



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM (FLLOCA)

CREDIT NO: V 319 – KE

PROJECT ID NO: P173065

PROGRAM IMPLEMENTATION UNIT (PIU)

TERMS OF REFERENCE AND SCOPE OF SERVICES

**CONSULTANCY FOR THE DEVELOPMENT OF ENVIRONMENTAL AND
SOCIAL RISK MANAGEMENT (ESRM) MANUAL**

PROGRAM IMPLEMENTATION UNIT (PIU)

June, 2020

1. INTRODUCTION

The Government of Kenya has requested for financial support to the proposed *Financing Locally-Led Climate Action Program (FLLOCA)*. The program development objective is to strengthen local resilience to the impact of climate change, natural hazards, and other shocks/stressors by building local capacity to plan, budget, implement and monitor resilience investments in a way that promotes collaborative partnerships between communities, national and county governments. The program will focus on capitalizing the National and County Climate Change Funds; building county level capacity for planning, budgeting, reporting and implementation of local climate actions in partnership with communities; and strengthening of national level capacity for coordination, monitoring and reporting. The program will be implemented by the National Government in collaboration with County Governments.

In order to expedite the preparation of the proposed Program (FLLOCA), the National Treasury and Planning has received Program Preparatory Advance to support operations and consultancies for the development of critical preliminary program documents among them: organizing consultative forums with Council of Governors (CoG), Governors, County Executive Committee Members, County Assemblies and other national level stakeholders; training of county officials and staff to build capacity for achievement of the program's minimum conditions and performance measures; development of the Program Operations Manual (POM); assessment of counties readiness actions and any other studies or activity that may be proposed by the program preparatory team. The FLLOCA is being implemented through the Program Implementation Unit (PIU). Part of the advance shall be used in financing the technical experts to support the PIU. Further, the PIU will provide the fiduciary, social and environmental safeguards and M&E expertise required for the implementation of the FLLOCA Program in accordance with Bank requirements.

The World Bank has prepared an Environment and Social Systems Assessment (ESSA) that will guide the management of environment and social risks and impacts for this Program. The ESSA will guide the PIU and counties in setting up their Environment and Social Risks Management Systems.

These Terms of Reference and Scope of Services for Consultancy for the Development of Environmental and Social Risk Management (ESRM) Manual.

1.1 Background and Scope and Application of the Climate Finance and Green Economy-Locally –Led Action

Kenya's economy is highly dependent on its natural base. This makes our country highly vulnerable to the impacts of climate change. Climate change, if left unattended will impede Vision 2030 goal of creating a globally competitive and prosperous nation with a high quality of life. Globally, Kenya is a party to the United Nation Framework Convention on Climate Change, the Kyoto Protocol and Paris Agreement. The Paris Agreement aims to strengthen the global response to the threat of climate change, in the context of sustainable development. The Agreement also set out a global goal of mobilizing USD 100 billion per year up to 2020 to support mitigation and adaptation activities in developing countries.

In 2016 the Government of Kenya enacted the Climate Change Act, (2016), this was followed by the adoption of the National Climate Finance Policy in 2018 as Sessional Paper No. 3 of 2017 as well as the Public Finance Management (Climate Change Fund) Regulations (2016) under the Public Finance Management Act (2012), in recognition of the fact that all the forty-seven (47) counties in Kenya are highly exposed to the potential negative impacts of climate change. The climate change impacts have grave implications for poverty reduction efforts, water availability, food security, and health among other challenges. Extreme events are already having serious impacts on poor communities and the Country's development.

As a result of the devolved system of government, most of climate change related development activities in Kenya are now being implemented at county level. In view of this, several assemblies have enacted County Climate Change Acts thus setting stage for establishment of County Climate Change Funds (CCCF). The CCCF can be capitalized from various sources, such as county development budgets, national climate funds or in-country bilateral and multilateral development partners.

It is upon this background that FLLOCA Program aims to strengthen local resilience to the impacts of climate change, natural hazards and other shocks/stressors by building counties' capacity to plan, implement and monitor resilience investments in partnership with

communities. It would emphasize the governance, social inclusion and citizen participation aspects of climate and disaster risk management, and support resilience investments identified by counties in partnership with communities. The FLLOCA Program aims to achieve this through: capitalizing the National Climate Change Fund and subsequent County Climate Change Funds; building county level capacity for planning and implementation of local climate actions; and strengthening national level capacity for coordination, monitoring and reporting.

1.2 Program Steering Committee (PSC)

The Program Steering Committee (PSC) will be established to provide overall guidance and oversight and priority setting to the program. The PSC will be co-chaired by PS, the National Treasury and PS, Environment and Forestry with membership from Ministry of Devolution, Ministry of Labour and Social Services, Climate Change Directorate and Council of Governors.

1.3 Climate Finance and Green Economy Unit

The National Treasury and Planning established a **Climate Finance and Green Economy Unit** in 2013. The Unit is headed by a Senior Officer who reports to Director General, Budget Fiscal and Economic Affairs. The Unit coordinates efforts to identify, track and use climate finance to further national sustainable development goals.

Additionally, the Unit has been taking a leading role in the coordination and implementation of National Climate Finance Policy (Sessional Paper No. 003, 2017) directives and activities in the country in collaboration with the line ministries, county governments, private sector, civil society and development partners. This has been achieved through the crowding in climate finance for green investments at national and county levels; mainstreaming of climate and disaster risk screening for projects; strengthening of the capacity to mainstream climate change in national and county levels budgeting processes; rolling out coding, tracking and reporting of climate finance; undertaking a second national Climate Public Expenditure and Budget Review (CPEBR); and issuance of Kenya's first sovereign green bond.

Overall Program coordination and management resides in the National Treasury and Planning. A Program Implementation Unit (PIU) has been established to manage the program on a day-to-day basis and coordinates with the beneficiaries and key stakeholders. The program beneficiaries are responsible for selecting program support activities within the allocated budget, preparing terms of references and specifications as well as for managing the contracts. The PIU comprises of technical specialists who are responsible for procurement, financial management, monitoring and evaluation, safeguards and fiduciary oversight.

2. OBJECTIVE OF THE ASSIGNMENT

The main objective for this assignment is to develop an Environment and Social Risk Management Manual and carry out training to Counties on the Manual.

2.1 Specific Objectives of the Assignment

The specific objectives of the assignment are as following:

1. Prepare an Environmental and Social Risk Manual for the Program
2. Consult with the PIU, the Council of Governors, the Counties representative on this Program and the World Bank on the draft Environmental and Social Risk Manual. The manual should be easy to use at the County level.
3. Develop guidelines for the FLLOCA program to be used to accurately predict and establish environment and social risks associated with the program.
4. Provide the basis for the development of environment and social risk management systems for each county under this program depending on the specific context.
5. Guide the counties on the process of identifying and mitigating environment and social risks and impacts relating to the program.
6. Operationalize the ESSA.
7. Train the County focal points on the environmental and social, other relevant staff of the Counties and the national government agencies on the Environment and Social Risk Management Manual.

2.2 The ESSA Scope and Methodology

The Environment and Social Systems Assessment (ESSA) for the Locally Led Climate Action has been undertaken to ensure consistency with six “core principles,” outlined in the World Bank’s Operational Policy 9.00 and Directive – Program-for-Results Financing – set out core principles and planning elements used to ensure PforR operations are designed and implemented in a manner that maximizes potential environmental and social benefits while avoiding, minimizing or mitigating potential negative impacts. The ESSA was developed to effectively manage environmental or social effects to strengthen the performance of the program. The ESSA has been undertaken by Environmental and Social Development Specialists and consultants of the World Bank and examines Kenya’s existing legal, regulatory, and institutional framework guiding the program’s environmental and social management systems. It also defines measures to strengthen the systems and integrates these measures into the overall program.

The ESSA process included extensive stakeholder consultations, data collection from County Governments, and disclosure of the ESSA Report following the guidelines of the World Bank’s Access to Information Policy. Consultations with stakeholders indicated that there is a willingness to address gaps identified for the efficiency and effective application of the environmental and social management processes, and this feedback has been instrumental in designing and revising the program’s action plan.

It is in this regard that FLLOCA will be developing Environmental and Social Risk Management Manual (ESRM). The Manual is intended to describe and provide guidance to the Counties on the Environment and Social Risk Management processes that include the risks and impacts screening process, the Environment and Social Impact Assessment Process, Occupation Safety and Health Processes, Community Engagement Processes, Land Acquisition and Resettlement Processes, Contract Documents Review Process and Environment and Social Risk Mitigation Processes during Construction Phase. Also, the Manual will include simplified checklist for screening, preparation and supervision of sub-

projects identified by the Counties. The Consultant after developing the manual will train all the Counties and the National Government officers on the use of the manual. The manual will be important in training the Counties and institutions (County departments) to be responsible for managing environment and social risks and impacts.

3. TIMINGS OF THE ASSIGNMENT

The development of the training manual will be undertaken immediately the contract is signed with the National Treasury during the month of July 2020. The training sessions will be done from July to December, 2020.

4. DELIVERABLES

The key deliverables for the assignment are as follows:

Deliverable 1: Environmental and Social Risk Management Manual

- i. Develop Inception Report detailing:
 - a. Develop a time-defined proposal (including a work plan) of the methodology on how to undertake the assignment;
 - b. Proposed Manual Outline;
- ii. Draft Environmental and Social Risk Management Manual
- iii. Final Environment and Social Risk Management Manual.
Participants' training intervention and strategy;

Deliverable 2: Training Counties and selected national governments on the Environmental and Social Risk Management Manual

- i. Develop a draft training manual including facilitator's guide to accompany the training manual;
- ii. Finalize the report based on inputs from stakeholders;
- iii. Undertake participants training;
- iv. Submit Final Training Report;

- v. Submit Final Training Manual both in hard and soft copies as shall be agreed on by the parties.

5. REPORTING RELATIONSHIPS

The Expert will report to the Program Coordinator, FLLOCA.

6. DURATION OF THE WORK

The assignment is planned to take 5 (five) calendar months or such period as shall be determined by the parties.

7. PROFILE OF CONSULTANT

The Consultant should have a solid demonstrated experience working on environmental/safeguards management, climate change or related field, specifically, the consultant should have relevant expertise in the following key areas:

Qualifications of the Consultant

- A master's degree in environmental or social studies, or any other related discipline/field from a reputable institution;
- Over 10 (ten) years' demonstrated working experience in environmental and social safeguards assessment in Kenya or a related geographical region;
- Over 5 (five) years' demonstrated specific working experience on World Bank funded PforR projects/programs;
- Conversant with the National Environment and Climate Change Policies, EMCA Act, EIA institutional procedures, review and approvals in the country;
- Experience in the usage of computers and office software packages (MS Word, Excel, etc.) including use of virtual/online training tools and advance knowledge of spreadsheet.

Core Competencies

- Ability to develop manuals and guidelines;
- Good training delivery skills;
- Ability to produce high quality outputs in a timely manner while understanding and anticipating the evolving client needs;
- Good communication skills;
- Strong organizational skills;
- Ability to work independently.