



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 13-Jul-2018 | Report No: PIDISDSA24743



**BASIC INFORMATION**

**A. Basic Project Data**

Country Kenya	Project ID P164654	Project Name Kenya Social and Economic Inclusion Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 09-Jul-2018	Estimated Board Date 19-Dec-2018	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Republic of Kenya	Implementing Agency Ministry of Labour and Social Protection, National Drought Managemnet Authority	

Proposed Development Objective(s)

To strengthen delivery systems for enhanced access to social and economic inclusion services and shock-responsive safety nets to poor and vulnerable households.

Components

- Component 1 - Strengthening Social Protection Delivery Systems
- Component 2 - Increasing Access to Social and Economic Inclusion Interventions
- Component 3 - Improving the Shock Responsiveness of Safety Net System

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	343.00
<b>Total Financing</b>	343.00
<b>of which IBRD/IDA</b>	250.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**



International Development Association (IDA)	250.00
IDA Credit	250.00

**Non-World Bank Group Financing**

Trust Funds	93.00
Free-standing Cofinancing Trust Fund	93.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

**B. Introduction and Context**

**Country Context**

1. **Kenya continues to experience steady economic growth with poverty incidence declining, however, inequality remains high.** Following the rebasing of gross domestic product (GDP) in 2014, Kenya is classified as a lower-middle-income country with gross national income per capita of US\$ 1,146. Poverty incidence (measured against the official national poverty line) is estimated to have dropped from 46 percent to 36 percent between 2006 and 2016, however with wide regional variation.<sup>1</sup> In addition, while the Gini Coefficient has declined over the last ten years, at the current value of 0.45, it still places Kenya among one of the most unequal countries in the world.<sup>2</sup>

2. **High rates of poverty and inequality exacerbate vulnerabilities, undermine investments in human capital, and limit the potential for the benefits of economic growth to be shared by all Kenyans.** Many Kenyans continue to lack among others, access to food security, clean water, and good health care, and the maternal mortality rate remains one of the highest in Africa at 488 deaths per 100,000 live births.<sup>3</sup> Moreover, over one third of non-poor Kenyans are classified as vulnerable and are clustered just above the poverty line.

3. **Development challenges are particularly severe in the Arid and Semi-Arid Lands where drought (increasingly associated with climate change) negatively impacts economic growth and exacerbates poverty and vulnerability.** For example, on average, a 0.6 percentage point decline in GDP growth is observed in the years of poor rains.<sup>4</sup> Moreover, the recent Kenya Integrated Household Budget Survey (KIHBS 2015/16) found that six out of seven poorest counties nationally are in the ASAL regions.<sup>5</sup> Similarly, prevalence of vulnerabilities is also highest in three of these six ASAL

<sup>1</sup> Basic Report on Well-being in Kenya, March 2018, Kenya National Bureau of Statistics and PovcalNet database, World Bank.

<sup>2</sup> <http://inequalities.sidint.net/kenya/abridged/gini-coefficient/>

<sup>3</sup> Performance and Learning Review of the Country Partnership Strategy for the Republic of Kenya for the Period of FY14-18, June 2017, World Bank.

<sup>4</sup> World Bank Group. Kenya Economic Update. October 2016, Edition No. 14

<sup>5</sup> Food poverty incidence levels are higher and affect more than half of the population in the following seven counties: Busia (59.5%), Mandera (61.9%), Marsabit (55.6%), Samburu (60.1%), Tana River (55.4%), Turkana (66.1%) and West Pokot (57.3%). See Basic Report on Well-being in Kenya, March 2018, Kenya National Bureau of Statistics and PovcalNet database, World Bank.



counties.<sup>6</sup>

4. **While reviewing the human development challenges, high stunting and wasting rates in ASAL counties are of particular concern.** The 2017 climate induced drought led to an increase in acutely malnourished children by 25 percent nationally and over 30 percent in three ASAL counties.<sup>7</sup> Extended periods of drought also erode livelihood opportunities and community resilience, leading to negative coping strategies that damage the environment and impair household nutritional status. The Government has in the past has relied on ad-hoc donor support. Between 2002 and 2012, international donors provided on average US\$ 276 million per year to Kenya in humanitarian assistance.

5. **Lack of income generating opportunities also impede the realization of more productive citizens due to economic exclusion.** Out of 19.3 million Kenyans in the labor force, about 7.4 percent (64.5 percent of which are women) is unemployed, with majority (85 percent) under 35 years of age.<sup>8</sup> Anecdotal evidence suggests that the poor and vulnerable experience higher unemployment due to a host of socio-economic factors, including low literacy, educational attainment, social capital and network, and access to credit.

6. **Social protection (SP) interventions in Kenya have played a key foundational role, contributing to human capital development and enhancing social and economic inclusion of poor and vulnerable households.** Safety net cash transfer programs have helped the beneficiary households to strengthen food security and prevent them from sliding into deeper poverty by providing them income support to purchase food and other critical household items, particularly in times of shocks. These programs also enhance the beneficiary households' ability to invest in healthcare, education, and engage in entrepreneurial activities.

## Sectoral and Institutional Context

7. **Over the years, the Government of Kenya has made significant progress in strengthening its safety net system and establishing foundational delivery systems through the National Safety Net Program (NSNP).** The NSNP (supported by the World Bank<sup>9</sup>) seeks to improve the welfare of and increase resilience among specific vulnerable groups by bringing together the four main cash transfers in the country under a coherent delivery framework.<sup>10</sup> The NSNP provides cash assistance to over 1 million households<sup>11</sup>, nearly 5 million people. Additionally, it has supported the Government to establish and strengthen: (i) a Single Registry (SR) of NSNP beneficiary information, linked to the Integrated Population Registry System; (ii) a two-factor authentication payment system, with a new payment solution which provides greater choice is payment services providers and access to bank accounts being rolled out; (ii) functional Grievance and Case Management (G&CM) System at the national level; and (iv) strengthening of citizen engagement through improved beneficiary engagement. Lastly, NDMA provides regular cash transfers to food insecure households,

<sup>6</sup> These include Garissa, Mandera, Samburu, and Turkana Counties.

<sup>7</sup> These include Mandera, Marsabit, and Turkana.

<sup>8</sup> *Labour Force Basic Report*, March 2018, Kenya National Bureau of Statistics and *PovcalNet database*, World Bank.

<sup>9</sup> A Program for Results (Pfor) operation of US\$250 million IDA credit was approved in 2013 and an Additional Financing of US\$50 million was approved in 2017. Other development partners directly supporting the government include DfID, UNICEF, WFP and SIDA.

<sup>10</sup> These are: Cash Transfer for Orphans and Vulnerable Children (CT-OVC), Older Persons Cash Transfer (OPCT), Persons with Severe Disability Cash Transfer (PWSD-CT), and Hunger Safety Net Programme (HSNP). The first three programs are managed by the Social Assistance Unit (SAU) under the State Department of Social Protection (SDSP) in the Ministry of Labour and Social Protection (MLSP), and the fourth is managed by the National Drought Management Authority (NDMA) in the Ministry of Devolution and ASAL areas (MDA).

<sup>11</sup> This includes the recently launched expansion of the OPCT, using a universal approach to all people over 70 years of age.



and enables emergency cash payments as response to drought in four of the most drought affected counties.

8. **National Treasury has also taken a strategic approach to managing the financial impacts of climate induced drought, adopting Kenya's first National Disaster Risk Finance Strategy (NDRF), also first of its kind in Africa.** The NDRF prioritizes improving and expanding the coverage of shock responsive SP programs, and includes several different financing instruments, including Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawdown Option of US\$ 200 million and a National Drought Emergency Fund (NDEF), which is at an advanced stage, and includes ring-fencing of resources for payment of emergency cash transfers for drought.

9. **While the foundational elements are in place, the Government is now committed to move beyond cash transfers to an integrated SP system to further enhance social and economic inclusion of the poor and vulnerable.** While the current achievements of the NSNP are impressive, there is room for further enhancement of the SP systems. For example, while the SR is useful in ensuring coordination and avoiding duplication in cash transfer beneficiary, it does not provide welfare information on other households which could be identified as potential new beneficiaries. In the area of social and economic inclusion, while a number of ongoing interventions are being implemented, government involvement as the lead remains limited. The Government is therefore now keen to invest in enhancement of its key delivery systems, institutional capacity, coordination and partnership arrangements, and test new approaches.

### Relevance to Higher Level Objectives

10. **Social protection has long been an important part of the Government's strategy to fight poverty and promote equitable economic growth and social inclusion, as well as respond to emergencies.** The Constitution of Kenya (2010), Kenya Vision 2030 and Kenya National SP Policy (2011) all stress the importance of SP in ensuring the "right for every person to social security" and in protecting the poor and the vulnerable from negative impacts of shocks; promote resilience; and strengthen operational systems to improve efficiency of delivery mechanisms. Similarly, the NDRF set forth a strategic approach to emergency financing in an effort to provide effective and timely response, of which SP is a key tool. Moreover, the proposed KSEIP complements the Government's new priorities aimed at enabling people to meet their basic needs and creating jobs (known as the "Big Four"<sup>12</sup>). The proposed project is also fully aligned with the World Bank Group's Country Partnership Strategy (CPS) for Kenya (2014-2018), as well as Global and Africa SP Strategies.

### C. Proposed Development Objective(s) (PDO)

#### Development Objective(s) (From PAD)

11. The project development objective (PDO) is to enhance access of poor and vulnerable households and strengthen delivery systems for provision of social and economic inclusion services and shock responsive safety nets.

#### Key Results

12. Enhanced access in the PDO would be measured through provision of social inclusion and economic inclusion services to the existing NSNP beneficiaries as well as other poor and vulnerable to be identified. The shock responsive safety nets would be measured by expanding their coverage to additional households and functionality of financing arrangements for timely response in the events of droughts. The strengthening of SP delivery systems applies to both

<sup>12</sup> The "Big Four" include: (i) Food and Nutrition Security; (ii) Affordable Housing; (iii) Enhancing Manufacturing; and (iv) Universal Health Coverage. See the Presidency, Official Website of the President. <http://www.president.go.ke/>



and would essentially include enhancing the scope and coverage of the SR, investments in the rollout of new improved payment system, and supporting greater integration and implementation of the G&CM system for all interventions supported through Kenya Social and Economic Inclusion Project (KSEIP).

13. The progress towards achieving the PDO would be measured by the following indicators:
  - a. Number of counties where the roll out of enhanced SR initiated and 75 percent of the caseload covered<sup>13</sup>
  - b. Number of households receiving nutrition sensitive safety net cash transfers
  - c. Number of sub-counties where economic inclusion model is ready and initiated
  - d. Number of new regular Hunger Safety Net Program (HSNP) households enrolled and paid for through the Government's budget in expansion counties, as per agreed expansion plan
  - e. Financing mechanism for HSNP scalability is enhanced and implemented

#### D. Project Description

14. The proposed project envisions support to three areas for a period of five years. These are structured as project components: (i) Strengthening SP delivery systems; (ii) Increasing access to social and economic inclusion interventions; and (iii) Improving shock-responsiveness of safety net system. Some of the proposed project activities would contribute to "adaptation" to minimize the climate change effects in the targeted geographic areas.

##### ***Component 1: Strengthening Social Protection Delivery Systems***

15. This Component would support the enhancement of the existing SP delivery systems that have been established under the ongoing NSNP. It would aim to further consolidate the SP sector by bringing closer the three cash transfer programs under Social Assistance Unit (SAU) and HSNP under National Drought Management Authority (NDMA) within a consistent and coherent delivery system, namely a strengthened payment transfer mechanism and an enhanced Grievance and Case Management System. The specific activities include:

- (i) ***Enhancement in the scope and coverage of SR:*** Support would be provided to the Government for gradual expansion, enhancement of functionality, and coverage of the existing SR, managed by the Social Protection Secretariat (SPS) in the State Department of Social Protection (SDSP), by adding a social registry module. This would build on an existing experience where the HSNP has tested the concept in four counties of its operation. The new social registry module would manage the entire workflow to register households which can be identified as potential beneficiaries for social programs, including those supported by KSEIP, linked to the IPRS for verification of relevant data. It will therefore add the potential of establishing linkages to other administrative and program databases which are critical for the utility of SR to serve the needs of different programs. It would also include analytical capabilities to support SP programming. The Enhanced Single Registry will be a key ingredient in a shock-responsive SP system which assists in objective and timely identification of the neediest households during emergencies.
- (ii) ***Rollout of Improved Payment System:*** The new payment solution is currently being rolled out by SAU, as part of an expansion of the OPCT. The aim is thereafter to gradually roll out this mechanism to cover all NSNP beneficiaries under the three cash transfer programs managed by SAU (CT-OVC, PwSD-CT and

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<sup>13</sup> The Government is in the process of preparing a strategy for the enhancement of the SR which will include details of the caseload expected in each county to be calculated by looking at poverty and vulnerability trends in each county informed by KHIBS (2015/16).



OPCT). This new mechanism would also be used for the delivery of cash payments for KSEIP activities. The project would therefore support the continued roll out of the new payment solution.

- (iii) ***Enhancement in Grievance, Case Management, and Beneficiary Outreach Mechanisms:*** Support would be provided to further enhance and consolidate the G&CM mechanism under the NSNP to strengthen citizen engagement, outreach, and communication in a consistent manner across the four NSNP CTs, and to ensure that new activities proposed under KSEIP are effectively catered for within the existing G&CM structure, thereby avoiding fragmentation and establishment of parallel structures and systems on the ground. Outreach and communication under KSEIP would give special attention to key messages around social and economic inclusion, coupled with the current NSNP messaging on proper use of cash transfers, as well as include simple and easy to understand “*rules of thumb*” of financial literacy, also utilizing behavioral nudges. Lastly, it would promote measures to facilitate effective inclusion of Vulnerable and Marginalized Groups (VMGs) in project activities.
- (iv) ***Institutional and Capacity Strengthening:*** To enable effective oversight of project implementation, strengthening of fiduciary systems, safeguards and beneficiary outreach and communication, as well as capacity for M&E, investment financing would be provided to advance these critical functions.

### ***Component 2: Increasing Access to Social and Economic Inclusion Interventions***

16. This component would support the Government to contribute towards the goal of Universal Health Coverage by establishing and supporting functionality of referral mechanism to improve NSNP beneficiaries access to National Hospital Insurance Fund (NHIF), expand nutrition sensitive safety net services to additional counties, and test Government led livelihoods enhancement approaches for the targeted households (NSNP beneficiaries and others) to improve their welfare and self-sustenance through:

- (i) ***Systematic access of NSNP beneficiaries to NHIF:*** The proposed project would support strengthening of systematic collaboration between NHIF and the SDSP and investments in the information systems to allow enhanced access and enrolment of NSNP beneficiaries in the NHIF. It would build on a formal agreement with NHIF and the SR complementary services module being developed under the NSNP, and would require NHIF to provide aggregate information by locality on enrolment and possibly utilization of insurance by NSNP beneficiaries. This automated exchange of information with analytical capabilities will help in identification of any bottlenecks or issues that might require actions on the part of either NHIF or SDSP.
- (ii) ***Expansion of the existing nutrition-sensitive safety net:*** The Government is currently implementing a Nutrition Improvements through Cash and Health Education (NICHE) Program in Kitui County. The NICHE targets households who are recipients of the CT-OVC program and have children under 2 and/or pregnant and lactating women (PLW). Households receive a top up of KSH 500 per month per child under 2 and/or per PLW (not exceeding KSH 1,000 per household per month) through the existing NSNP payment mechanism. Community health workers (CHWs) conduct regular household visits to provide nutrition counseling within the framework of the Government Community Health Strategy. UNICEF is currently supporting the implementation of the NICHE, providing technical assistance to Kitui County and the national government. Under KSEIP, the Government would expand NICHE to four additional counties (West Pokot, Marsabit, Turkana, and Garissa) to benefit approximately 125,000 individuals in 25,000 households, with continued support by UNICEF for necessary technical assistance, implementation support, and monitoring and evaluation.



- (iii) ***Testing of economic inclusion interventions (i.e. customized cash-based BRAC<sup>14</sup> models)***: KSEIP would support the Government in testing different approaches for the delivery of economic inclusion interventions through simple and practical models to assess the most efficient package of services to the Kenyan context which can be feasible for scale up sustainably move people out of extreme poverty. Approaches would be tested at a small scale in three counties (Kisumu, Makueni, and Kisii) where similar programs have already been attempted, and awareness, experience and capacity for testing of proposed approaches exist among the implementing officers and the communities.

### **Component 3 – Improving the Shock-Responsiveness of Safety Net System**

17. This component would support the Government to expand the coverage of the HSNP and improve the shock-responsiveness of the safety net system including financing arrangements for timely support to the households affected by drought:

- (i) ***Increased government financing and coverage of HSNP***. NDMA is currently providing regular cash transfers to 100,000 households under the HSNP in four of the most drought-affected counties in Kenya (Mandera, Marsabit, Turkana and Wajir), 64 percent of which are financed by the Government and 36 percent by DfID. KSEIP would provide support to NDMA to (i) take over full financing of the existing HSNP households; and (ii) expand the HSNP into four additional drought-affected counties (Garissa, Isiolo, Samburu and Tana River), providing regular cash transfer to around 31,000 additional households, boosting households' resilience to cope with the climatic shocks, and increasing possibilities to sustain their livelihoods in the event of shocks.
- (ii) ***Enhanced scalability mechanism and predictable financing of emergency payments***. One of the unique features of the HSNP is its ability to expand its coverage through the disbursement of emergency cash transfers to additional households during times of drought, which it has been doing since March 2015 whenever the pre-agreed triggers for drought response have been met. KSEIP would enhance the existing scalability mechanism of the HSNP through developing, adopting and implementing a financing plan to meet the costs of emergency cash transfers when they arise. Resources would also be provided for strengthening NDMA's institutional capacity for overall project implementation, M&E and fiduciary strengthening.

## **E. Implementation**

### **Institutional and Implementation Arrangements**

18. ***Financing instrument***: Given the scope of the proposed KSEIP, which includes investments in new areas, the Investment Project Financing (IPF) with Disbursement Linked Indicators (DLIs) was found the most relevant financing instrument. The proposed project envisages allocation of a larger share of IDA funds in the results financing through DLIs while keeping the required allocation for strategic investments in institutional capacity, efficient service delivery, and robust M&E systems.

19. ***Implementation Arrangement***: The proposed project would be implemented by two implementation agencies. The Ministry of Labor and Social Protection, through the State Department for Social Protection, would

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<sup>14</sup> BRAC is an international NGO, first founded in Bangladesh. BRAC stands for "Building Resources Across Communities."



be responsible for the implementation of component 1 and 2. The Ministry of Devolution and Planning, through its semi-autonomous authority the NDMA, would be responsible for implementation of Component 3. Both of these agencies are currently involved in the implementation of the NSNP and are familiar with a number of processes and systems to be enhanced and further supported through the proposed KSEIP.

20. **Key principles underpinning the design of the KSEIP:** (i) the project should continue to build on existing achievements of putting in place and strengthening SP service delivery systems; (ii) a “learning by doing” approach should be adopted to enable testing and evaluation of new interventions to ensure sustainability and value for money of possible scale up; and (iii) to the extent possible, the design should be simple, taking into consideration the capacity required to implement and sustain proposed interventions. Geographic locations for KSEIP interventions were selected based on key criteria including poverty rates, high malnutrition levels, food insecurity and drought occurrence, demand from and existing capacity of counties, accessibility, presence of necessary Government officers, and equity based on regional distribution.

#### **F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

Specific KSEIP interventions will be carried out in 11 counties: Garissa, Isolo, Kisii, Kisumu, Kitui, Makueni, Marsabit, Samburu, Tana River, Turkana, and West Pokot. The specific activities include testing of economic inclusion approaches in Makueni, Kisii, and Kisumu, expansion of nutrition sensitive safety net in Kitui, West Pokot, Turkana, Marsabit, and Garissa, and expansion of the Hunger Safety Net Program also in Garissa, as well as Isiolo, Samburu, and Tana River. The Social Assessment conducted for KSEIP confirmed that there are VMGs in the counties where KSEIP will be operational. These include the Watha, Munyoyaya, Sakuye, Turkana, Borana, Ilkunona, Dorobo, Malakote/Ilwana, Pokot, Sengwer, Arkom, Angulia, Nubia, and Ngikebootok, who are indigenous people living far from urban centres and are generally engaged in traditional livelihoods e.g. pastoralists, hunter-gathers, and traditional fisher folk. They are often discriminated against and are excluded from development processes and benefits. In addition, other VMGs also include (i) older persons, (iii) persons with disabilities; (iv) women; and (iv) youth. For example, older people are increasingly being left on their own in the rural areas, which are sometimes very remote, often without traditional family support and financial resources. People living with disabilities are often discriminated against, a situation that is fueled by cultural and traditional beliefs. Poor access to information, lack of exposure and low literacy levels have contributed to the disempowerment of women.

#### **G. Environmental and Social Safeguards Specialists on the Team**

Lilian Wambui Kahindo, Social Safeguards Specialist

Ben Okindo Ayako Miranga, Environmental Safeguards Specialist



**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project has triggered the policy as precautionary measure, but no further Environment Assessment action will be required. The project is assigned Environment Assessment Category B, based on the potential social impacts related to the Vulnerable and Marginalized Groups. As such, a Social Assessment has been completed to inform the potential negative social impacts of the project and mitigation measures.
Performance Standards for Private Sector Activities OP/BP 4.03	No	The policy is not triggered as no private sector activities is planned.
Natural Habitats OP/BP 4.04	No	The policy is not triggered because the project will not finance any activities that will result in direct or indirect impacts on natural habitats.
Forests OP/BP 4.36	No	The policy is not triggered because the project will not finance any activities that would be deemed to bring about conversion of natural forests or changes in management and protection or utilization of natural forest or plantations.
Pest Management OP 4.09	No	The policy is not triggered as the project will not finance any activities that will involve use of pesticides or pest management.
Physical Cultural Resources OP/BP 4.11	No	The policy is not triggered because the project will not finance activities that will affect or involve physical cultural resources.
Indigenous Peoples OP/BP 4.10	Yes	The project has triggered OP 4.10, as this is a national program that will cover many areas with VMGs. Some vulnerable and marginalized groups may not be easily captured in the proposed project which will target individuals based on particular criteria, often in conjunction with the community. This would most likely not be due to deliberate effort to exclude them by program staff, but as a result of the limited coverage of the program as compared with the level of need and lack of awareness of project staff. There is therefore a need for the project to pay keen attention to Vulnerable and Marginalized Groups and ensure that there is increased awareness and understanding of their existence, their rights and entitlements and how to reach them. A Social Assessment and VMGF has



		been completed and recommendations built into the project design. VMGPs will be developed for counties with new activities and requirements for inclusion of VMGs and consultation will be strengthened within the existing NSNP program.
Involuntary Resettlement OP/BP 4.12	No	The policy is not triggered as there will be no land acquisition for this project.
Safety of Dams OP/BP 4.37	No	The policy is not triggered because the project will not finance any activities that include dams or irrigation structures.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered because the project will not finance any activities that involve trans boundary rivers, lakes, body of waters or water with two or more stakeholders that calls for establishment of agreements, arrangements or any multilateral framework.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered because the project will not finance activities in disputed areas.

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

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

The main social safeguards risk is the likelihood of exclusion of vulnerable and marginalized groups (VMGs), including those that fit the OP4.10 criteria. To address this, increased awareness and understanding by the implementing partners and communities of VMGs profiles, locations, needs and concerns are required. This sensitization however requires careful handling , as tension may be created within communities if VMGs are singled out without appropriate communication and outreach. Other risks include inappropriate provision of benefits for VMGs, given low female empowerment and barriers to participation, including lack of IDs, distance from payment points, and health services, among others. Awareness raising is important on the rights and entitlements of all citizens, particularly VMGs, who fit the criteria to access the services.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: Potential indirect and/or long term impacts anticipated due to proposed future activities in the project area include inter-community and intra-household tension due to selection of beneficiaries, which should be closely monitored and mitigated against. Measures should be put in place to ensure that the Grievance and Case Management (G&CM) mechanism established for the safety net sector under the National Safety Net Program (NSNP) is accessible to VMGs (many of whom live in remote areas, are illiterate and have low awareness of their rights and entitlements). Awareness should be created that the G&CM mechanism can be used to complain against exclusion and other social impacts. To that end, the strengthening of the G&CM mechanism and beneficiary outreach, envisioned under the proposed project, will contribute greatly in raising awareness and improving citizen engagement. Complaints should be analyzed and reported on a regular basis, and feedback should be provided on resolution to all complainants in a



timely manner.

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

The following activities, planned under the on-going NSNP, will help to avoid or minimize potential adverse impacts due to KSEIP interventions. These include verification of current cash transfer beneficiaries through a recertification exercise and expansion of beneficiaries in the north and northeastern region so those excluded can be considered. During these exercises, it would be useful to allocate additional resources to specifically reach VMGs in remote areas. It would also be useful to further consider options for addressing barriers to access (e.g. lack of IDs and distance and expense of collecting payments and accessing services), as well as addressing challenges in design (e.g. large polygamous households may be considered as one household receiving only single support even though they may not eat from the "same pot," which is the definition of a household).

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Based on the Social Assessment, a Vulnerable and Marginalized Group Framework (VMGF) has been developed to guide the Development and implementation of Vulnerable and Marginalized Group Plans. Efforts are on-going to increase awareness of implementation staff at all levels on the potential exclusion of VMGs and enhanced effort to identify and understand VMGs in their counties, geographical location and characteristics and how best to communicate with and consult them. A Beneficiary Outreach Strategy (BoS) has recently been approved and will be rolled out nation-wide, which is expected to further strengthen citizen engagement and awareness of rights and entitlements of beneficiaries. The BoS will be further enhanced under KSEIP to cater for KSEIP activities and would also give special attention to key messages around social and economic inclusion, and would promote measures to facilitate effective inclusion of VMGs in KSEIP project activities. Furthermore, the G&CM mechanism will also be enhanced under KSEIP, similar to the BoS, and will focus on strengthening mechanisms to effectively address VMG concerns and needs.

The two implementing agencies (MLSP and NDMA) are assessed to have sufficient capacity to identify and address VMG needs and any adverse impacts of project activities in relevant project areas, as well as develop and implement mitigation measures, as appropriate, particularly if awareness raising is carried out, adequate resources are committed, proper consultations with VMGs are undertaken, and experiences and lessons learned is shared across agencies. Capacity building of the implementing agencies will also be strengthened, as recommended in the VGMF. Project staff will be trained on World Bank safeguards policies and procedures, rationale and need for VMG inclusion, and approaches and tools used by other projects in the country and regionally that have successfully addressed VMG issues. There would be dedicated individuals in the implementing agencies to implement and monitor safeguards measures. Measures to ensure inclusion of VMGs would be specifically mentioned in manuals and guidelines for KSEIP interventions, BOS, communication strategy, G&CM mechanism and monitoring instruments. Barriers to inclusion would be discussed and addressed where possible, including increasing community awareness on the need to include all eligible individuals and allocating extra resources to reach them. Project resources will be allocated to ensuring that these above activities are sufficiently financed and implemented.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include the KSEIP implementing agencies - the Ministry of Labour and Social Protection and National Drought Management Authority. Within the MLSP, the Social Protection Secretariat has overall responsibility for the implementation of the proposed project. In addition, the Social Assistance Unit (strengthening of SP delivery systems), the Children Department (nutrition sensitive safety net service), and the Department of Social Development



(testing of economic inclusion approaches) are responsible for taking leads on specific activities. Further, the Ministry of Health, including community health workers, is responsible for the nutrition counseling part of the nutrition sensitive safety net services. Development partners, particularly DfID, WFP, and UNICEF, would also be important stakeholders. Lastly, the ownership of the project by county governments, community members, and VMG stakeholders (i.e. various groups within vulnerable and marginalized communities, VMG leaders and CSOs who work closely with and understand VMG communities) would be critical to the success.

The input of VMGs into the preparation of the VMGF was done through consultation processes that informed the KSEIP Social Assessment (SA). Specifically, consultations were undertaken in May 2018 with VMGs and representatives, majority group members, women, youth, opinion leaders and persons with severe disabilities from the three counties of Kwale, Makueni and West Pokot. In addition to one-on-one discussions and focus group discussions, key informant interviews were conducted with relevant Government officials in the national and county leadership, MLSP and NDMA implementing officers, opinion leaders, religious leaders, head of women and youth groups. Findings and recommendations of the Social Assessment and the VMGF have been discussed and agreed between the World Bank and the Government, and has been communicated by Government to the local level government staff, to be cascaded down to the communities and VMGs. In-country disclosure was done in 9 July 2018 for the SA and 10th July for the VMGF. These were subsequently disclosed on the World Bank’s InfoShop also on the same days, respectively. Consultations will be on-going throughout the implementation phase, and the executive summaries of safeguards instruments and the criteria for beneficiary selection and those people selected will be widely communicated to communities in target project locations through broad based mobilization and sensitization exercises (i.e. barazas) and already established community level governance structures (i.e. Beneficiary Welfare Committees).

**B. Disclosure Requirements**

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
20-Jun-2018	09-Jul-2018	
<b>"In country" Disclosure</b>		
Kenya		
09-Jul-2018		
Comments		
The Social Assessment has been published on the website of the relevant Client websites, including the websites of the implementing agencies - Ministry of Labour and Social Protection and National Drought Management Authorities		
Indigenous Peoples Development Plan/Framework		
Date of receipt by the Bank	Date of submission for disclosure	



20-Jun-2018

10-Jul-2018

**"In country" Disclosure**

Kenya

10-Jul-2018

Comments

The VMGF has been published on the website of the relevant Client websites, including the websites of the implementing agencies - Ministry of Labour and Social Protection and National Drought Management Authorities

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

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

Does the project require a stand-alone EA (including EMP) report?

No

**OP/BP 4.10 - Indigenous Peoples**

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

NA

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

### CONTACT POINT

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#### Borrower/Client/Recipient

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**FOR MORE INFORMATION CONTACT**

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**APPROVAL**

Task Team Leader(s):	Emma S. Mistiaen Iftikhar Malik
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**Approved By**

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Country Director:	Carlos Felipe Jaramillo	18-Jul-2018