Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 15-Feb-2023 | Report No: PIDC269121

BASIC INFORMATION

A. Basic Program Data

Country	Project ID	Parent Project ID (if any)	Program Name
Kenya	P179012		Kenya Water, Sanitation and Hygiene Program
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Does this operation have an IPF component?**
EASTERN AND SOUTHERN AFRICA	26-Jun-2023	07-Nov-2023	Yes
Financing Instrument	**Borrower(s)**	**Implementing Agency**	**Practice Area (Lead)**
Program-for-Results Financing	The National Treasury	Ministry of Water, Sanitation and Irrigation	Water

Proposed Program Development Objective(s)

increase access to water and sanitation services, eliminate open defecation and improve the financial performance of water services providers in selected counties.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	8,500.00
Total Operation Cost	400.00
Total Program Cost	390.00
IPF Component	10.00
Total Financing	400.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	200.00
World Bank Lending	200.00

Total Government Contribution	200.00

Concept Review Decision
The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Over the last 20 years, Kenya has achieved strong development gains, becoming a lower-middle-income country with a per capita gross domestic product (GDP) of US$2,006[1].** Kenya is currently the sixth largest economy in Africa and the first in East Africa. The COVID-19 pandemic led to real GDP contracting by 0.3 percent in 2020, down from 5.0 percent in 2019. However, Kenya's economy has now staged a remarkable recovery from the pandemic[2]. Real GDP increased by 7.5 percent in 2021, higher than the estimated growth in SSA of 4 percent. The economy has shown resilience to the COVID-19 shock, with output in 2021 rising above pre-pandemic levels, supported by rebounds in industry and, especially, services. However, the ongoing shocks, including the long drought in arid and semi-arid areas, rising inflation, and tighter global financial conditions, create challenges for Kenya to sustain its recovery.

Poverty at the US$1.90/day line fell from 44 percent in 2006 to 33 percent in 2019[3] similarly for both men and women. Despite these gains at the national level, there are significant disparities between counties in different areas of the country, with a higher incidence of poverty in the North & Northeastern counties.

2. **The GoK aims for the country to reach middle-income industrialized status—providing a high quality of life to all citizens, including universal access to water supply and sanitation services—by 2030.** This ambition is guided by the Kenya Vision 2030, the country's long-term development blueprint, which is aligned with the UN Sustainable Development Goals (SDGs) and implemented through successive five-year Medium-Term Plans (MTPs). As part of the MTP 2018–22, the Government of Kenya (GoK) prioritized four main pillars i.e., agriculture, health, housing, and manufacturing – collectively referred to as the Big Four Agenda. Water is considered as a critical enabler of the Big Four Agenda.

3. **Kenya is highly vulnerable to the impacts of climate change, with significant impacts on economic growth.** Over the past 50 years, changes in temperature and rainfall patterns have resulted in more frequent weather-related disasters such as floods, droughts, and landslides with a profound impact on Kenya's economy and people's well-being. Each drought event affected 4.8 million people on average, and 3.4 million Kenyans were classified as food insecure in 2017 due to droughts. Further, warming in Kenya and in the rest of continental Africa is projected to be

[1] World Bank (2020) GDP per Capita Data https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=KE
[2] World Bank (2022) 25th Kenya Economic Update https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099430006062288934/p17496106873620ce0a9f1073727d1c7d56
https://documents1.worldbank.org/curated/en/099430006062288934/pdf/P17496106873620ce0a9f1073727d1c7d56.pdf
[3] World Bank (2020) 22nd Kenya Economic Update https://openknowledge.worldbank.org/handle/10986/34819

greater than the global mean (2.8°C) during the 21st century.[4] Droughts will strain the environment and its services to the communities and reduce water supply and hydroelectric power generation. The economic effects of climate change will be significant, with recent modeling for Kenya placing the reduction in GDP growth at approximately 2.3 percentage points under current warming conditions (at the upper end of the estimates), doubling to 4.7 percent at 2°C warming.[5]

Sectoral and Institutional Context of the Program

4. **Water is an increasingly binding constraint for Kenya's development: the country is water-scarce with variable, low, and declining freshwater resources against a fast-rising demand.** Kenya's renewable freshwater per capita availability has halved in the past 30 years[6]. Decades of underinvestment in water infrastructure and watershed protection means Kenya's water withdrawal is less than 15 percent of its renewable resources and its dam storage capacity is only about 103 m^3 per capita[7], well below the African average of 876m^3 per capita. Furthermore, the rising population, economic growth and urbanization place increasing pressure on and cause conflict over poorly developed water resources. Resource degradation arising from these pressures further compromise the sustainability of available resources.

5. **Access to potable water and sanitation services (WSS) in Kenya lags both its peers in the region, other public services within the country and suffers from significant rural-urban disparities.** Twice as many Kenyans have access to electricity, and 20 percent more have access to mobile phones than to basic sanitation[8]. Furthermore, while 91 percent of the urban population have access to improved water services (and 58 percent to piped water), only 63 percent of the rural population have access (and only 19 percent to piped water)[9]. The inequalities are similar for sanitation services where 93 percent of urban households have access to improved sanitation services compared to 75 percent in rural areas. Similar disparities exist across counties. Nairobi County has near universal access to improved WSS, while in 10 counties, less than 50 percent of households have access to improved water. Additionally, almost 83 percent of all open defecation (OD) occurs in 15 counties[10], mainly in the northern and northeastern regions[11].

6. **Access to water, sanitation, and hygiene (WASH) services in public schools and health facilities in Kenya remains inadequate, undermining human capital developmental outcomes.** The situation in the 32,038 formal public schools in Kenya is dire: about 15,000 children are in schools without any WASH facilities available to them, 0.3 million without available water and another 0.3 million without access to a sanitation facility[12]. There are about 130,000 children living with disabilities in formal public schools, requiring special consideration for access to WASH facilities. Poor access to WASH has been identified as one of the significant barriers preventing girls from attending and completing school. A

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[4] The IPCC (AR4) projected warming averaged over 21 models for the unmitigated medium-emissions A1B scenario, is between 2.5°C and 4°C across Kenya, with a median value of around 2°C by the middle of the century for the East African region, and of 3.2°C by 2100.
[5] World Bank (2020) Kenya Systematic Country Diagnostic https://openknowledge.worldbank.org/handle/10986/34465
[6] Kenya: 403m3/pc, Morocco 805 m3/pc, Iraq 916 m3/pc. Source: Aquastat (2018) https://www.fao.org/aquastat/en/ (total internal renewable water resources per capita)
[7] UN University Institute for Water, Environment and Health (2022) Water Security in Africa: A Preliminary Assessment, Issue 13 https://inweh.unu.edu/water-security-in-africa-a-preliminary-assessment/
[8] Kenya Population and Housing Census (2019) https://www.knbs.or.ke/publications/
[9] The KPHC considers shared access as improved while JMP does not
[10] Commonly referred to as 15 high burden OD Counties
[11] Kenya Population and Housing Census (2019) https://www.knbs.or.ke/publications/
[12] Ministry of Education (2020). Wash in Schools Situation analysis. Unpublished draft.

sampling of health care facilities (HCFs) indicated a similar situation: over half of those sampled had no access to clean water or adequate hand hygiene stations, and at least one toilet was shared by 20 inpatients[13].

7. **Under Kenya's devolved system of government, responsibility for water sector development and service provision is shared between the national and county governments.** Both levels of government have an obligation to ensure the progressive realization of the human right to water and sanitation. The national government is responsible for water sector policy leadership, regulation, the provision of bulk infrastructure that serves more than one county, and financial support to county governments to achieve sectoral objectives. The county governments are responsible for service provision. The new Water Act, enacted in 2016 to align the sector to the 2010 Constitution, establishes a number of key water sector institutions distributing key water services functions as shared responsibilities between the national and county governments.

8. **Water sector reforms have accelerated in recent years, but there are still implementation challenges stymieing full realization of the benefits of devolved services delivery.** Unlike some other decentralized systems (e.g., in comparison to state-local relations in India or Ethiopia), Kenya's devolved system is characterized by high levels of political, administrative, and fiscal autonomy and discretion**.** The new Water Policy and water resources management, water and sanitation services, irrigation regulations passed in 2022 are important milestones in the devolution governance system started with the 2010 Constitution and Water Act, 2016. Establishment of a funding mechanism that incentivizes performance at county level and operationalization of an intergovernmental coordination framework are critical for achieving universal WSS access.

9. **Chronic inefficiencies in the operation of Water Service Providers (WSPs), coupled with gaps in the governance of rural water service provision necessitate substantial subsidies for operation and maintenance, at the expense of service expansion.** In line with the Water Act 2016, WSS service provision is devolved to the Counties who are the owners of WSPs[14]. On average, Kenyan water utilities lose about US$90 million annually due to low operational efficiencies[15]. Non-Revenue Water (NRW) has stagnated at a national average of 45 percent over the past decade, while energy costs have remained high, reaching as high as 50 percent of total operating costs for some WSPs. This has had a negative impact on the financial stability and capacity of WSPs to expand their services. Further, COVID-19 imposed significant financial constraints on WSPs[16].

10. **Service gaps and inefficiencies are larger in rural areas**. Most rural water supply systems fall outside the jurisdiction of licensed WSPs. Such schemes are operated by unregulated community groups, with tariffs that do not reflect actual costs and revenues that are not well monitored. The result is unreliable service provision and frequent non-functionality of these schemes. A more sustainable operations and financing model for rural WSPs that improves their

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[13] Ministry of Health (2020). Kenya Status Report on Infection Prevention and Control in Health Care Facilities: Basic Hygiene and Hand-Washing Services.

[14] There are about 87 public and three privately-owned WSPs that are licensed and regulated by WASREB. The Regulator sets, monitors and reviews rules and regulations to ensure water services provision is affordable, efficient, effective, and equitable. This includes setting licensing conditions and accrediting WSPs and establishing guidelines for tariff setting and reporting among other things. The WASREB conducts annual performance review of WSPs against set key performance indicators.

[15] WASREB (2022), A Performance Report of Kenya's Water Services Sector – 2020/21

[16] For instance, revenues decline by 40 percent between February and April 2020

efficiency, and enables them to increase operating cost coverage, and thus expand services to more rural households, is required.

11. **The proposed PforR operation, the first in the sector, builds on lessons learnt, and the implementation capacity developed among GoK agencies through previous World Bank-financed projects.** The operation will support the GoK to further devolve service delivery and engage county governments in the design and implementation of World Bank-financed operations in the sector. The operation will leverage experience from the Bank's collaboration with other development partners, including the French Development Agency (AFD) co-financing the Water and Sanitation Services Improvement Project (WaSSIP), Coastal Region Water Security and Climate Resilience Project (KWSCRP-2) and Water and Sanitation Development Project (WSDP); the German Development Bank (KfW) providing parallel financing for WaSSIP and the Kenya Water Security and Climate Resilience Project 1 (KWSCRP-1); and the United States Agency for International Development (USAID) and the Embassy of the Netherlands support for the development of commercial financing mechanisms for delivery of water and sanitation services under the Global Partnership on Output Based Aid (GPOBA) financed Nairobi Sanitation Project; and the Urban Water and Sanitation OBA Fund for Low Income Areas project.

Relationship to CPF

12. **The proposed program is closely aligned with the Bank's 2023-2028 Country Partnership Framework (CPF) for Kenya.** The operation supports meeting the CPF's goal "to support Kenya's transformation into a middle-income economy that achieves inclusivity and resilience" as well as the achievement of: Higher level objective 1 (HLO1) on faster and more equitable labor, productivity and income growth; HLO2 on greater equity in service delivery outcomes; and HLO3 on greater resilience and sustainability of Kenya's natural capital, through contributing to CPF Objectives 4, 5, 6 and 7 on shrinking disparities in learning and health outcomes; extending infrastructure services to the last mile; increasing household resilience to, and national preparedness for, shocks; and reducing Kenya's water insecurity respectively. The proposed operation contributes to the GoK's Vision 2030 which aims to transform Kenya into a globally competitive and prosperous country with a high quality of life by 2030.

Rationale for Bank Engagement and Choice of Financing Instrument

13. **The GoK has recently initiated critical reforms that have set the pace for a transformational intergovernmental operation.** The rationale for the proposed Kenya Water, Sanitation and Hygiene Program and the Bank's involvement is to maintain the momentum of the sector reforms and the developments initiated during the implementation of previous and on-going World Bank-financed projects. The proposed PforR Operation builds on the most recent World-Bank funded Development Policy Operation[17]. As part of the policy actions under this DPO, the national government and counties have adopted a new WSS Investment Framework that will coordinate investment and incentivize reforms for the sector. Subsequently, the first intergovernmental national water supply and sanitation investment program (NAWASIP) has been jointly prepared by the two levels of government.

14. **There are several lessons to be drawn from projects/programs in the WASH sector prior to NAWASIP that will be applied in the implementation of NAWASIP**. The following lessons from these projects will inform the design of this operation: (i) while sector reforms have led to separation of functions with some degree of success e.g. on WSS regulation, overlaps and lack of clarity in some mandates can result in implementation delays; (ii) intergovernmental

[17] Accelerating Reforms for an Inclusive and Resilient Recovery: Development Policy Financing 2 (P176903)

implementation arrangements are weak and unpredictable, especially for funds flow and disbursement; (ii) safeguards clearances at all levels are slow; (iii) last mile connectivity and sustainable institutions for service delivery are essential to maximize value for beneficiaries; (iv) sector capacity to leverage private sector and development partner financing is critical to bridge WSS funding gaps.

15. **The results-based approach is being increasingly used by the World Bank in Kenya, which has active Program-for-Results (PforR) lending operations in the health, urban, energy, social and other sectors**. It is becoming increasingly evident that the result-based approach is more effective when Disbursement-Linked Indicators (DLIs) include both outcome and process DLIs. Using the PforRs instrument will be timely for addressing the challenges outlined above with previous Investment Project Finance (IPF) operations. PforRs have proven to create: (i) strong country financing mechanisms that multiple donors can opt in, rather than project structures for IPFs, and (ii) promote stronger accountability for institutional performance and overcoming an input-based bias. This approach is complemented by technical assistance to support client governments through the change process and by establishing new systems, capabilities, and procedures. To this point, the Program will be best facilitated via a flexible and overarching technical assistance (TA) support package. To ensure quality and timely implementation, the TA will be implemented via the IPF instrument.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

16. The Program Development Objective is: To increase access to improved water and sanitation services, eliminate open defecation and improve the operational and financial performance of water services providers in selected counties.

PDO Level Results Indicators

17. The proposed PDO level results indicators are:
    - People provided with access to improved water sources (Corporate Results Indicator, Number)
    - People provided with access to improved sanitation services (Corporate Results Indicator, Number)
    - Proportion of communities that eliminate open defecation (Percentage)
    - Water Supply Providers achieving an Operational Cost Coverage Ratio (OCCR) of at least 100% (Number)

D. Program Description

PforR Program Boundary

Government Program

18. **To accelerate achievement of universal access to WSS by the year 2030, the GoK has approved the National Water and Sanitation Investment Program (NAWASIP).** The program, to be implemented at cost of Ksh. 995 billion (US$8.32 billion) from 2023-2030, is the first jointly developed intergovernmental WSS sector investment plan. NAWASIP's overall objective is to accelerate the achievement of universal access to safe water supply and improved sanitation services in Kenya's 47 counties by 2030 in an affordable, equitable, and sustainable manner. In addition to increasing access to physical infrastructure, the program includes targeted program of investments on enhancing the sector's policy and institutional efficiency including improving the performance of WSPs

19. NAWASIP has five components. Component 1: Storage Infrastructure and Bulk Water Transmission Systems; Component 2: Urban Water Supply and Sanitation Services; and Component 3: Rural Water Supply and Sanitation Services are primarily focused on improving and expanding infrastructure for reliable, sustainable, and affordable safe water supply and sanitation services to meet the 2030 universal access targets; Component 4: Support for Sector Efficiency Improvement and Policy Reforms Program and Component 5: Program Coordination, Capacity Building and Monitoring and Evaluation are focused on enhancing sector efficiency and service delivery capacity within the devolution framework.

The PforR Program

20. **The proposed PforR Program ('P', the Program) will support a subset of the Government's NAWASIP focusing:** (i) Bridging the rural-urban gap in access rates to WSS through focused investments in accelerating access to safely-managed water supply and sanitation services in rural areas; (ii) Building sustainable WSPs through enhancing operations and financing model that improves their efficiency, and enables them to increase operating cost coverage, and thus expand services to more rural households; and (ii) Deepening water sector reforms and coordination to accelerate achievement of jointly agreed intergovernmental WSS universal access goals and targets.

21. The boundaries of the Program are defined as follows: *Services*: The Program will contribute to activities under NAWASIP's Component 3 on increasing access to WSS in rural areas, Component 4 on improving sector efficiency and reforms and Component 5 on program coordination, capacity building and M&E. *Duration*: The Program will be implemented over a period of five years (2023-28) which overlaps with NAWASIP's eight-year period of 2023-2030. *Financing*: The total Program budget is proposed as US$400 million, with US$200 million from the Bank and US$200 million as counterpart funding from GoK. *Geographical coverage*: To maximize the transformative effects of the World Bank Support, the Program's geographical reach will be limited to 18 selected counties[18]. Counties that are predominantly rural, where predominantly rural refers to counties with >70 percent of their population living in rural areas according to the KPHC 2019, will be selected. For the final selection, the 45 counties with rural populations (excludes Nairobi and Mombasa which are entirely urban) were scored against the following criteria which were assigned different weights towards the total scoring: (i) low access rates, (ii) extent of marginalization, (iii) being Arid and Semi-Arid Lands (ASAL) counties[19] ,(iv) population density to maximize impacts, and (v) regional distribution across the country for equity. *Implementation responsibility*: The program will be managed by the Ministry of Water, Sanitation, and Irrigation (MoWSI) through its Water, Sanitation and Sewerage Development Department. The 18 County Governments will be the main implementing agencies. Each participating county government shall establish a Program Implementation Unit (PIU) within the County Water Department to lead county-level policy and institutional reforms, infrastructure development, professional service delivery, and coordination with national government , WSPs and other partners at county level.

[18] Selection criteria and final list of selected counties to be agreed between the MoWSI and Council of Governors
[19] State Department for the ASALs and Regional Development (2022) https://www.asals.go.ke/ (The ASALs make up to 89% of the Country carrying approximately 38% of Kenya's Population and have the lowest development indicators in the country)

PforR Program Scope

22. **The proposed Kenya Water, Sanitation and Hygiene Program is a hybrid PforR with an IPF component to support the GoK to achieve universal access to WSS under the NAWASIP Program in rural areas[20]**. Program will support four result areas (RAs) outlined below that contribute to the outcomes of the Government program. Disbursement Linked Indicators (DLIs) will be developed for these results areas, and will cover service delivery, technical and financial sustainability, as well as institutional and policy strengthening. The IPF (US$ 10 million) will provide technical assistance, capacity building, and program delivery support to key implementing agencies.

   a) ***Results Area 1: Increasing sustainable access to improved water supply for households in rural areas****:* This Results Area will aim at expanding access to improved water services for populations living in rural areas with a focus on both increasing coverage through infrastructure development and ensuring sustainability of installed infrastructure through professionalized services delivery. Eligible expenditures under this results area will include the construction of water supply infrastructure (including development of borehole and surface water intake sources, water storage tanks), distribution and last mile connectivity; expenditures related to operationalization of professional service delivery models to ensure sustainable operation and maintenance (O&M) of installed systems post-construction. Funds to counties will not be earmarked, thus creating strong incentives to perform (best performing counties can receive larger investment funds to scale up access). Embedded in the DLIs will be a process of screening to ensure that the systems constructed meet set quality standards, consider multiple water use (WASH+: livestock, farmer-led irrigation, small businesses, and other productive uses to support livelihoods) to the extent possible, and are sustainable.

   Minimum Access Conditions: The participating counties will be required to comply with the following conditions in order to quality for accessing investment funds: (a) approval of a 5-year County-wide Water Supply and Sanitation Strategy[21]; and (b) adoption of WSS service delivery models that ensure professional management and operation of rural water systems in compliance with WASREB regulatory requirements.

   b) ***Results area 2*****:** ***Increased access to improved sanitation services and elimination of open defecation in rural areas*****:** This Result Area's objective is to increase access to improved sanitation facilities to households and other institutions in rural areas of the county. Eligible expenditures under the following categories are (i) smart subsidies for household sanitation facilities[22] (ii) construction of sanitation facilities in market centres, public schools and public health facilities; (iii) investments in septage emptying, transportation and treatment facilities; (iv) creating

[20] The participating counties will be required to demonstrate that the households gaining access to an improved water source and an improved sanitation facility live in an area classified as rural. The classification is based on the provisions of the Urban Areas and Cities Act No. 13 of 2011 and the Urban Areas and Cities (Amendment) Act. No. 3 of 2019. As per these Acts, an area shall be deemed to be a rural area if it does not fall within an area classified as a City, or Municipality.

[21] The preparation of the county-wide water supply and sanitation services strategy will be linked with the statutory 5-year County Integrated Development Plan (CIDP) and be harmonized with other county level WSS or water resources management strategies/plans including climate change mitigation strategies to ensure the policy and investment focuses on an intergrated full water value chain approach.

22 The Kenya Environmental Sanitation and Hygiene Policy 2016-2030 recommends carefully targeted public subsidies to address the challenges of individual and household vulnerability due to extreme poverty, disability or age.

demand at community level through community-led approaches to total sanitation and addressing behavioral barriers to create a sustained social norm of not practicing open defecation.

c) ***Results area 3*: *Improved operational and financial performance of Water Services Providers (WSPs)*:** This Result Area will provide incentives to comply with WASREB regulatory requirements including corporate governance as well as the successful implementation of targeted investment interventions to improve the commercial and operational efficiency and financial performance of county owned WSPs in the 18 participating counties. The eligible program of expenditures that can be incurred by the WSPs include (i) metering of water (at production and household level), (ii) investments targeted at directly reducing non-revenue water (NRW) levels including set-up of District-Metered-Areas (DMA); and (iii) Energy efficiency investments.

   Minimum Access Conditions: The participating WSPs will be required to comply with the following eligibility criteria: (a) Board of Directors' approval of a Performance Improvement Action Plan (PIAP) which includes compliance with all WASREB regulations (licensing, tariff setting, corporate governance etc).

d) ***Results area 4*: *Improving Sector reforms, and M&E Capacity*:** This Result Area will aim at improving the existing institutional, policy and regulatory instruments to increase public investment flows for WSS services and intergovernmental water sector coordination framework as well as strengthening national and county governments capacity to monitor and fully implement NAWASIP. The results will focus on the operationalization of the intergovernmental water sector coordination framework; and the adoption of an Integrated Water Sector M&E System for tracking, monitoring, and reporting on access to water supply and sanitation services aligned to the SDGs monitoring framework. The framework will support tracking of WSS results across other non-water sectors.

IPF Component (US$10 million)

23. **The IPF component will primarily be for providing technical assistance and capacity building activities for the implementing agencies and supporting intergovernmental coordination.** The MoWSI and the national and county implementing agencies will receive technical assistance for the implementation, monitoring, and reporting of Program activities. The MoWSI will facilitate technical assistance towards the capacity building of all counties for the preparation of key policy and strategy documents, such as the County Water Supply and Sanitation Strategy which is a strategy-level document that will provide an overarching framework to guide WSS sector investments and service delivery decisions over a five-year period to ensure universal access and the sector's financial sustainability. In addition, technical assistance will be provided for addressing the gaps and deficiencies uncovered by the technical, financial, and environmental and social (E&S) assessments. Support for sector monitoring and reporting will include the employment of an independent results verification agency (IVA) and the alignment of national water sector data collection and reporting mechanisms with global practices, such as those for reporting on the Sustainable Development Goals (SDGs). Recognizing the role of the national and county governments, the project will also support the operationalization of intergovernmental coordination mechanisms envisioned by sector policy and legislation.

E. Initial Environmental and Social Screening

24. **The environmental and social risk rating for the PforR operation at the concept stage is considered Substantial.** The proposed investments are small scale in nature i.e., ranging from household to community level, their associated Environmental Health and Safety (EHS) risk are going to be typical and are known to be manageable through proper

identification of investment and site selection. The Program further commits to adopt sound environmental design and ensure strict enforcement of responsive EHS mitigation measures and E&S monitoring and supervisory arranges to be put in place with the support of the IPF TA component. At this stage, land acquisition and compensation strategies to be employed by the Program are unclear, and Program activities could lead to potential increase in Sexual Exploitation and Abuse and Sexual Harassment (SEA-SH) and potential exclusion of Vulnerable and Marginalized Groups (VMGs). Under Result Areas 1 and 2, land and wayleave acquisition to enable the construction of water and sanitation improvement infrastructure is anticipated and is likely to be complex in some of the targeted ASAL counties due to the unregistered community land tenure in these counties. The approach to be applied for land acquisition and compensation will be ascertained and elaborated prior to appraisal. Other anticipated potential Program effects will be assessed during the ESSA. The project will include a negative list of investments not eligible under the program due to their potential high impacts in the Operations Manual.

25. **A consultative Environmental and Social System Assessment (ESSA) utilizing systematic citizen engagement for the PforR operation will be conducted with national and county stakeholders before appraisal, to evaluate the adequacy of the Borrower's system for managing the Program's Environmental Social, Health and safety (ESHS) risks.** The ESSA will: (a) review the nature and significance of the E&S effects, including indirect and cumulative effects, in line with the PforR E&S core principles and planning elements; (b) assess the adequacy of the Borrower's systems to manage those risks; and (c) formulate measures for inclusion in the overall Program Action Plan (PAP) to enhance the E&S management systems, implementing agencies capacity, and the E&S outcomes. The ESSA findings and recommendations will be publicly disclosed and included in the overall Integrated Risk Assessment, PAD, and the Program Action Plan (PAP).

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	TBD
Projects in Disputed Areas OP 7.60	TBD

Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component

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Borrower/Client/Recipient

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Implementing Agencies

Implementing Agency :	Ministry of Water, Sanitation and Irrigation		
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