed.</em></td>
<td></td>
<td>To establish bid evaluation Committees and criteria for Mwache Dam and LNIP contracts, Dec. 2015 <em>Status: Achieved.</em></td>
</tr>
<tr>
<td>WRMA PIU</td>
<td>To ensure all PIUs fully functional, Dec. 2015 <em>Status: All PIUs established</em></td>
<td></td>
<td>To complete Mombasa water supply system design optimization study, Jan. 2016 <em>Status: Achieved.</em></td>
</tr>
<tr>
<td>WRMA PIU</td>
<td>To send updated PIM for Bank review, Jan. 2016 <em>Status: Draft submitted but PMU requested to further revise</em></td>
<td></td>
<td>To finalize TOR and RFP for and complete physiographic study, Nov 30,2015 &amp; Mar, 2016 <em>Status: Physiographic study to be started in July.</em></td>
</tr>
<tr>
<td></td>
<td><strong>To establish the M&amp;E system for the Program, Feb. 2016</strong> <em>Status: Under development, Web based system to be updated</em></td>
<td></td>
<td>To complete FF&amp;EW sys. bidding document Dec. 2015, award contract by March 2016 <em>Status: Bidding document and RFP to be finalized June 2016</em></td>
</tr>
<tr>
<td>WRMA PIU</td>
<td><strong>To organize bi-weekly progress review meeting</strong></td>
<td><em>Status: Yes but not regularly</em></td>
<td>To act on recommendations in the entire Aide Memoire</td>
</tr>
<tr>
<td>WRMA PIU</td>
<td><strong>To have WRMA PIU complete its part of PIM (except manuals), Dec 2015 and activate Project bank sub-account ASAP and no later than Jan 2016 --- SAME for ALL PIUs</strong> <em>Status: Bank account not yet opened. WRMA Board to meet to take decision June 6.</em></td>
<td>To finalize TOR and RFP for and complete physiographic study, Nov 30,2015 &amp; Mar, 2016 <em>Status: Physiographic study to be started in July.</em></td>
<td>To complete FF&amp;EW sys. bidding document Dec. 2015, award contract by March 2016 <em>Status: Bidding document and RFP to be finalized June 2016</em></td>
</tr>
<tr>
<td>Area</td>
<td>Activity</td>
<td>Status</td>
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<tr>
<td>NIB PIU</td>
<td>To form 25 WRUAs, develop 15 SCPMs, and complete implementation of 2 SCMPs by June 2016</td>
<td>Delayed, pending outcomes of physiographic studies</td>
<td></td>
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<tr>
<td>Mombasa County PIU</td>
<td>To submit to Bank a plan for adaptive research &amp; demo pilot in LNIP by Dec. 15, 2015</td>
<td>completed.</td>
<td></td>
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<tr>
<td></td>
<td>To share with PMU and the Bank, the ISC TOR for VITENS</td>
<td>PMU to work with Embassy of Netherlands to agree a memorandum of understanding between PMU and VITENS</td>
<td></td>
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<tr>
<td></td>
<td><em>Status:</em> PMU to work with Embassy of Netherlands to agree a memorandum of understanding between PMU and VITENS</td>
<td></td>
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<tr>
<td>Kwale County PIU</td>
<td>To complete design Dec. 2015 and award contract June 2016 for NRW reduction in Likoni area, the rest of design in first quarter of 2016</td>
<td>Partially achieved, 2nd and 3rd items awaited</td>
<td></td>
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<tr>
<td></td>
<td>To recruit support consultant and start sanitation investment activities, Dec 31, 2015</td>
<td>SC being recruited</td>
<td></td>
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<tr>
<td>CDA PIU</td>
<td>Sign MOU with WRMA PIU, Dec. 2015</td>
<td>to be clarified</td>
<td></td>
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<td></td>
<td><em>Status:</em> to be clarified</td>
<td></td>
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<tr>
<td>LVNWSB</td>
<td>Establish PIU, Nov. 2015</td>
<td>PIU established.</td>
<td></td>
</tr>
<tr>
<td>Water Sector Reform</td>
<td>To submit ISC RFP for review, Nov. 2015, and engage KEWI and other providers for basic training by Dec. 2015</td>
<td>FM and safeguards training submitted in general &amp;RFP.</td>
<td></td>
</tr>
<tr>
<td>Directorate, MoWI</td>
<td>Establish PIU, Nov. 2015</td>
<td>PIU to be formally named by June 6</td>
<td></td>
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<tr>
<td></td>
<td><em>Status:</em> PIU to be formally named by June 6.</td>
<td></td>
<td></td>
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<tr>
<td>PMU with Attorney</td>
<td>Provision of Legal Opinion required for KWSCRP AF effectiveness, Nov. 13, 2015</td>
<td>Achieved</td>
<td></td>
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<tr>
<td>General’s Office</td>
<td></td>
<td></td>
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<tr>
<td>MOWI/ Mombasa County</td>
<td>To finalize the WPA by Nov. 16, 2015, and sign WPA by Dec. 2, 2015</td>
<td>Achieved</td>
<td></td>
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<tr>
<td></td>
<td><em>Status:</em> FM and safeguards training conducted</td>
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