



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 10/21/2023 | Report No: ESRSA03080

**I. BASIC INFORMATION****A. Basic Operation Data**

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P179012	Program-for-Results Financing (PforR)	Kenya WASH Program	2024
Operation Name	Kenya Water, Sanitation, and Hygiene Program		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Kenya	Kenya	EASTERN AND SOUTHERN AFRICA	Water
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
The Republic of Kenya	Ministry of Water, Sanitation and Irrigation	02-Oct-2023	12-Dec-2023
Estimated Decision Review Date	Total Project Cost		
27-Sep-2023	458,000,000.00		

Proposed Development Objective

To increase sustainable access to improved water and sanitation services, eliminate open defecation, and improve the financial performance of water services providers in selected counties, including refugee-hosting counties.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The IPF will provide technical assistance (TA) and capacity building activities for the implementing agencies, and support for sector monitoring and reporting, and for refugee policy and coordination. The MoWSI will be supported to revise the WSS Infrastructure Design Manual, strengthen the capacity of participating counties, and enhance design and construction quality supervision. This will include specific assistance to the counties of Turkana and Garissa, the Department for Refugee Services (DRS), and the United Nations High Commissioner for Refugees (UNHCR) for the



remodeling and planning of WASH infrastructure for the refugee camps, as well as the transition to an integrated water utility services model. This will include supporting coordination between refugee stakeholders and transition monitoring. Capacity building activities will also include training counties on climate-resilient design and construction of water supply and sanitation infrastructure, standardizing WASH facilities for schools and health care facilities, launching a behavior change communication campaign and address the gender gaps in women's employment in leadership positions. Water Services Regulatory Board (WASREB) and Water Sector Trust Fund (Water Fund) will receive support to enhance their mandates in assisting WSPs to achieve regulatory and good governance compliance, developing high-quality Performance Improvement Action Plans (PIAPs) and bankable projects for commercial financing, as well as facilitating the leveraging of private financing. The support for PIAPs will have a direct and positive impact on the operations and financial health of the service providers, and ultimately their creditworthiness. The IPF will support sector monitoring and reporting by funding a baseline survey of water points, the development of a national water sector M&E system, the hiring of an Independent Verification Agent (IVA) to verify Program results, as well operational costs for managing the Program. There will be ongoing refugee policy and regulatory support in the implementation of the WASH elements of the Shirika plan and coordination of the operation's implementation with humanitarian WASH stakeholders led by DRS.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation's environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The Project will be implemented in 19 counties of West Pokot, Turkana, Garissa, Samburu, Mandera, Baringo, Narok, Kwale, Tana River, Kitui, Makueni, Tharaka Nithi, Nandi, Vihiga, Bomet, Migori, Murang'a, Kericho, and Kirinyaga. It will provide implementation support to the counties through the technical assistance (TA) and capacity building initiatives discussed in section C. The exact project location are unknown at this stage; however, it is expected that it will have a country wide influence since the TA activities proposed will be part of nation-wide efforts to address rural Water and Sanitation Services (WSS) access coverage. Some of the targeted counties have sensitive conservation areas such as National Parks and Game Reserves, lakes, rivers, (riparian areas) and other important wetlands, protected forests, terrestrial and savanna grassland areas. In addition, five of the 18 counties (Mandera, Samburu, West Pokot, Turkana and Narok) are overwhelming VMG (IP) pastoralist counties, with unregistered communal land tenure system; four counties (Baringo, Tana River, West Pokot, and Kwale) are home to minority VMGs. The TA towards addressing the water sector environmental, social, health and safety gaps and deficiencies uncovered by environmental and social systems assessment (ESSA) would strengthen the environmental and social (E&S) risk management culture in the sector. On the flip side, should E&S risks and impacts not be adequately considered in the policies and strategy documents, downstream negative E&S impacts could materialize and impact the sensitive E&S receptors. The strategies and policies prepared under the project will be subjected to a Strategic Environmental and Social Assessment (SESA) to align them to the World Bank ESF and legal regulatory framework of Kenya. In addition, the ToRs for the SESA studies supported under the IPF component, shall be reviewed and cleared by the Bank to ensure they are materially consistent with the ESF requirements.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower's capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of



provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]

Most Waterworks Development Agencies and WSPs in the participating counties have experience in E&S risk management requirements in World Bank financed projects through MoWSI and have had the opportunity to strengthen their E&S systems. However, despite these experiences, ESHS risk management challenges remain. The ESSA identified gaps at both national and county levels that potentially undermine the application of the country system for effective management of ESHS risks.

From the ESSA consultations, it was noted that the National Program Coordination Unit (NPCU) is currently staffed with one consultant doubling up as an E&S specialist. However, to strengthen the coordination as well as environmental and social risk management, the Program shall be required to strengthen the ESHS staffing at the NPCT level with one dedicated environmental specialist and one social specialist and communication specialist. However, the trained specialists are yet to be deployed for countywide E&S risk management in infrastructure operations regardless of financing sources. MoWSI shall maintain a County Project Implementation Unit (CPIUs) within each participating county with qualified staff and resources at the County level including one Environmental and one Social Specialist during the implementation of the Program. The WASH Program will encourage the counties to utilize these existing systems, including the use of these trained specialists, to reduce the learning curve, and also apply the lessons learned from these programs to implement the K-WASH program. The Program Action Plan (PAP) containing risk mitigation measures to increase MoWSI's capacity, systems and procedures will be discussed and agreed with MoWSI. The IPF component will support the water sector agencies to put in place effective systems for ESHS risk management and coordination which will include trainings in E&S risk management and other targeted trainings in line with the ESHS requirements under the ESF.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The project environmental risk rating is considered "Substantial". It's a technical assistance (TA) operation whose components can be categorized into type 2 and type 3 TA. Type 2 TA activities will include providing assistance to the WSPs to develop high quality PIAPs. In addition, technical assistance will be provided for addressing the gaps and deficiencies uncovered by the technical, financial, and E&S systems assessments(ESSA). The TA will support development of policies such as the County Water Supply and Sanitation Strategy (CWSSS) 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. The TA will also support sector monitoring and reporting and will include the employment of a CVA and the alignment of national water sector data collection and reporting mechanisms with global practices, such as those for reporting on the SDGs. This includes addressing gender gaps, with support from the "Equal Aqua" global collaborative platform. 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. Finally, there will be ongoing refugee policy and



regulatory support in the implementation of the WASH elements of the Shirika plan and coordination of the operation's implementation with humanitarian WASH stakeholders led by Department for Refugee Services. Type 3 TA will aim at providing support for the MoWSI to address and close out gaps and deficiencies uncovered by the technical, financial, and the ESSA. The TA through MoWSI will facilitate technical assistance towards the capacity building of all counties for the preparation of key policy and strategy documents. There will be no support towards preparation of feasibility studies of projects for future investments (whether or not funded by the Bank) or other activities that may fall under type 1 TA categorization in line with the WB TA guidelines. The type 2 and 3 TA activities that will be supported are not expected to have any direct negative environmental risks or impacts. However, should type 2 activities such as sector policies, strategies, procedures, framework documents etc. be environmentally unsound, they have the potential to result into substantial downstream cumulative negative environmental impacts that may relate to water needs balance between people and the environment, water and waste water abstraction and discharge quality; entry and placement investments into or close to ecologically sensitive ecosystems; waste management; pollution control among many other subjects that the sector policies may pronounce themselves on. Overall, the TA activities are expected to help bridge the Gaps between the World Bank's ESF, the sector institutions' operational procedures and the Kenya's policy, legal and regulatory frameworks in line with Good International Industry Practice (GIIP). It is thus expected that the TA sub-components will be of low risk and have much more positive environmental outcomes. However, the ESCP to be agreed on with the client prior to appraisal will include a commitment for the client to ensure the Terms of Reference (ToR) for these respective TA activities provide for compliance with the ESF requirements, should the activities have any direct or indirect relationship with the respective ESS standards or have potential E&S impacts.

A.2 Social Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The Social Risk Rating is considered Substantial. The TA component will only support type 2 and type 3 TA activities which are not expected to have adverse social risks or impacts. However, social risks can be anticipated for example: (i) if type 2 activities such as the development of sector policies, strategies, procedures, or frameworks fail to adequately consider how social risks would be managed, it could result into substantial downstream negative social risks (ii) the interactions between the TA consultants and community members, with the potential for sexual exploitation and abuse of community members by project consultants and their staff; (iii) potential for exclusion of VMGs and other vulnerable groups from the consultation process, (iv) there is generally, weak capacity among the implementing agencies (IA) including MoWSI to effectively identify, understand and prevent or mitigate adverse social risks and, (v) significant reputational risks are anticipated from how MoWSI will subsequently apply or fail to apply the TA advice. Mitigation measures for the social risks and impacts will include: (i) developing codes of conduct for TA service providers to understand their obligations on SEA/SH and stakeholder consultations; (ii) a review of the TA ToRs by the Bank's E&S staff prior to the procurement of the TA experts; (iii) TA activities will be required to consider VMGs and traditionally excluded groups and build in mitigation measures to ensure that they are consulted; and (iv) to address the potential ESHS capacity gaps among the implementing agencies, the MoWSI will ensure the sustainability of the capacity-building initiatives by availing and retaining qualified, adequate and relevant staff to participate in the proposed activities; and, (v) the MoWSI will commit to the underlying objectives of the TA, including those recommendations that relate to E&S aspects, in line with the Bank's E&S considerations under TA.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]



B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

[Explanation - Max. character limit 10,000]

Policies, strategies and framework documents if unsound in their consideration of ESHS risk management strategies, could potentially misguide MoWSI into a growth path with cumulative negative E&S impacts. i.e. the policies should ensure water use rights are balanced between the environment ecosystem sustenance needs. The policies and strategies prepared should not contradict the national laws and international good practice, avoidance and/or mitigation measures for involuntary resettlement, stakeholder engagement, inclusion of VMGs and ensuring their informed consent is secured, SEA/SH. The E&S factors considered in the policies should be consistent with the World Bank ESF. An Environmental and Social Commitment Plan (ESCP) to address E&S risks will be agreed on during appraisal. It will require MoWSI to develop Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), and the SEA/SH Prevention and Response Action Plan that will be disclosed prior to appraisal.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

Implementing TA activities, in particular, consultations to inform the development of policies, strategies and plans, will involve the participation of different stakeholder groups. MoWSI will structure stakeholder engagements to be in line with provisions of the Constitution of Kenya, 2010 and Worldbank ESS10. The nature, scope, and frequency of stakeholder engagement will be proportionate to the nature and scale of the TA activities and their potential E&S risks and impacts. MoWSI has prepared a Stakeholder Engagement Plan (SEP) which will be disclosed prior to appraisal to guide the engagement of all stakeholder groups when implementing TA activities in a manner consistent with the requirements of ESS 10. As part of the overall Program preparation, the E&S team carried out ESSA consultations with national and county level stakeholders who will be directly involved in the implementation of one aspect of the Program or the other.

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

Given the nature of work involved, health and safety risk to these workers is expected to be minimal. These risks could be from transport related incidents such as road accidents, fieldwork OHS risks such as falls, trips and knocks. However, direct risks and impacts related to child labor (engaging children in the provision of goods and services to project team) and the non-employment of locals for works that they can do (such as interpreters) may be anticipated. MoWSI has prepared an LMP to address all anticipated labor-related risks and impacts of proposed TA activities and will propose mitigation measures consistent with the ESF that shall be reviewed and cleared by the Bank prior to



appraisal. Likewise, labor-related risks associated with future downstream investments will be addressed in the ToRs of the relevant TA activities.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Explanation - Max. character limit 10,000]

There will be no support towards preparation of feasibility studies of projects or any other form of preparation of future investment. As such, any environmental impacts related to resource efficiency and pollution prevention will be limited to desktop and field visits conducted by the client's team and her contracted consultants engaged in various TA assignments. The project is aimed at reducing pollution by providing technical support in developing policies around solutions to improving sanitation in the participating counties. It is expected that these impacts will be negligible. However, water sector strategies and possibly policies to be supported may result to unsound policies on resource use and pollution prevention. To mitigate this, the strategies and policies supported will be subjected to a single comprehensive SESA process and ToRs for preparing strategies, policies and the SESA assessment shall be detailed to capture all the anticipated risks and impacts in line with the objectives of ESS 3 and ESS1. They shall further be reviewed and cleared by the Bank prior to procurement documents being launched.

ESS4 - Community Health and Safety

Relevant

[Explanation - Max. character limit 10,000]

The proposed preparation of water sector strategies, policies, and capacity building activities pose little E&S risk. Civil servants and consultants will sign a code of conduct which will cover their interactions with community members. Most of the activities will be desktop/office based with field visit to collect data and undertake stakeholder engagement. Potential safety hazard to the community and workers will be limited to risk of traffic accidents and potential cases of SEA. These, however, are expected to be negligible due to the small number of labor influx that is associated with consultancy service activities. To address potential downstream risks and impacts, the SESA will include procedures to prepare a Security Risk Assessment and Security Management Plan. In addition, the ToRs for the development of respective policies and strategies and the SESA shall be reviewed, and cleared by the Bank to ensure they are materially consistent with the provisions of ESS4 and ESS1.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

[Explanation - Max. character limit 10,000]

No activities under the IPF component are expected to have direct risks and impacts related to land acquisition, restrictions on land use or involuntary resettlement. However, government strategy documents to be prepared may have downstream impacts on land acquisition and involuntary resettlement. A SESA will be developed to include procedures to prepare RPF/RAPs. In addition, the ToRs for TA activities will be developed during implementation and prior reviewed by the Bank before procurement is launched and will include a requirement to assess in line with ESS5 any land issues related to the TA activities.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant



[Explanation - Max. character limit 10,000]

Environmental risks and impacts related to biodiversity conservation and sustainable management of living natural resources will be minimal. The potential risk of the activities lies in them conflicting with the national environmental policies, laws and regulations including the WB ESF and thus misguiding the counties in a way that undermines the conservation of biodiversity. This will be mitigated by subjecting the strategies and policies prepared to a SESA process. ToRs for preparing strategies, policies and the SESA assessment shall be in line with the objectives of ESS 6 and ESS1. MoWSI will subject the TA activities to single comprehensive SESA that will identify biodiversity studies that may need to be undertaken. An ESCP has been developed that requires ToRs to be developed to include a requirement for an E&S risk screening tool for selection of investments. This requirement shall further be included in the ESCP to be prepared and agreed on by the client prior to appraisal.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Relevant

[Explanation - Max. character limit 10,000]

The proposed TA activities are unlikely to adversely impact the Sub-Saharan African Historically Underserved Traditional Local Communities (SSAHUTLCs)/VMGs, but direct potential impacts associated with the exclusion of VMGs/SSAHUTLCs from the consultation and disclosure process and access to culturally appropriate benefits and opportunities such as employment of locals as research assistants and/or interpreters may be anticipated. A single SESA will be developed to include procedures to prepare Vulnerable and Marginalized Groups Framework/Plans. In addition, ToRs for the respective TA activities, in particular, the consultations to inform the development of the proposed policies and strategies, shall be reviewed and cleared by the Bank before procurement is launched. This will be to ensure consultations with VMGs, project information is disclosed to them in line with ESS1, ESS7 and ESS10. These requirements have been detailed in the ESCP and in a manner that is consistent with the objectives of ESS 7.

ESS8 - Cultural Heritage

Relevant

[Explanation - Max. character limit 10,000]

No form of type 1 TA activities will be supported. -There will be no support towards preparation of feasibility studies of projects or any other form of preparation of future investments. The type 2 and type 3 TA activities have no physical footprint and therefore are unlikely to have any adverse impacts on tangible and intangible cultural heritage. The strategies, policies and technical assistance initiative that will be supported will be subjected to a SESA process to ensure any risk to cultural heritage are well assessed and aligned with the requirement of ESS8 and the national legal and legislative framework. ToRs for these studies, strategies and policies will be reviewed and cleared by the Bank prior to the procurement process being launched. This requirements have been detailed in the ESCP to be agreed on by the client prior to appraisal.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Explanation - Max. character limit 10,000]

Not Relevant



B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

Yes

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

[Explanation including areas where "Use of Borrower Framework" is being considered - Max. character limit 10,000]

None.

Use of Common Approach

No

[Explanation including list of possible financing partners – Max. character limit 4,000]

N/A

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

The Project's environmental and social risk rating is considered "Substantial". The project will support only type 2 and type 3 TA activities. Type 2 TA activities will be limited to the preparation of county government strategy documents, such as the County Water Supply and Sanitation Strategies which are strategy-level documents that will provide an overarching framework to guide WSS sector investments and service delivery decisions. While this category is not expected to have any direct negative environmental, social, health and safety impacts, they will provide overall guidance to the whole water sector. Should these documents be unsound or inadequate in their consideration of ESHS risk management strategies, they could potentially misguide the water sector into a growth path with cumulative negative environmental and social impacts to sensitive environmental and social receptors not limited to over abstraction of water resources and user rights conflicts, loss of biodiversity, pollution and degradation of catchments. Further, the implementation of TA activities may potentially, (i) exclude VMGs, and vulnerable individuals and households from the TA processes and access to project benefits and opportunities during consultations; (ii) exacerbate SEA-SH, and (iii) potentially lead to reputational risks related to how the Borrower will apply or fail to apply the TA advice.

Type 3 TA will aim at providing support for the MoWSI to address and close out gaps and deficiencies uncovered by the technical, financial, and environmental and social systems assessments (ESSA). This will include support towards monitoring and reporting on the project implementation and the alignment of national water sector data collection and reporting mechanisms with global practices.

Overall, the TA activities are expected to have positive impacts by helping to bridge the ESHS gaps between the World Bank ESF on one hand, and the MoWSI institutions' operational procedures and the national policy, legal and regulatory



frameworks on the other, in line with GIIP. However, to ensure proper management of E&S risks is maintained, the project shall mainstream E&S obligations by developing procedures for assessing the performance of the project on environment and social risk management that will rely on environment and social performance protocol, that will be outlined in the POM. Building on lessons learned from other PforRs in Kenya, the Annual Performance Assessment (APA), Terms of Reference (ToRs) shall also include environment and social performance assessment procedures to ensure a robust verification process. In addition, the Program Action Plan (PAP) recommends; (i) Incorporating ESMP and OSH contractor/supplier clauses in the bidding and contract documents for civil works, including signing of code of conduct, (ii) WSPs/Counties to develop GRM structures based on guidelines provided in the ESHSM manual to facilitate improvement on grievance management; (iii) Project to partner with relevant lead agencies in the ESHS risks management, that will include DOSHS, NEMA, NCA and NLC to deliver capacity building to WSPs and contractors.

To fully mainstream the strategies and policies prepared under the project, and to align them with the national legal and legislative frameworks and the World Bank ESSs, they will be subjected to a single comprehensive Strategic Environmental and Social Assessment (SESA). The ToRs for the SESA studies and for the respective policies and strategies to be supported under the IPF component, shall be reviewed and cleared by the Bank to ensure they are materially consistent with the ESF requirements prior to the launch of the procurement process for the consultancy services/one month after the date of effectiveness. The client and the Bank will agree on an Environmental and Social Commitment Plan (ESCP). The ESCP outlines the material measures and actions that the borrower will implement to address any anticipated E&S risks and impacts. In addition, the ESCP includes commitments by the MoWSI on timing, resources, and responsibilities required for the implementation of specified ESF instruments that will be agreed on during appraisal, including Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), and the SEA/SH Prevention and Response Action Plan. MoWSI will disclose the ESCP, LMP, SEA/SH Action Plan, and SEP prior to appraisal.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

An Environmental and Social Commitment Plan (ESCP), Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP), and the SEA/SH Prevention and Response Action Plan will be prepared and agreed on by the MoWSI and disclosed prior to appraisal.

III. CONTACT POINT

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IV. FOR MORE INFORMATION CONTACT

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V. APPROVAL

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