Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 07-Mar-2018 | Report No: PIDISDSC23098

BASIC INFORMATION

A. Basic Project Data

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

Proposed Development Objective(s)

To enhance access of poor and vulnerable to integrated social and economic inclusion as well as shock-responsive social protection.

Financing (in USD Million)

SUMMARY

Total Project Cost	250.00
Total Financing	250.00
Financing Gap	0.00

DETAILS

Total World Bank Group Financing	250.00
World Bank Lending	250.00

Environmental Assessment Category	Concept Review Decision
B-Partial Assessment	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

The Government of Kenya is committed to move beyond cash transfers to an integrated social protection (SP) system to further enhance social and economic inclusion of the poor and vulnerable. The World Bank's engagement in the SP sector over the last decade has helped Kenya to expand the coverage, enhance financing, and establish foundational delivery systems, mainly focusing on the safety net cash transfers. The Government recognizes that the National Safety Net Program (NSNP) being supported by the World Bank through an on-going Program for Results (PforR) IDA financed operation is the first step towards putting in place the desired SP system and institutional arrangements. There is however now a strong commitment to move forward and invest in further enhancement of the existing SP systems and improve their shock-responsiveness, as well as achieving the self-sufficiency of the poor and vulnerable by promoting their access to social and economic inclusion services.

In an effort to achieving the above mentioned goal, the Government has requested the World Bank to support advancements in four key areas: (i) Further enhance the coverage and functionality of the Single Registry to enable an objective targeting of all poor and vulnerable households beyond the NSNP and link existing cash transfer beneficiaries and potentially other poor households to the relevant complementary social and productive services; (ii) Continue improving efficiency and effectiveness of the SP delivery mechanisms through strong institutional and monitoring mechanisms; (iii) Investments in social and economic inclusion interventions to complement and go beyond regular cash transfers to improve the self-sufficiency of the poor and vulnerable households; and (iv) Improve shock-responsiveness of SP systems to strengthen households resilience by receiving timely support to cope with droughts (and other types of shocks).

Sectoral and Institutional Context

Currently, the social protection sector comprises mainly of the four cash transfer programs under the NSNP – Cash Transfer for Orphans and Vulnerable Children (CT-OVC), Older Persons Cash Transfer (OPCT), People with Severe Disabilities Cash Transfer (PwSD-CT) and the Hunger Safety Net Programme (HSNP). The first three are nation-wide with about 665,000 households and are implemented by the Social Assistance Unit (SAU) in the Ministry of East African Community, Labour and Social Protection (MEACL&SP), while the last one is operational in four counties with about 100,000 households and is implemented by the National Drought Management Authority (NDMA) in the Ministry of Devolution and Planning. Additional expansion to another 50,000 new poor and vulnerable households in the north and northeastern region through the first three cash transfer programs is currently underway. The NSNP is largely financed by the Government (96% by 2020) with the support of the World Bank and other development partners such as DfID, UNICEF, WFP, and SIDA. Beyond the cash transfers in the safety net sector, there are also some contributory schemes such as the National Social Security Fund (NSSF) and the National Hospital Insurance Fund (NHIF). But, these remain limited in scope and coverage, although the NHIF has been rapidly expanding in the recent years.

Relationship to CPF

Social protection has long been an important part of the Government's strategy to fight poverty and promote equitable economic growth and social inclusion. The Constitution of Kenya (2010) asserts the "right for every person to social security and binds the State to provide appropriate social security to persons who are unable to support themselves and their dependents." Following the provisions of country's constitution, Kenya's Vision 2030 seeks to build "a just and cohesive society with social equity." These commitments are further elaborated in Kenya National Social Protection Policy (2011) which endeavors to protect the poor and the vulnerable from negative impacts of shocks; promote resilience through among others, investments in the early years of life; and strengthen operational systems to improve the efficiency of delivery mechanisms. A recent Social Protection Sector Review (2017) and draft SP investment plan highlight the need and importance of investing in economic and social inclusion and making the SP system more responsive to the shocks. The proposed KSEIP is fully aligned with these policy commitments. In addition, it complements the new Government priorities focusing on: (i) Universal Healthcare Coverage; (ii) Food and Nutrition Security; and (iii) Jobs creation by making investments in both programs and service delivery systems to benefit the poor and vulnerable households in the country.

The proposed project is also aligned with World Bank priorities and relevant strategies. The project is aligned with the Country Partnership Strategy (CPS) for Kenya (2014-2018), which prioritizes "promoting protection and potential to ensure all groups share in advancing prosperity and helping the vulnerable to develop their potential." The Performance and Learning Review (PLR) 2017, maintained the overarching strategic objectives of the CPS and extended the CPS to FY20. The Global SP strategy (2012-22) specifically highlights the need to "enhance productivity, focusing both on young children and on those of working age" and invest in "systems that can quickly and effectively respond to those affected by systemic shocks and crises", as well as strengthening SP systems and extending safety net coverage in low-income countries. The Africa SP Strategy (2012-22) also emphasizes the need to adopt a systems approach to SP in an effort to reduce inefficiencies and ensure more equitable delivery of benefits, as well as "building long-term scalability and crisis response." Lastly, the project directly contributes to the World Bank Group's twin goals of reducing extreme poverty and boosting shared prosperity, by continuing to focus on improving the welfare of and increasing resilience among specific vulnerable groups.

C. Proposed Development Objective(s)

To enhance access of poor and vulnerable to integrated social and economic inclusion as well as shock-responsive social protection.

Key Results

The proposed project will focus on three key areas: (i) Strengthening social protection delivery system, including enhanced Single Registry, improved payments and grievance and case management mechanism and strengthened institutional capacity; (ii) Increasing access to social and economic inclusion interventions focused on income generating activities and financial literacy, nutrition sensitive social protection services, and community based social development services; and (iii) Improving the shock responsiveness of the SP system by enhancing existing scalability mechanism, along with financing and institutional arrangements.

Key results expected from these interventions include: (i) Improved identification of current NSNP and potential beneficiaries for complementary interventions; (ii) Integration of SP delivery systems beyond safety nets; (iii) Improved linkages and access to complementary services for existing NSNP beneficiaries; (iv) Increased access to nutrition-sensitive

SP services and economic inclusion activities for targeted beneficiaries; (v) Expanded and strengthened shock responsive safety net and (vi) Enhanced Government's ability to finance and deliver shock responsive safety net.

D. Concept Description

The proposed project is aimed at supporting the Government's vision to move towards a more comprehensive social protection system by, among others, promoting greater economic and social inclusion of the poor and vulnerable, including people at risk from different types of shocks. The project duration is proposed to be for a period of five years (2019-2024). It will be structured around the following three components:

***Component 1 – Increasing Access to Social and Economic Inclusion Interventions*:** This component would support the Government to systematically identify relevant complementary services and invest in the development and implementation of a referral mechanism. It would also invest in the design and delivery of new customized services for the poor and vulnerable, including through expansion of existing successful pilots in Kenya for: (i) economic inclusion through investments in income generating activities, by adjusting and expanding the existing models used in Kenya (the income generating activities will involve grants to targeted beneficiaries to start or scale up their small businesses, such as e.g. bead making, small shops etc. and are not expected to result in adverse environmental and social impacts); and (ii) Nutrition-sensitive safety net, by adjusting and expanding an existing model which provides top-up cash transfers to NSNP beneficiaries for incentivizing investments in the early years combined with counseling for nutrition and child development. Support would also be provided to promote financial literacy for existing NSNP cash transfer beneficiaries, through customized tools and instruments such as behavioral nudges. Lastly, the component would seek to reinforce community based social development centers, by better equipping these centers (being managed by the Department of Social Development) at the county level.

Component 2 – Improving the shock-responsiveness of the Social Protection System: This component would provide continued support to the National Drought Management Authority (NDMA) for implementation and expansion of the Hunger Safety Net Program (HSNP). This would include enhancement of the existing scalability mechanism enabling the SP system to be more responsive to shocks, including those triggered by climate change, along with financing and institutional arrangements, especially at the local level, for timely delivery of shock-responsive safety nets in affected areas. Lastly, to support the NDMA as the implementation agency for this component, resources would be provided for strengthening of institutional capacity for overall project implementation, monitoring and evaluation.

Component 3 – Strengthening Social Protection Delivery Systems: This component would continue to support advancement of systems put in place under the ongoing NSNP, focusing on three key areas: (i) Enhanced the Single Registry – to expand its coverage of potential beneficiaries and enable provision of other SP services beyond the NSNP, as well as contributing to a shock responsive SP system which assists in objective and timely identification of the households in the most needs; (ii) Improved Payments as well as Grievance and Case Management (G&CM) Mechanisms – to support the roll-out of the new innovative demand-driven payment solution based on beneficiary choice of service providers and enhance the scope of the G&CM to enable the mechanism to support other social and economic inclusion services; and (iii) Institutional and Capacity Strengthening - to enable effective project implementation, monitoring and evaluation.

Proposed project cost and financing: The proposed project with IDA financing of US$ 250 million is aligned with DfID's proposed support of around GBP 99 million to the SP sector between 2019-2024 in Kenya. DfID has shown keen interest to work with the World Bank through a co-financing modality by using common results and implementation arrangements. This will likely follow a World-Bank-managed Multi-Donor Trust Fund (MDTF) modality. Further details will be worked out during the project preparation.

Financing instrument: Given the scope of the proposed KSEIP, which includes investments in the new areas where neither an existing government nor a specific budgetary expenditure framework exist, the Investment Project Financing (IPF) with Disbursement Linked Indicators (DLIs) was found the most relevant financing instrument. The proposed project envisages allocation of a larger share of IDA funds in the results financing through DLIs while keeping the required allocation for strategic investments in institutional capacity, efficient service delivery, and robust M&E systems.

Implementation Arrangement: The proposed project would be implemented by two implementation agencies. The MEACL&SP, through the State Department for Social Protection, would be responsible for the implementation of component 1 and 3. The Ministry of Devolution and Planning, through its semi-autonomous authority, the NDMA would be responsible for implementation of Component 2. Both of these agencies are currently involved in the implementation of the NSNP and are familiar with a number of processes and systems to be enhanced and further supported through the proposed KSEIP.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The exact project locations are yet to be determined.

B. Borrower’s Institutional Capacity for Safeguard Policies

The lead implementing agency for components 1 and 3 of the project, the State Department for Social Protection, has some capacity with implementing safeguards, under the existing Cash Transfer for Orphans and Vulnerable Children Program which is financed by the World Bank and has a VMG framework. The second implementing agency for component 2, the National Drought Management Authority, also has some limited experience under the PforR operation, but not from an IPF lending and safeguards related issues.

C. Environmental and Social Safeguards Specialists on the Team

Lilian Wambui Kahindo, Social Safeguards Specialist
Ben Okindo Ayako Miranga, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project has triggered the policy as precautionary measure, but no further Environment Assessment action will be required. The project is assigned Environment Assessment Category B, based on the potential social impacts related to the Vulnerable and Marginalized Groups.

Natural Habitats OP/BP 4.04	No	The policy is not triggered because the project will not finance any activities that will result in direct or indirect impacts on natural habitats.
Forests OP/BP 4.36	No	The policy is not triggered because the project will not finance any activities that would be deemed to bring about conversion of natural forests or changes in management and protection or utilization of natural forest or plantations.
Pest Management OP 4.09	No	The policy is not triggered as the project will not finance any activities that will involve use of pesticides or pest management.
Physical Cultural Resources OP/BP 4.11	No	The policy is not triggered because the project will not finance activities that will affect or involve physical cultural resources.
Indigenous Peoples OP/BP 4.10	Yes	Some marginalized groups may not be captured in the proposed project which will target particular groups to be supported through the project. This would most likely not be due to deliberate effort to exclude them by program staff, but as a result of the limited coverage of the program as compared with the level of need. There is therefore a need for the project to pay keen attention to Minorities, Vulnerable and Marginalized Groups and ensure that the VMGs are targeted as beneficiaries to the project. As a result, OP 4.10 has been triggered. A Social Assessment and VMGF would be done together for all counties with VMGs, and recommendations built into the project design. The VMGF will cover all the potential investments and all key aspects of OP 4.10, including the provision of culturally appropriate benefits and broad community support analysis.
Involuntary Resettlement OP/BP 4.12	No	There will be no land acquisition for this project.
Safety of Dams OP/BP 4.37	No	The policy is not triggered because the project will not finance any activities that include dams or irrigation structures.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered because the project will not finance any activities that involve trans boundary rivers, lakes, body of waters or water with two or more stakeholders that calls for establishment of agreements, arrangements or any multilateral framework.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered because the project will not finance activities in disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

May 15, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Prior to Appraisal

CONTACT POINT

World Bank

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Borrower/Client/Recipient

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Implementing Agencies

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