

**Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) Project  
Implementation Support Mission – December 1-4, 2020  
Aide Mémoire**

**I. Introduction**

1. A World Bank Team<sup>1</sup> carried out a virtual Implementation Support Mission (ISM) of the Kenya Marine Fisheries and Socio-Economic Development Project, during December 1-4, 2020.
2. The Bank team held a kick-off meeting on December 1, 2020, with Prof. Micheni Ntiba, Principal Secretary (PS), State Department for Fisheries, Aquaculture and the Blue Economy (SDF&BE), Ministry of Agriculture, Livestock, Fisheries, and Cooperatives. The meeting was attended by County Executive Committee Members (CECMs) of the five participating counties—Kwale, Mombasa, Kilifi, Tana River and Lamu. Wrap-up and debriefing meetings were held with the National Treasury and PS Prof. Ntiba on December 4 and 9 respectively.

**Project Data**

Board Approval	March 10, 2020
Effectiveness Date	August 10, 2020
Closing Date of IDA Credit	March 31, 2025
IDA Credit Amount	EUR 89.1 million (US\$ 100 million equivalent)
Amount Disbursed to Date	US\$ 1.40 million

**II. Overall Status and Key Findings**

3. **Overall Project Implementation:** The Project Development Objective is to improve management of priority fisheries and mariculture and increase complementary livelihood activities in coastal communities. The mission reviewed implementation progress since the project’s August 10, 2020 effectiveness date. This Aide Memoire summarizes key mission findings and agreements reached (*see Annexes for action items, mission agenda, and list of persons met*).

**Key Project Ratings**

<b>Name</b>	<b>Current Rating*</b>
Progress towards achievement of PDO	Satisfactory
Overall implementation progress	Satisfactory
Component 1: Governance and Management of Marine Fisheries	Satisfactory
Component 2: Coastal Community Empowerment and Livelihoods	Satisfactory
Component 3: Project Management and M&E	Satisfactory
Financial Management	Satisfactory
Procurement	Satisfactory
Environmental and Social Safeguards	Satisfactory

\* All Project Ratings were Satisfactory during the initial June 10, 2019 review

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<sup>1</sup> The World Bank team was led by Banu Setlur (Task Team Leader, Senior Environmental Specialist) and included Henry Amuguni (Senior Financial Management Specialist), Tesfaye Ayele (Senior Procurement Specialist), Svetlana Khvostova (Senior Social Development Specialist), Lilian Kahindo (Senior Social Development Specialist), Michael Carroll (Natural Resources Management and Community Development Consultant), Dave Japp (Fisheries Consultant), Jason Rubens (Fisheries Co-management Consultant), Edwin Nyamasege Moguche (Financial Management Consultant), George Otieno (Social Development Consultant), and Wilma Wambui Mwai (Team Assistant).

## **Implementation Status**

4. A relevant benchmark of the project was the declaration of effectiveness, triggering a series of fiduciary and administrative requirements for smooth project implementation. Taking this into consideration, through the virtual discussions and presentations held during the mission, the Bank team conducted an overall assessment of implementation progress and readiness at both national and county levels. The mission noted that while several on-the-ground activities have experienced some justifiable delays (including due to COVID-19 related restrictions), significant progress could be verified in terms of project implementation readiness, in particular, the fulfillment of essential planning of key administrative and procurement procedures. Active participation of senior representatives during the mission from all participating counties, further demonstrated the dedication of leadership and commitment of counties to the project.

5. The Bank team focused on the status of establishing project governance and staffing structures at national and county levels, the functionality of administrative, managerial and fiduciary procedures, and the completion of procurement activities. In particular, the team reviewed status and procurement of TORs for the recruitment of priority YR-1 consultancies. The Bank team provided a contingent clearance of the 2020-21 Annual Work Plan and Budget (AWP&B) that was submitted ahead of the mission, and stressed on the importance to speed up procurement to ensure effective absorption of funds proposed for disbursement during the fiscal year. In addition, given the need to ensure compliance with the targets set against indicators as part of project design (results framework), timely acceleration in implementation of activities during the next six months was reiterated as being crucial. Accordingly, extensive discussions were dedicated to optimizing the planning of activities for Q3 and Q4 of the fiscal year (see *annex* on agreed key action items with timeline for completion as identified during the mission).

### **Component 1. Governance and Management of Marine Fisheries**

#### **Sub-component 1.1. Enhance Governance of Marine Fisheries and Blue Economy**

6. Good progress was noted in initiating activities for implementation in YR1 and beyond, and several priority activities that are familiar to the technical teams have now commenced (e.g., National Mariculture Resource and Training Centre/NAMARET), and other activities in the fiscal year sequencing should follow soon, e.g., compliance monitoring, Catch Assessment Surveys/CAS and frame surveys.

7. On status of consultancies, good progress is being made in drafting TORs and obtaining Bank no-objection. On pending TORs, the Bank team stands ready to provide support as needed. Target dates were agreed on contracting the consultants, as noted in the action plan *annex*.

8. Some priority consultancies that were discussed during the mission include: (i) contracting of a legal firm to support the development of governance instruments, which is a core umbrella consultancy that will serve as a backbone for other activities including Marine Spatial Planning legislation/MSP, national fisheries legislation and policies as well as local governance (see component 1.2 on co-management and Beach Management Units/BMU regulations relating to Joint Co-Management Areas/JCMAs); (ii) preparing the MSP is a time-sensitive and critical deliverable for Kenya, which will require the entire project period, and effective cooperation of the GoK with its partner in this activity, The Nature Conservancy/TNC is crucial. The mission stressed that the Bank team should be kept in the loop on the progress of this activity, including

sharing relevant reports, minutes from meetings, and the update on contracting of stakeholder engagement and communications consultancies; (iii) the Fishery Information Management System/FIMS consultancy is also expected to run through the duration of the project—the Bank will need to be updated regularly on progress and implementation of the consultancy contracts and progress thereafter; (iv) NAMARET has two key aspects: infrastructure development and related requirements; and specific consultancies. The GoK project team from Kenya Marine and Fisheries Resource Institute (KMFRI) submitted a detailed progress report ahead of the mission and provided extensive updates—the Bank team is actively engaged on this aspect and will the guide way forward; (v) On the socio-economic assessment of the priority fisheries and their economic importance, the GoK team had undertaken several related technical studies under its PPA funding. The Bank team has advised that the related TORs will need to be clearly articulated and contextualized with regards to priority fisheries in relation to the objectives of the KEMFSED, before submitting to the Bank for no-objection; and (vi) the Bank has provided no-objection on several other TORs on Stock Assessment, and National Plans of Action for priority fisheries/NPOAs, and procurement of these consultancies should be expedited.

9. There is some uncertainty on the illegal, unreported and unregulated/IUU NPOA and how the GoK team plans to engage with TNC in relation to relevant activities to be implemented under the KEMFSED as per project design. The GoK team has been requested to provide clarity with a plan of action on this activity that is of considerable national and international significance.

### **Sub-component 1.2. Improve Management of Nearshore Fisheries**

10. Progress has been made on the preparation of TORs for consultancy support to two key channels of work under this sub-component: (i) revision of, and training on, co-management governance instruments; and (ii) JCMA establishment and implementation. It has been agreed to remove support on the revision of BMU Regulations from consultancy #i since the GoK has made independent progress in this regard, outside of KEMFSED. Agreement on the geographic scope of four target areas for consultancy #ii is near-final, with ongoing discussions between the national government and the five project counties, and the Bank is expected to provide a no-objection on both consultancies as per the agreed action plan so that procurement can be initiated in January 2021. The first National Project Steering Committee/NPSC meeting was convened on December 18, 2020. Accordingly, the GoK team will proceed with initiating periodic technical meetings with CECMs and Fisheries Directors, and with county BMU networks, to ensure that those key players at county and community level are well-informed and well-placed to guide and participate in implementation of all component activities, including above-mentioned channels of work, with technical support from the two consultancies.

### **Sub-component 1.3. Infrastructure Development for Fisheries Management**

11. Noteworthy progress has been made on the prior review contract of a design and construction supervision consultant for the fisheries building to be constructed in Nairobi (Uvuvi House). The GoK team awarded the contract on December 9, 2020, and implementation of this important consultancy will commence shortly. The Bank team reiterated the importance of having the required expertise in place to ensure smooth implementation of the consultancy, including coordinating with relevant departments e.g., public works.

12. With respect to NAMARET, the mission was encouraged to note that construction of other elements of the facility (laboratory and offices) funded directly by GoK are well advanced, and has requested periodic progress reports to be submitted to the Bank. The Bank will further discuss with the GoK team any pending issues related to the finalization of TORs for the associated consultancies so that procurement can be initiated early in 2021. The upgrading and renovation of eligible county infrastructure will be subject to findings and recommendations from a scoping and feasibility study to be undertaken during year two of the project before implementation can begin.

13. It was agreed that a joint virtual follow-up monthly progress meetings on Component 1 would be conducted beginning January 2021, organized by the national project coordinating unit/NPCUs Component 1 Coordinator, with participation of relevant national and county representatives and Bank team members.

## **Component 2. Coastal Community Empowerment and Livelihoods**

14. Component 2 is aimed at supporting coastal communities in improving overall livelihoods and living conditions through the implementation of productive, environmental, and social subprojects. As such, direct engagement with communities requires the development of detailed procedures and institutional arrangements to ensure the support provided is relevant, viable, technically sound and transparent.

15. Satisfactory efforts have been made by the GoK team to establish the necessary governance and technical structures for the implementation of the component, particularly within participating counties. The engagement of senior county authorities and technical staff in the mission, the detailed activities and budgets included in the AWP&B, and the significant progress made regarding staffing and the formal participation of the Strategic Partners in the project, indicate an acceptable level of preparedness for implementation of the component. The timely implementation of planned activities during the Q3 and Q4, including the staff and community mobilization and training required to advance the interim phases of the subproject cycle, will be instrumental to compensate for initial delays and maintain component progress at a satisfactory level.

### **Sub-component 2.1. Enhance Coastal Community Livelihoods**

16. This subcomponent comprises the direct delivery of productive, environmental, and social subprojects to eligible fisher and farmer communities in the project area. Given the various steps within the subproject cycle prior to the approval and financing of community proposals (as described in the Project Grant Manual/PGM), actual delivery of subprojects was not planned during YR1 of the project. As such, the result indicators for the component were not expected to show any progress. However, for the targets of the subcomponent to be met in subsequent years, considerable preparatory work is required during the current FY.

17. The Bank team noted encouraging progress on several key activities, including engagement of the NPCU in component activities, readiness and commitment of counties, and implementation of procurement procedures aimed at acquiring the human resources and equipment needed to implement the various tasks of the subproject cycle. Most relevant are the recruitment of technical advisers to support the component in each county, and the selection of the consultant responsible to conduct the training of county staff (extensionists and field workers) in the participatory integrated community development/PICD methodology, both of which are in advanced stages of

implementation. In this respect, the mission recommended that highest priority be given to the contracting of the PICD consultant, and requested that the CV of the selected candidate, and subsequent inception report, be shared with the Bank team for comments.

18. Similarly, the progress made in the last six months with regards to the engagement of private enterprises (Strategic Partners/SP) through the completion of the required due diligence and the development of the respective MOUs, suggests that preparation of a number of subprojects within SP outgrower groups could be completed prior to June 2021, given: (i) the higher level of preparedness and organization of outgrower communities; (ii) the commitment of SP management and field staff to undertake the preparation of subprojects; and (iii) the existence of needs assessments and social/environmental responsibility programs within the operation of each SP.

19. Based on the above considerations, consistent progress in all activities related to Component 2 during the next six months is essential. In order to support the implementation of planned activities during the Q3 and Q4 of the FY, it was agreed that a realistic interim plan of activities related to the subproject cycle would be prepared by the NPCU and submitted to the Bank for review by mid-January. It was also agreed that a joint follow-up on progress of the plan would be conducted through virtual monthly meetings organized by the NPCUs Component 2 Coordinator, with participation of relevant national and county representatives and Bank team members. The first meeting has been scheduled for January 26, 2021, and subsequent meeting would tentatively take place on the last Tuesday of each month.

## **Sub-component 2.2. Support Services for Livelihood Enhancement and Capacity Development**

20. The implementation of community support activities within Component 2 of the project require the active engagement of county staff, especially extensionists, to support the various phases of the subproject cycle, including community awareness, group formation, subproject design and costing, and technical assistance during subproject implementation. For this, adequate and timely staffing, training, and equipping of county project implementation units/CPIUs and county field staff are fundamental.

21. In this respect, the mission noted that all counties and CPIU structures are well organized to address Component 2 implementation requirements, while additional staffing processes are well advanced, including the contracting of the two qualified technical assistants for each county. However, as noted in the Financial Management section below, it is crucial to resolve the administrative issues delaying the availability of funds for the NPCU to undertake the procurement of centrally purchased equipment, and to allow for the timely transfer of funds to the counties.

22. Addressing concerns raised by county representatives, the mission recommended that the NPCU together with CPIUs develop and implement a public information campaign at community and county level to resolve potential misinformation and false expectations regarding KEMFSED scope and activities. If timing allows, this activity could be implemented jointly with the proposed project mini launch (see component 3 below), provided the launch can be scheduled for early in 2021, otherwise it would be more appropriate to prioritize the information campaign.

23. Regarding the engagement of KEMFSED's initial group of four Strategic Partners, representatives of the private enterprises participated in the mission and provided detailed presentations of their expected contributions to project objectives (*see PPT included as an Annex*).

These presentations focused on the approved innovative projects to be implemented by SPs with KEMFSED funding. These projects, described in the respective MOUs, are aimed at accelerating expansion plans to allow them to engage a larger number of households in project activities, as well as undertaking social and environmental initiatives relevant to KEMFSED priorities. The mission was informed by SPs that implementation of some of their innovative projects were already initiated using their own funds, a commendable decision that should contribute to overall project progress assessment during the next mission. In support of this, the mission strongly urged the NPCU to expedite the signature of the MOUs, and to engage with the SPs to make the necessary arrangements for the reimbursement of eligible expenditures of the ongoing SP projects. The mission requested that copies of the signed MOUs are shared with the Bank.

24. In response to clarifications requested by county representatives, it was reconfirmed that future expansion of productive partnerships would be positive for the project. As such, additional enterprises could be added during starting the second year of project implementation, subject to the following: (i) the overall performance of the current pilot phase by the four initial SPs; (ii) potential candidates would meet the eligibility criteria as highlighted in the PGM; and (iii) candidates would undergo the appropriate due diligence process in a satisfactory manner, as was conducted with the existing SPs.

25. Regarding community subproject implementation, it was agreed that the preparation of TOR for the independent technical audit of subprojects, as included in project design, would be temporarily postponed until subprojects are underway, as well as awaiting the agreed consultations with relevant parties to identify means to ensure harmonized roles, instruments, and procedures consistent with the PGM for subproject accountability and transparency (including the Social Audit proposed by Internal Auditors).

### **Component 3. Project Management, and Monitoring and Evaluation**

26. In general, progress in project management activities is also assessed as satisfactory, mainly due to the achievements reached in terms of NPCU and CPIU staffing, the preparation of the detailed first AWP&B 2020/21, the overall performance of fiduciary functions, and the acceptable advancement in the procurement process leading to YR1 consultancies, key project related infrastructure, and the required equipment to support project implementation. Also worth highlighting are the active engagement and ongoing support of the SDFA&BE PS to the project, the dedication of the newly appointed Project Coordinator, and the decision to strengthen the NPCU with an experienced advisor on technical and managerial matters. The need to urgently convene the governance bodies of the KEMFSED was discussed during the mission. The National Project Steering Committee/NPSC is constituted and its first meeting was held on December 18, 2020, when the 2020-21 AWP&B was approved, among other aspects as stipulated by the Project Implementation Manual/PIM (Minutes will be shared with the Bank). As discussed during the mission, Project Technical Advisory Committee (PTAC) and the County Project Steering Committees (CPSC) will be constituted and convened early next year.

27. As part of the functions of the project management structure, both at national level and counties, two critical activities requiring expedited actions are the establishment of the M&E system and the development of the Training Plan. For M&E, recruitment of a qualified consultant is underway, to coordinate all aspects of this critical part of the project and the subsequent development of the system itself, involving software development and functionality within the NPCU and adequately linked with the individual M&E units in each CPIU. Considering any

potential delays in recruitment of the consultant in a timely manner, the mission recommended the establishment of a simple excel spreadsheet system as an interim and immediate measure, to ensure efficient recording and documentation of all completed and ongoing activities.

28. Similarly, the preparation of an annual training plan was agreed at project appraisal as an instrument to ensure adequate planning and coordination of the multiple training activities across components that were included in project design, while also contributing to simplify the Bank clearance process of training events. As elaboration of the first training plan will require the identification and secondment to the project of a qualified training coordinator, it was agreed that an interim training plan covering the remainder of the FY would be prepared by the NPCU and submitted to the Bank for review by January 31, 2021.

29. Other specific tasks under the responsibility of project management are described under Components 1 and 2, as well as the fiduciary and safeguards sections of this aide mémoire.

### **Financial Management and Disbursement**

30. The mission was informed that the application to the NT for authorization of the project to open a commercial bank account at the NPCU to mitigate the risk IFMIS system downtime resulting to low absorption was rejected. The GoK team will provide NT with additional justification on the nature of project activities, as has recently been done for similar Bank projects.

31. Based on approved budget and funds received this FY, it was noted at the time of the mission that funds are not being absorbed as anticipated and this presents a risk of not utilizing the available funds this FY. The Bank team reiterated the critical importance of future funding-related repercussions from lack of timely absorption. The GoK team was advised that in order to enhance budget performance, the technical, procurement and finance teams should review the current budget for realism and ensure full absorption by end of the financial year.

32. The Bank team provided clarity during the mission on Government counterpart funding, including at the wrap up meeting with NT. As was agreed during the mission and for further reference, the December 14, 2018 *General Conditions for IDA Financing* was shared with the GoK team. Specific reference is made to Article V Section 5.02 of the General Conditions that requires Government to provide counterpart funds to cater for expenditure that is not eligible for funding from IDA resources or to meet any funding shortfall that may arise during project implementation. It was also clarified that the PPA (closed November 30, 2020) also received counterpart funding based on the above, and did not include any prescriptive clause in the legal agreement mandating Government to contribute counterpart funds. Inclusion of provision of counterpart funding in a project financing agreement has restrictive conditions that may negatively impact a project. Relevant members from the GoK teams will meet with NT to resolve the matter.

33. The PPA period ended on November 30, 2020, and is awaiting closure and transfer of balance. To facilitate this and allow access to the IDA Credit, the Bank team reminded the NPCU to ensure documentation of all pending PPA expenditures.

34. In order to enhance financial performance, the fiduciary staff of both NPCU and the five CPIUs will be trained on project financial management arrangements, among others.

35. Whereas the project has submitted to the Bank an interim financial report/IFR on September 30, 2020 via email, submission through Client Connection is still pending. It was agreed that the IFR will be submitted through client connection once the project consultant gains access. The submission of the PPA Audit report for the FY ended June 30, 2019 to the Bank is overdue, and the GoK team was reminded to submit the report to the Bank in compliance with the FA. The internal audit team is required to conduct annual fiduciary reviews and share the report with the Bank within two months after completion—this was also discussed during the mission.

36. To enhance oversight at the community level, NT's Social Audit and Integrity Committee/SAIC are expected to carry out social audits. To facilitate this, capacity building and handholding sessions for the SAIC will be conducted to enable the common interest groups/CIGs and community based organizations/CBOs conduct the audits.

Overall, the project financial management performance during this ISM is rated as Satisfactory.

## **Procurement**

37. Since the project implementation is at the early stage of implementation, performance records are not achieved as yet. It is noted that the various required project implementation structures are in place and staffed, including the NPCU and CPIUs, who participated in the mission. The NPCU and CPIUs procurement specialists/consultants also participated in the mission. The project's first 18 months for 14 procurement activities are planned in STEP and cleared by the Bank. Their implementation is at different stages while some slow action is observed. Some of the procurement processing time could be reduced if the decision makers' respond in a timely manner as defined in PIM, and all actors are committed to same. The CPIU's Procurement Plan will need to be submitted in STEP once the team is registered and gain access to STEP. The NPCU procurement consultant will provide STEP training to CPIU staff and the Bank team stands ready to provide support.

### 38. Recommendations:

- Procurement process lead times can be reduced with well-established business delivery standard and commitment by all actors. The mission team advised the GoK team to have such charter and to have that monitored by the NPSC.
- Advance preparation of TORs, schedule of requirements and procurement documents will expatiate the procurement process significantly. The NPCU is advised to undertake these activities swiftly. The Bank team guided the NPCU that preparation of TORs, schedule of requirements, technical specifications, designs, scope of works, etc., are purely technical in nature and should be prepared by subject matter experts, while information on how to enter this information in procurement documents would be guided by procurement specialists. The challenge of evaluation committee members not being available can be reduced by assigning reserve evaluation panel members to step in if any evaluation team member is unavailable. Unavailability of evaluation committee members can also be enhanced by training a pool of evaluation committee members on proposals/bids, EOIs evaluation techniques, etc.
- The Bank team further discussed and agreed that procurement milestones for major activities will be monitored using a separate monitoring excel file that will be shared with the Bank on a monthly basis. The NPCU will share the monitoring form with Bank in January 2021.
- The Bank team further explained the importance to refer to and use the latest procurement documents which are accessible on the Bank's external website or in client connection.



- Once the relevant CPIU staff are registered in STEP, the NPCU procurement consultant will train them on the use of STEP and other basic Bank-financed procurement procedures.

Overall, the project procurement performance during this ISM is rated as Satisfactory.

## **Environmental Safeguards**

39. This is a project implemented under World Bank Safeguards Policies, with assigned EA Category B. The specific World Bank environmental safeguards policies triggered are OP4.01 (Environmental Assessment), OP 4.04 (Natural Habitats), OP 4.36 (Forests), and OP 4.11 (Physical Cultural Resources). During preparation, the project prepared and disclosed two safeguards documents: a project ESMF, and an ESIA for Construction of KMFRI Marine Hatchery and Laboratories at Shimoni in Kwale county.

40. Environmental Safeguards Specialist: The activities commenced by the project were observed to be in compliance with the safeguards policies. At the time of the mission the NPCU was still awaiting hiring of the environmental safeguards specialist at the national level, with the specialist expected to be onboard by end of January 2021. Once onboard, the specialist will conduct a review of the ESMF in order to align it to the current format of the project design. This exercise is scheduled to be completed by March 10, 2021.

41. In addition, the specialist together with the CPIUs will develop and implement a training and sensitization plan to ensure timely and satisfactory application of the ESMF, including screening and assessment tools and utilization of the grievance redress mechanism/GRM. The specialist will also be part of the team developing Communications Plans with the view of incorporating environmental sustainability elements into the communications tools.

42. The mission noted the need for COVID-19 prevention protocols to be mainstreamed into project implementation, ensuring compliance with the national, World Bank and WHO protocols. This is especially relevant for any stakeholder engagement efforts, and the GoK was encouraged to apply the World Bank technical note on “Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings”, and for any upcoming civil works, where the project will utilize the ESF interim note for “COVID-19 considerations in construction and civil works projects”. These documents were shared with the GoK team following the mission. The Bank team stands ready to provide support as needed.

43. The project has identified the following environmental safeguards instruments to be developed going forward: (i) an update of the ESIA for NAMARET, which will be adjusted based on the latest design needs (before June 2021); (ii) ESIA for UVUVI house (as part of the consultancy which was notified of contract award on December 9, 2020); and (iii) ESIA for upgrading/renovation of the County Fisheries offices.

44. The Bank team clarified that although a Category B project, for substantial civil works, having an ESIA or ESMP developed by the same entity working on the project design is not an optimal form of assessment, without a significant reason for doing so. Best practice to have ESIA's done by an independent entity or have an independent review conducted by the design consultants. The NPCU is encouraged to include into budget for costs of environment and social due diligence upfront, including requirements for monitoring of each subproject implementation.

## **Social Safeguards**

45. Social safeguards focus is the development of an effective environment and social risk management system. World Bank social safeguards policies triggered are: OP 4.01 (Environmental Assessment), OP 4.12 (Involuntary Resettlement), OP.4.11 (Physical Cultural Resources) and OP 4.10 (Indigenous Peoples). Given the project investments, there is also need to ensure that gender based violence/GBV, sexual exploitation and abuse/SEA, and a gender strategy is also applied.

46. Key achievements noted during this monitoring period is the timely hiring and effective onboarding of a social safeguards specialist consultant, who is already engaged with the Bank to develop a comprehensive and culturally appropriate social risk management for the project. The GoK team developed the required social safeguards instruments during project preparation, which are publicly disclosed, including a Resettlement Policy Framework/RPF and a Social Assessment.

47. Some issues identified during the mission are: (i) need for social safeguard issues to be streamlined into project work plan—E&S safeguards trainings to ensure their alignment with project components and the training plan. If/when OP4.12 is triggered, effective involuntary resettlement and restriction to access to natural resources will be implemented with guidance from the Bank team. A Vulnerable and Marginalized Groups Plan/VMGP will be developed as a simple implementation plan that will define and provide clear guidance on how VMGs will be integrated into component 2 activities of CIG formation, public consultations, culturally use of appropriate GRMs, local language, etc., to ensure their inclusion and benefit from project activities.

48. During the mission, the GoK team suggested the need for a social audit. With the development of a robust E&S safeguards system, it was discussed if there is a need for a separate social audit (conducted by NT's SAIC), also given that the project has a GRM strategy and a Stakeholder/Citizen engagement strategy to be developed. However, and as noted in the FM section above, the Bank's social and FM teams will engage with the GoK team to better understand the social audit proposed for this project and share findings and proposed way forward.

49. As noted in the environmental safeguards section, the Bank will provide necessary information on COVID-19 measures that can be included during project implementation.

50. Given the nature of the project and its projected impact on the communities along the coast, there is need to ensure that stakeholder engagement in the project are inclusive and are aware of the specific needs and interests of VMG as spelt out in OP 4.10. A social assessment has identified VMGs/IPs in the region (that include the Watha, The Sanye, The Wakifundi and the Watswaka) and project implementation is required to pay particular attention to their specific needs as well as cultural heritage, and ensure beneficiation if their cultural heritage warrants that.

51. The Bank team stressed on the need to develop and maintain sound environment and social management practices and an Environmental and Social Management System (ESMS) that is commensurate with the E&S risks profile of the portfolio financed by the Bank. The Bank team will monitor performance indicators to ensure clarity on performance criteria.

Overall, the project environmental and social safeguards performance during this ISM is rated as Satisfactory.

## Annex 1: Summary of Agreed Actions with Timeline

ACTION ITEMS		RESPONSIBILITY	AGREED DEADLINE
<b>Component 1</b>			
1	Progress actions related to MSP and NAMARET	NPCU with CPIUs and KMFRI	Immediate and ongoing
2	Uvuvi House consultancy for design and construction supervision signed on December 11. Ensure required expertise to oversee implementation of contract	NPCU	Immediate and ongoing
3	Obtain World Bank no-objection on TORs for procurement of priority individual and firm consultancies	NPCU	Immediate and ongoing
*See separate sheet further below listing actions and timeline for specific consultancies			
<b>Component 2</b>			
4	Signature of tripartite MOUs with four strategic partners (SP) by all Parties Submission of signed MOUs to WB	SDFA&BE, Counties and SP NPCU	January 15, 2021 January 20, 2021
5	Launch implementation of SP innovative sub-projects described in MOU (including reimbursement of expenses)	NPCU with SPs	January 15, 2021
6	Contract and deploy County Technical Assistants (2 per County)	CPIUs	January 31, 2021
7	Prepare list of interim targets for sub-project cycle activities (Jan-Jun 2021) for submission to WB and further inclusion in first Project Progress Report	NPCU (Component 2 coordinator)	January 31, 2021
8	Submit Participatory Integrated Community Development (PICD) Workplan (Inception Report) for WB review	NPCU	January 31, 2021
9	Harmonize roles, instruments, and procedures to ensure sub-project accountability and transparency (including Social Audit proposed by Internal Auditors) consistent with PGM	NPCU with WB	March 30, 2021
10	Develop and implement Project information and awareness campaign at county and community levels, to address potential mis-information and false expectations	NPCU with CPIUs	January 2021
11	Undertake Monthly Component 2 check-in meeting (last Tuesday of each month)	NPCU (Component 2 coordinator), CPIU coordinators, and WB	January 26, 2021
<b>Component 3</b>			
12	Approval of AWP&B (contingent based on minor edits)	WB	December 4, 2020
13	Submit to WB letter on establishment of National Project Steering Committee (NPSC) Share Minutes of NPSC meeting held on Dec. 18, 2020	NPCU NPCU	December 14, 2020 January 15, 2021
14	Constitute and convene first County Project Steering Committee (CPSC)	CPIUs	February 18, 2021
15	Constitute Project Technical Advisory Committee (PTAC) and conduct first meeting	NPCU	February 25, 2021
16	Submit to WB full NPCU & CPIUs staff listing (including combined list)	NPCU	December 31, 2020
17	Finalize selection of NPCU M&E Specialist	NPCU	January 31, 2021
18	Identify and second Project Training Coordinator	NPCU	January 31, 2021

19	Prepare and submit for WB review, interim Project Training Plan for activities to be conducted through June 30, 2021 (covering all components)	NPCU (Component Coordinators) with CPIUs	January 31, 2021
20	Submit first Project Progress Report	NPCU	February 15, 2021
21	Prepare and submit to WB 5-year Project Training Plan	NPCU with CPIUs	March 31, 2021
22	Establish M&E System (interim excel system until MIS system is established and functional)	NPCU (Training Coordinator)	March 31, 2021
23	Conduct Project virtual mini-launch	SDFA&BE	Jan/Feb 2021
24	Transfer funds to CPIU accounts	NPCU with NT	January 31, 2021
25	Contract NPCU Chief Technical & Managerial Advisor	NPCU	Ongoing
<b>Environmental and Social Safeguards (E&amp;S)</b>			
26	Finalize hiring of environmental safeguards specialist for NPCU	NPCU	January 31, 2021
27	Conduct a review of Project ESMF and align it to current format of project design	NPCU – ENV safeguards specialist	March 10, 2021
28	Assess staffing at CPIUs and ensure coverage (existing or newly hired specialists) to have relevant E&S expertise	WB	January 31, 2021
29	Confirm training and sensitization schedule for NPCU and CPIUs on Component 2 sub-project E&S due diligence required as per the ESMF; including on: - Inclusion of E&S elements into procurement of works contracts - Requirements for screening, monitoring and reporting (including GRM monitoring and immediate incident notifications)	NPCU with WB	February 15, 2020
30	Review inclusion of E&S due diligence into planning and budgeting for subprojects with works (ESMF budget is indicative and will require activity-level review to ensure adequacy for compliance with E&S requirements)	WB with NPCU	February 28, 2021
31	Link the social safeguards due diligence activities with the component 1 and 2 activities (including Stakeholder Engagement Plans/SEP and the GRM)	NPCU with WB	Ongoing
32	Ensure consideration and inclusivity of VMGs when communication, SEP and GRM are being developed	NPCU with WB	Ongoing
33	Address WB July 6, 2020, comments and submit revised TORs for communications strategy, citizen engagement	NPCU	December 11, 2020
34	Provide information and clarity as regards the social audits	WB	December 12, 2020
35	Share examples of COVID-19 prevention protocols (other WB projects, WHO guidelines)	WB	December 12, 2020
36	Establish COVID-19 prevention protocols/SOPs for Project	NPCU with CPIUs	January 23, 2021
37	Draft TORs for Gender strategy, GBV and SEA and ensure project staff at all levels and communities are trained	NPCU with CPIUs	January 31, 2021
<b>Procurement</b>			
38	Proceed in procuring consultancies that are cleared by WB	NPCU	Immediate
39	Provide STEP training to CPIUs	NPCU and WB	February 8, 2021
40	Take action item * listed under Component 1; prepare an excel file listing consultancies and procurement milestones for each, i.e., including steps and timeline for signing of contract	NPCU procurement specialist with Project Coordinator and	January 20, 2021 To be submitted on monthly basis during

	-This consultancy procurement monitoring file to be updated on a monthly basis and submitted to the Bank	Component 1, 2 and 3 leads	last week of each month starting February 2021
<b>Financial Management</b>			
41	Submission of the PPA Audit report for the FY ended June 30, 2019	NPCU	Immediate
42	Application to NT for an NPCU commercial bank account to mitigate the risk during systems downtime resulting in low absorption	NPCU	Ongoing
43	Authorization of access to client connection on IDA credit 65400-001 (P163980)	NPCU/WB	December 15, 2020
44	Technical, procurement and finance teams to review once again the current budget in preparation for supplementary budget for realism to ensure absorption by end of the FY	NPCU Team (Component Leads)	December 31, 2020
45	An agreed GoK counterpart funding to be provided at an agreed % of approved project costs as in the case of closed PPA	NPCU with NT	March 31, 2021
46	PPA period ended November 30, 2020—awaiting closure and transfer of balance	NPCU with WB	December 31, 2020
47	Documentation of all PPA expenditure	NPCU	December 31, 2020
48	Fiduciary staff deployed to both NPCU and the CPIUs to be trained	WB with NPCU	June 30, 2021
49	Submission of September 30, 2020 IFRs through Client Connection	NPCU	December 10, 2020
50	Submission of the Fiduciary Report	NPCU	June 30, 2021
51	Capacity building and handholding of SAIC to enable the CIGs/CBOs conduct the social audits.	NPCU	March 31, 2021

## Annex 1 contd. Status of Consultancies

<b>Component 1 - Consultancies</b>		<b>Status</b>
1.	TOR for fisheries and mariculture related policy and regulation review	WB provided comments (agreement was reached to remove Beach Management Unit (BMU) Regulations—need to confirm in final version)  GoK to share final version for WB no-objection; then proceed to procurement
2.	TOR for development of FIMS and its operationalization a) TOR for Consultant to provide technical back-stopping for development and upgrading the FIMS at National and County HQ b) TOR for Consultant to provide IT expertise to develop and upgrade the FIMS at National and County HQ	WB no-objection provided November 16, 2020 (Fisheries Information Management System/FIMS)  GoK to proceed in procuring Consultants
3.	TOR for development of NPOA (for the conservation and management of Sharks, Seabirds and Sea turtles)	WB no-objection provided October 5, 2020 (NPOA)  GoK to proceed in procuring a Consultant
4.	TORs to support MSP in Kenya a) MSP Stakeholder Engagement Specialist b) MSP Communications Specialist	WB no-objection provided November 27, 2020 (Marine Spatial Planning/MSP)  GoK to proceed in procuring Consultants
5.	TOR for development of comprehensive framework to inform the development and implementation of MSP	GoK to provide clarity by January 23, 2021
6.	TOR for undertaking an EEZ-wide SEA for MSP	GoK to draft TOR and submit to WB for review and no-objection, before procuring to procure the Consultant
7.	TOR for TA for stock assessment of priority fisheries	WB provided contingent no-objection on December 1, 2020 GoK to share final TOR with WB and then proceed in procuring a Consultant
8.	TOR for socio-economic valuation of priority marine fisheries	Draft submitted to WB for review in November 2020. GoK agrees to prioritize other assignments and defer this YR2
9.	TOR for co-management governance instruments and training	TOR close to finalization—WB no-objection to be provided in December
10.	TOR for to development of joint co-management areas (JCMAs) plans	WB provided contingent no-objection, subject to reaching a final agreement on target areas and including in the TOR. NPCU to discuss with CPIUs and convey decision to WB this month/Dec. Revised TOR to be submitted to WB for no-objection; following this, GoK to proceed in procuring a Consultant
11.	TOR for preparation of an ESIA for NAMARET	GoK/NAMARET team to update the June 10, 2019 WB approved ESIA for “Marine Hatchery and Laboratories at Shimoni”, to include additional infrastructure-related information in the report (e.g. Training and Resource Center). ESIA sections to be updated e.g., include description of additional/new infrastructure; ESMP for training and resource center building, etc. - After WB no-objection, GoK to proceed with procuring the Consultant.
12.	TOR for hatchery training specialist for NAMARET	Revised TOR submitted by GoK on November 29, 2020—under review by WB
13.	TOR for reviewing architectural designs of NAMARET center	WB reviewing November 28, 2020 GoK revised report; including TORs
<b>Component 2 - Consultancies</b>		<b>Status</b>
14.	TOR for Training on Participatory Integrated Community Development	WB no-objection provided October 26, 2020

## Annex 2: Agenda – Implementation Support Mission

Date	Time	Activity	Participants
<b>Day 1</b>			
Tuesday, Dec 1	14:00 – 15:00	Courtesy call - PS SDFA&BE; (Set the expectation for the mission)	PS SDFA&BE, CECMs in Charge of Fisheries from Participating Counties, World Bank, Ag Fisheries & Blue Economy Secretary, Director General KeFS, Director KMFRI, CoG, IGS-JASCOM Coordinator, County fisheries chief officers, NPCU, CPIUs
	15:00 - 16:00	Project Overview	NPCU, Participating Counties, World Bank
	16:00 – 17:00	Discussions	
<b>Day 2</b>			
Wednesday, Dec 2	14:00 – 16:00	Component 1: – Action Items and Timelines – Discussions on Status	NPCU, Participating Counties, World Bank
	16:00 – 17:00	Component 2: – Action Items and Timelines – Discussions on Status	NPCU, Participating Counties, World Bank
	17:00 – 18:30	Component 2: – Strategic Partners (Briefs from SPs; general agreements; adaptation of PICD methodology to communities working with SP, discussions)	NPCU, Participating Counties, World Bank; Strategic Partners
<b>Day 3</b>			
Thursday, Dec 3	14:00 – 15:30	Component 3: – Action Items and Timelines – Discussion on Status	NPCU, Participating Counties, World Bank
	15:30 - 16:30	Financial Management & Disbursement	
	16:30 - 17:30	Procurement	
	17:30 – 18:30	Environmental and Social Safeguards; World Bank corporate Commitments	
<b>Day 4</b>			
Friday, Dec 4	15:00 – 16:00	Wrap up with PS- National Treasury	NT, World Bank, NPCU
<b>Day 5</b>			
Wednesday, Dec 9	15:00 – 16:00	Wrap up meeting with PS, SDFA&BE	PS, World Bank, NPCU

### Annex 3: Mission Participants

NAME	DESIGNATION
<b>National Treasury (NT)</b>	
Mrs. Winnie Mwalimu	Principal Resource Mobilization Officer
Mr. Patrick Macharia	Principal Economist
<b>National Government (SDF&amp;BE, KeFS, KMFRI)</b>	
Prof. Micheni Japhet Ntiba	Principal Secretary, SDF&BE
Mrs. Lucy Obungu	Ag. Fisheries and Blue Economy Secretary
Mr. Daniel Mungai	Director General, Kenya Fisheries Service
Dr. Jacob Ochiewo	Representing Director KMFRI
Mr. Sephone Ombachi	Deputy Chief Finance Officer
Ms. Beatrice Nyandat	Project Coordinator
Mr. Kennedy Shikami	Component 2 Lead
Mr. Benedict Olwenyo	Financial Management Consultant
Mr. John Mugo	Procurement Consultant
Ms. Elizabeth Mueni	Component 1 Lead; 1.1 Governance
Ms. Mwaka Barabara	Mombasa Project Office Coordinator/ Sub- Component 1.2
Mr. Benedict Kiilu	Sub-Component 1.1 MCS
Dr. Jacob Ochiewo	Sub- Component 1.1 Socio-economics
Dr. Jacqueline Uku	Sub-Component 1.1 MSP Secretariat Lead
Dr. James Mwaluma	Component 1.3 Infrastructure - NAMARET
Dr. Gladys Okemwa	Component 1.1 Research
Mr. Stephen Ndegwa	Sub-Component 1.1 FIMS
Mr. Lazarus N. Kubasu	Social Safeguards Specialist
Mr. Susan Imende	Technical & Managerial Advisor

<b>KILIFI COUNTY</b>	
Hon. Luciana Suanzua	CECM Agriculture, Livestock and Fisheries
Dr. Stephen Mwakiti	Chief Officer in charge of Fisheries
Ms. Lucy Kapombe	Project Coordinator
Mr. Marcel Oduor Otieno	Environmental and Social Safeguards Specialist
Mr. Abdul Majeed	Social Safeguards Specialist
Mr. Andrew Kithi Kombe	Procurement Specialist
Mr. Jacob Kalama Mwango	FM Specialist/Project Accountant
Mr. Ruwah Phelister Pili	Auditor
Mr. Agnes M. Mkazala	Statistics Officer
Mr. Maghanga Peter Mwandango	Assistant Accountant



Mr. David Bett	M&E Specialist
Mr. Eunice Sada Mwarandu	Communications Officer
Mr. Anthony Chai Ngala	Focal Point Agriculture
Mr. Mwatsuma Kitti Mwamuye	Focal Point Livestock
Mr. Sonia Kabibi Mumba	Focal Point Fisheries

<b>KWALE COUNTY</b>	
Hon. Joanne Nyamasyo	CECM Agriculture, Livestock and Fisheries
Mr. Samuel Bandari	Project Coordinator
Mr. Samuel Kuria	Environmental and Social Safeguards Specialist
Mr. Juma Rashid Ndeka	Procurement Specialist
Ms. Mwanasha Salim	FM Specialist
Mr. Juma Mwakare	M&E Specialist
Ms. Esther Binti Hamisi	Statistician
Mr. Christopher Ing'ala	Focal Point Fisheries
Ms. Merrifield Chombo	Focal Point Agriculture
Ms. Mwanahamisi Hamisi	Focal Point Livestock

<b>LAMU COUNTY</b>	
H.E Hon Abdulhakim Aboud Bwana	CECM Fisheries Livestock and Crop Development
Dr Charles M. Gichohi	Chief Officer in charge of Fisheries
Mr Mohamed Athman Mohamed	County Project Coordinator
Mr Joseph Athens Onyango	Project Statistics Officer
Mr Benson Macharia Kirathe	County M & E Officer
Mr Leonard Wamugunda Njihia	County Environmental & Social Safeguards Officer
Mr Mohamed Omar Mohamed	County Project Accountant
Ms Husna Hassan Salim	County Auditor
Ms Mercy Njoki Ngengi	County Procurement Officer
Dr Duncan Mwakiwalo	Focal Point Livestock
Mr Adam Musa Adam	County Communication Officer/Videographer

<b>MOMBASA COUNTY</b>	
Hon. Tendai Mtana	CECM Agriculture Livestock Fisheries and Cooperatives
Ms. Rosina Wasoi Mwende	Chief Officer in Charge of Fisheries
Mr. C. Losepicho	Project Coordinator
Mr. Sadiki Mohamed Bakari	M&E /Statistics Officer
Ms. Amina Khamis Mtsomo	Environmental & Social Safeguards Officer
Mr. Abdi Abdul Sugow	Procurement Officer
Mr. Geoffrey Nyatuga Ochieng	Procurement Assistant
Ms. Fatma A. Mohamed	Accountant
Ms. Asha Juma Mlingo	Focal Point - Fisheries
Ms. Lorraine Wanjiku Mlamba	Focal Point – Crops
Mr. Justus Gicovi Ndwiga	Focal Point - Livestock
Ms. Susan Akinyi Okumu	Project Administrator

<b>TANA RIVER COUNTY</b>	
Hon. Mwanajuma Hiribae	CECM Lands, Agriculture, Livestock Production and Veterinary, Fisheries and Cooperatives
Mr. Kanchoru Golu	Chief Officer in charge of Fisheries
Mr. Evans Nyarango	County Project Coordinator
Ms. Neema Asha Ali	County Project Accountant
Mr. Bonaya Muatwa	County Procurement Officer
Ms. Amanda Habuya Korasu	County Monitoring And Evaluation Officer
Mr. Gatie Victor	County Environmental and Social Safeguards Officer
Mr. Yves Maua	Focal Point Fisheries
Mr. Joseph Swibe Muhiri	Focal Point Crops
Mr. Evans Juma	Focal Point Livestock


<b>Strategic Partners</b>	
Papu Haroon	Kilifi Moringa Estates
Jacob Katuva Daniel Kariuki Maina	Kutoka Ardhini
Almut van Casteren	Equator Kenya Ltd.
Justin Anniere	Crabs Alive Ltd.

Annex 4: Four Strategic Partners (Full Presentation in Project Files)


**KILIFI MORINGA ESTATES**

**THE  
(MORINGA)  
CIRCULAR  
ECONOMY**


**A SMALLHOLDER VALUE PROPOSITION  
FROM MORINGA BY-PRODUCTS**



SEED CYCLE



LEAF CYCLE



**KUTOKA ARDHINI LTD.**



## EQUATOR KENYA LTD.



# EQUATOR KENYA LTD



## CRABS ALIVE LTD.

A collage of images related to crab farming and hatchery. It includes a close-up of a crab's internal organs, a large pile of crabs, a view of a hatchery facility with rows of tanks, a close-up of a crab's shell, and a view of a crab farm with rows of tanks. The text "PIC" is visible in the bottom right corner of the collage.

### CRABS ALIVE SUSTAINABLE CRAB FARMING & HATCHERY

**Background & Activity**

CrabsAlive was started in 2013 by aquaculturist, Justin Aniere, and is located 20km North of Malindi on the Kenyan coast. The company's two products are hard shell mangrove crabs (mud crabs / *Scylla Serrata*) and soft shell crabs of the same species that are harvested during their molt. The organisations goal is to boost Kenya's underdeveloped aquaculture sector by establishing a commercial scale, sustainable hatchery with a hard and soft shell crab farming system that produces premium grade, high-value, crabs for both local (food service & tourism) and export markets (Japan, Europe, China, USA). The local and export market demand for both products has already been confirmed, and this initiative now seeks to increase the production of locally produced crabs to pursue aligned opportunities.

A close-up image of a crab with a large, bright orange mass of roe (eggs) attached to its underside.