Republic of Kenya

Ministry of Lands, Public works, Housing and Urban Development
State Department for Housing and Urban Development
Urban Development Department

SECOND KENYA URBAN SUPPORT PROGRAM (KUSP II) PROGRAM OPERATIONS MANUAL

Sub-National Level: County Governments, Cities and Urban Areas

VOLUME II

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Urban Development Department
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Preamble

The purpose of preparing the Program Operations Manual (POM) is to operationalize the Second Kenya Urban Support Program (KUSP II), which just like KUSP I, will support the implementation of the second Kenya Urban Program 2022 – 2027. In 2017 to 2023, the Bank financed the Kenya Urban Support Program (KUSP) to establish and strengthen urban institutions to deliver improved infrastructure and services in 45 counties in Kenya. While KUSP is ending in July 2023, the 2019 census demonstrate that rapid urbanization continues to be a challenge, with significant efforts and resources required to be directed towards urban development, in order to achieve the aspirations of making Kenya an upper middle-income nation by the year 2030. The program will be implemented up to June 30, 2028 from the date of effectiveness.

The program development objective (PDO) is to strengthen the capacities of urban institutions to (i) improve the delivery and resilience of urban infrastructure and services, (ii) enhance the private sector engagement in urban planning, and (iii) support the transition of refugee camps into integrated host community and refugee settlements.

The POM is presented in three volumes. This is volume II of the series and it presents; in chapter 1, an introduction and the program components. Chapter 2 provides the program's institutional arrangements both at national and county level. Chapters 3 details the urban institutional grants (UIG) while Chapter 4 details the urban development grants (UDG). Chapter 5 describes the annual performance assessment (APA) process. Chapters 6 gives the technical support and capacity development strategies in the Program. Chapter 7 & 8 gives the procurement and financial management guidance. Chapter 9 outlines the environmental and social risk management while the last Chapter 10 describes monitoring, evaluation and reporting under the Program.

The target audience for the POM are all those involved in the implementation of the program at the county level. It includes members of staff of the county governments, especially those responsible for urban development; members of the municipal boards and the administration staff under those boards. For the Council of Governors (CoG) and the counties the POM serves as the KUSP II program document.

Updates of this document and its annexes can be accessed from the Ministry website www.housingandurban.go.ke/kenya-urban-support-programkusp-ii/ and the program's website, where also the MS Word versions of the various annexes to be used by the counties and municipalities can be found. At the same time, the reader is referred to the World Bank website https://projects.worldbank.org/en/projects-operations/project-detail/P177048 for all publicly disclosed World Bank documents on KUSP II, including the Project Appraisal Document (PAD) on which this POM is based.

Finally, the POM is and will remain a *living document.* It will be further improved during the lifespan of the program. Users are invited to address any observations, suggestions and/or questions in this regard to the National Program Coordination Team (NPCT) within the Urban Development Department (UDD). Any updates to the POM will be subject to the World Bank No Objection. and the adoption of the Program Steering Committee.

Program Operations Manual Versions	
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ARAP	Abbreviated Resettlement Action Plan
APA	Annual Performance Assessment
ASAL	Arid and Semi-Arid Lands
CBK	Central Bank of Kenya
CER	Combined Evaluation Report
COB	Controller of Budget
CoG	Council of Governors
CECM	County Executive Committee Member
CGA	County Government Act
CPCT	County Program Coordination Team
CRF	County Revenue Fund
CUIDS	County Urban Institutional Development Strategy
DRS	Department of Refugee Service
DOSH	Directorate of Occupational Safety and Health
DLI	Disbursement Linked Indicator
DAA	DLI Advance Account
E&S	Environment and Social
ESS	Environment and Social Safeguards
EMCA	Environment Management and Coordination Act
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESSA	Environmental and Social Systems Assessment
FER	Financial Evaluation Report
FMPM	Financial Management Procedure Manual
FY	Financial Year
GBV	Gender Based Violence
GPN	General Procurement Notice
GEMS	Geo-Enabled Monitoring and Supervision
GIS	Geographic Information Systems
GoK	Government of Kenya
GRM	Grievances Redress Mechanism
GDP	Gross Domestic Product
HRM	Human Resource Management
IVA	Independent Verification Agent
ICT	Information and communications Technology
IDeP	Integrated Development Plan
IFR	Interim Financial Report
IDA	International Development Association
IPF	Investment Program Financing
KDSP	Kenya Devolution Support Program
KenUP	Kenya Urban Program
KUSP	Kenya Urban Support Program
MC	Minimum Condition

M&E	Monitoring and Evaluation
MSWM	Municipal Solid Waste Management
NUDP	National Urban Development Plan
NEMA	National Environment Management Authority
NPCT	National Program Coordination Team
NT	National Treasury
NMT	Non-Motorized Transport
OAG	Office of the Auditor General
O&M	Operations and Maintenance
PforR	Program for Results
PS	Performance Standard
PLUPA	Physical Land Use Planning Act
PP	Procurement Plan
PAD	Program Appraisal Document
PDO	Program Development Objective
PIU	Program Implementation Unit
POM	Program Operations Manual
PPF	Program Preparation Facility
PSC	Program Steering Committee
PTC	Program Technical Committee
PAP	Project Affected Persons
PPSD	Project Procurement Strategy for Development
PFM	Public Finance Management
QAR	Quality Assurance Review
RFP	Request for Proposal
RA	Result Area
SWM	Solid Waste Management
SPA	Special Purpose Account
SPN	Specific Procurement Notice
SDHUD	State Department for Housing and Urban Development
SESA	Strategic Environmental and Social Assessment
SSA	Sub-Saharan Africa
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
TER	Tender Evaluation Report
TOR	Terms of Reference
UNHCR	United Nations High Commissioner for Refugees
UACA	Urban Areas and Cities Act
UDD	Urban Development Department
UDG	Urban Development Grant
UIG	Urban institutional Grants
WHR	Window for Host and Refugee community
WB	World Bank

1 PARTICIPATING AND ELIGIBLE URBAN AREAS

1.1 Introduction

Second Kenya Urban Support Program (KUSP II) will focus on cities and municipalities as the main engines of growth. The program will be implemented in 45 counties (excluding Nairobi and Mombasa due to their size and unique characteristics). Currently, there are over 100 chartered municipalities out of which KUSP II is supporting 77 municipalities and 2 refugees-hosting municipalities (a total of 79 municipalities), which are home to a total population of approximately 7.1 million residents as per the 2019 census.

Table 1 below shows the eligible urban areas and their populations as per the 2019 census.

Table 1: List of Eligible Urban Areas and their Populations

County	Urban Centre	Urban Population (2019)	County	Urban Centre	Urban Population (2019)
Baringo	1. Kabarnet	22,474	Machakos	39. Machakos	63,767
Bomet	2. Bomet	11,765	Machakos	40. Mavoko	12,396
Bungoma	3. Bungoma	68,031	Machakos	41. Tala/Kangundo	25,057
Bungoma	4. Kimilili	56,050	Makueni	42. Wote	19,725
Busia	5. Busia	71,886	Makueni	43. Emali/Sultan	27,043
Busia	6. Malaba	15,581	Mandera	44. Mandera	114,718
Elgeyo Marakwet	7. Iten	12,630	Mandera	45. El Wak	60,732
Embu	8. Embu	64,979	Marsabit	46. Marsabit	36,289
Garissa	9. Garissa	163,399	Meru	47. Meru	80,191
Homa Bay	10. Homa Bay	44,949	Meru	48. Maua	50,826
Homa Bay	11. Oyugis	19,947	Migori	49. Migori	71,668
Isiolo	12. Isiolo	78,650	Migori	50. Rongo	20,688
Kajiado	13. Kitengela	154,436	Migori	51. Awendo	16,815
Kajiado	14. Ngong	102,323	Migori	52. Kehancha	22,194
Kajiado	15. Kajiado	24,678	Murang'a	53. Murang'a	43,314
Kakamega	16. Kakamega	107,227	Murang'a	54. Kenol	44,086
Kakamega	17. Mumias	41,942	Nakuru	55. Nakuru	570,674
Kericho	18. Kericho	53,804	Nakuru	56. Naivasha	198,444
Kiambu	19. Ruiru	490,120	Nakuru	57. Gilgil	60,711
Kiambu	20. Kikuyu	323,881	Nandi	58. Kapsabet	41,997
Kiambu	21. Karuri	194,342	Narok	59. Narok	65,430
Kiambu	22. Juja	156,041	Narok	60. Kilgoris	10,845
Kiambu	23. Kiambu	147,870	Nyamira	61. Nyamira	24,483
Kiambu	24. Limuru	81,316	Nyandarua	62. Ol Kalou	13,234
Kiambu	25. Thika	251,407	Nyandarua	63. Engineer	9678
Kilifi	26. Malindi	119,859	Nyeri	64. Nyeri	80,081
Kilifi	27. Kilifi	74,270	Samburu	65. Maralal	31,350
Kirinyaga	28. Kerugoya/Kutus	39,188	Siaya	66. Siaya	33,153
Kisii	29. Kisii	112,417	Siaya	67. Bondo	22,712
Kisumu	30. Kisumu	397,957	Taita Taveta	68. Mwatate	9,572
Kisumu	31. Ahero	16,853	Tana River	69. Hola	20,912
Kitui	32. Kitui	29,062	Tharaka Nithi	70. Kathwana	59,599

County	Urban Centre	Urban Population (2019)	County	Urban Centre	Urban Population (2019)
Kitui	33. Mwingi	17,025	Tharaka Nithi	71. Chuka	22,388
Kwale	34. Ukunda	77,686	Trans Nzoia	72. Kitale	162,174
Kwale	35. Kwale	10,063	Turkana	73. Lodwar	82,970
Laikipia	36. Rumuruti	13,056	Uasin Gishu	74. Eldoret	475,716
Laikipia	37. Nanyuki	72,813	Vihiga	75. Mbale	17,404
Lamu	38. Lamu	25,385	Wajir	76. Wajir	90,116
			West Pokot	77. Kapenguria	28,469

Eligible municipalities for the WHR UDG (DLI 7)

County	Urban Centre	Total Urban Population (2019)	Refugee Population (UNHCR, 2022)
Garissa	Dadaab	11,524[1]	233,726
Turkana	Kakuma	24,978[2]	244,286[3]

These eligible urban areas will only qualify for funding upon meeting the minimum conditions (MCs). For Urban Institutional Grants (UIG), the counties will need to meet the specified UIG MCs (as detailed in section 3 for UIG) while for Urban Development Grant (UDG), urban boards that meet the MCs will qualify but the UDG will be based on their performance as measured against the performance standards (PSs) (and section 4 for UDG).

1.2 Program Components

KUSP II is structured into three Components aligned towards delivering outcomes in all the Result Areas (RAs): **Component 1** will support the implementation of activities at national level directly funded through the IPF modality towards the delivery of the program outcome. Component 2 will support activities that contribute to achieving the Program outcomes through performance grants at subnational level under the PforR modality and; Component 3, which is the WHR component, and will support establishment and strengthening of urban institutions, as well as improve access to infrastructure services in refugee hosting areas, through performance grants. Components 2 and 3, which are relevant to all participating counties and urban areas, are explained in detail as follows:

1.2.1 Component 2, Subnational urban development capacity building and investments (PforR, US$126 million GoK financing and US$274.5 million equivalent IDA financing)

The component will incentivize counties and urban institutions to undertake interventions that contribute to achieving the Program outcomes through performance grants accessed based on compliance with Minimum Conditions (MCs) and the extent to which they are able to achieve Performance Standards (PSs). It will finance urban infrastructure and services; institutional and capacity development. The component has two subcomponents namely urban institutional grants (UIG) (refer to section 3) and Urban development grants (UDG) (refer to section 4).

1.2.2 Component 3, WHR Urban Institutional development and investments (PforR, US$40 million equivalent WHR financing)

This component will aim to establish and strengthen urban institutions and improve access to infrastructure services in refugee hosting areas, through performance grants accessed based on compliance with WHR MCs

1 Urban population in Dadaab Town (Census 2019)

2 Urban population of 22,978 in Kakuma Town and 2,000 in Kalobeyei Town (Census 2019)

3 Population of 197,437 in Kakuma Camp and 48,795 in Kalobeyei Settlement (UNHCR 2022)

and PSs. SDHUD will work closely with the Department of Refugee Services (DRS) and County administration to incentivize the establishment of two municipalities, namely Kakuma-Kalobeyei and Dadaab, with charters granted, municipal board and administration appointed, and clarity provided on issues of management and accountability. Support to the refugee hosting counties will include, similarly to component 2, 2 subcomponents of Urban Institutional Grant (WHR UIG) (refer to section 3.5) for institutional and capacity development, and Urban Development Grant (WHR UDG) (refer to section 4.7) for urban infrastructure investment, both of which have unique MCs and PSs specific to the Window for Host Communities and Refugees.

2 PROGRAM INSTITUTIONAL ARRANGEMENTS

2.1 Legal Framework

KUSP II will be implemented through institutional arrangements that are consistent with the constitutional and legal structures, systems and processes at the national, county and urban levels. These include: Constitution of Kenya (CoK) (2010) which stipulates the autonomy of the county governments and the transferred functions and services as described under the Fourth Schedule;

County Governments Act (CGA) (2012), under section 48 and 49, provide for further decentralization of the functions and provision of services and the structure and functions of the urban areas respectively, as stipulated in the UACA (2011) (revised 2019).

UACA (2011) (amended 2019) describes the classification and establishment of urban areas; their governance and management including formation and functioning of urban boards, appointment of city/municipal managers, citizen for a; preparation, content and adoption of integrated development plans and; financial provisions among others.

The Public Finance Management Act (2012), specifically under sections 169 to 189, serves as a paramount guide for the financial management within urban areas and cities. These provisions establish a robust and comprehensive framework aimed at ensuring fiscal responsibility and accountability. The Act delineates clear directives to govern the efficient management of financial resources, emphasizing strict adherence to legal provisions.

Kenya is a signatory to the 1951 Convention relating to status of Refugees and its 1967 protocol. The convention has been domesticated to the Refugee Act no. 10 of 2021 which mandates the Department of Refugee Services with Administration, Coordination of programs relating to Refugees and operational aspects of all refugee matters in Kenya.

Section 34 mandates the Commissioner for Refugees to promote refugee and host community integration and shared use of public institutions, facilities and spaces and sensitize the host and refugee communities on peaceful co-existence. The Refugee Act (2021) further proves for transition of Refugee Camps into integrate settlements. The Comprehensive Refugee Response Framework (CRRF) for Kenya adopted in 2020 and the Shirika Plan for Refugees and Host Communities support promote the refugee and host community empowerment to promote resilience and self-reliance through socio-economic empowerment and creation of integrated settlements.

2.2 National Level Arrangements

At the national level, SDHUD will have the overall responsibility for implementation and coordination of the Program. In collaboration with the Council of County Governors (CoG) and with the DRS (for WHR activities), SDHUD will provide coordination and management of the Program as well as capacity building and technical backstopping to the counties and urban boards. Technical support will also be provided by selected UN agencies for the WHR component that will be engaged by SDHUD as per the ToR outlined in POM Vol. III, annex 8.

2.2.1 Program Steering Committee (PSC)

The KUSP II Steering Committee is the highest decision-making organ for the program. It is in charge of policy setting and overall strategic guidance on the implementation. The PSC will provide policy guidance, oversight and strategic direction including inter-MDA's coordination and conflict arbitration. The composition of the

PSC will include Principal Secretary SDHUD (Chair), Chair Lands, Housing and Urban Committee at CoG (co-Chair), Principal Secretary National Treasury, Principal Secretary Lands and Physical Planning, Principal Secretary Immigration and Citizen Services, and CEO CoG. Other members can be co-opted as need arises. The PSC will be meeting at least bi-annually (Detailed ToRs are captured in POM Vol. III, annex 1).

The specific tasks of the steering committee will include:
- Provide the overall policy guidelines and oversight for the Program in terms of management, planning and execution of activities, and review and modify if/when needed.
- Provide strategic direction for the Program
- Deliberate and approve, on the basis of recommendations by the technical committee, the annual performance assessment (APA) results, and officially confirm the ensuing allocation of funds for each participating municipality and city in alignment with the POM and the Finance Agreement.
- Ensure coordination between all parties involved in the implementation of the program, and recommend action if the collaboration is sub-optimal.
- Deliberate and make decisions on any issue raised by the technical committee.
- Approval of the AWPB for the IPF Component

2.2.2 Program Technical Committee (PTC)

The PTC will review program implementation progress and financial accountability reports, review and verify APA reports, identify and address any emerging technical issues and challenges in implementation of the operation, whose resolutions will be brought to the PSC for decision making. The PTC will advise the Program Steering Committee (PSC) on policy and strategic issues. Pertaining to the APA reports, the PTC will oversee the management of the APA and review and cross-check the results as well as the ensuing calculated allocations, and escalate proposals for decision-making to the steering committee. The PTC will also review the IPF program activities including the AWPB and progress reports and advise the PSC.

The composition of the PTC will include Secretary Urban and Metropolitan Development (Chair), Chair of CECM Urban caucus (co-Chair), Vice Chair of the CECM Urban Caucus, Director Urban Development, KUSP II Coordinator (Secretary), Secretary for the Lands, Housing and Urban Committee at CoG, Chair of CECM Finance caucus, Commissioner of Refugee Affairs from DRS, a representative from Ministry of devolution and ASALS and a representative from National Treasury and Economic Planning. Representatives from other MDAs will participate as needed, as will UNHCR on WHR components. (Detailed ToRs are captured in POM Vol. III, annex 2).

2.2.3 National Program Coordination Team (NPCT)

A National Program Coordination Team (NPCT) will be established in SDHUD for the day to day management of the Program. The composition of the NPCT will include; the program coordinator, program implementation specialist, five heads and five deputies for each of the result areas, two environment officers and two social development officers, one health and safety officer, communication officer, urban planning and governance specialist (at CoG), program accountant, finance officer, auditor, grants management officer, procurement officer, monitoring & evaluation officer, DRS representative and other support technical staff. Other officers from MDAs can be co-opted as needed.

The NPCT will be responsible for:

(i) Policy implementation and overall Program management;

(ii) Providing technical and capacity building support to counties and urban boards as per the technical assistance and capacity building strategy which will be prepared annually;

(iii) Coordination and implementation of activities under Component 1;
(iv) Procurement and management of APA;
(v) Management of the disbursement of UIGs/UDGs on the basis of APA results;
(vi) M&E and reporting;
(vii) Communication and knowledge management;
(viii) Ensuring county resources are budgeted for and disbursed as per the expenditure framework.

The detailed composition, structure and tasks of members of the NPCT are given in Vol. III of the POM, and they will prepare an annual work plan and budget for Component 1, in consultation with CoG, DRS and MDAs supporting program implementation to include their program support activities, that will be sent to the WB for approval.

2.2.4 National key implementation partners

Several key implementation partners have been identified to provide support to the NPCT as well as specialized capacity building support to counties and municipalities. This is towards ensuring the successful implementation and achievement of the PDO. These key implementation partners are as follows:

2.2.4.1 Council of Governors (CoG)

The CoG as established under the Intergovernmental Relations Act (2012) is the coordinating mechanism between the central and county governments. Under the Program, the CoG will be responsible for inter-governmental coordination between national and county governments, and between counties, for coordination of county capacity building interventions, communications, policy advocacy and knowledge management. The activities of the CoG will be agreed with the NPCT and budgeted and funded by the IPF Component under the SDHUD.

Further, the Chair Lands, Housing and Urban Committee at CoG is the co-chair of the PSC (see para 2.2.1 above) and the Secretary of the Lands, Housing and Urban Committee at CoG is a member of the PTC (see para 2.2.2). This is to ensure enhanced intergovernmental coordination and policy debate on urban development issues especially as it pertains to the role of county governments and urban boards in urban development.

2.2.4.2 The National Treasury (TNT)

The National Treasury is the signatory to the financial agreements and WHR grant agreement and the recipient of the funds from the World Bank before releasing to the national and county government program account.

In order for such transfers to be possible, they need to be captured in the National Budget, and, for the grants to the counties, in the County Government Additional Appropriation Act (CGAAA). The funds are reflected under the heading of the State Department (SDHUD), whilst the resources for the counties are reflected under the heading of transfers from National government to the counties.

2.2.4.3 Office of the Controller of Budget

As per the Public Finance Management Act, the Controller of Budget is responsible for release of funds from the county revenue fund to the county operating accounts. At the same time, per the same Act, the controller of budget is due to receive from all counties quarterly financial (budget implementation) reports, as well as copies of the annual cash flow plan submitted to the National Treasury and copy of the annual financial statement presented to the Auditor General. Through these provisions, entrenched in legislation, through the controller of budget, the central government has some continuous oversight on the spending of counties against their plans.

The information thus obtained by the Controller of Budget, and which includes information on levels of spending on the grants, is useful UDD to complement the information as directly provided by the counties in their half yearly KUSP II reports. The Controller of Budget is expected to make this information available to UDD on request. Program reporting is one of the indicators for complying with MC 9 and this was to ensure that all reports are acquired in a timely manner.

2.2.4.4 Office of the Auditor General

The Office of the Auditor General is important for KUSP II in two ways:

- Regular annual audits (of both SDHUD and the counties), which covers use of the funds under components 1, 2 and 3; and
- A program audit will be completed in the 6 months after the end of each financial year (ToRs for which are provided in POM Vol III) that.

Especially the latter audit, the legal contract for the loan is an important feature in the program to ensure sound financial management.

2.2.4.5 Department of Refugee Services (DRS)

As per Section 7 of the Refugee Act no. 10 2021, the Department of Refugee Services is mandated with all administrative matters relating to refugees in Kenya; coordination of activities and programs relating to refugees and asylum seekers; and to handle all operation aspects relation to protection and assistance of Refugees.

DRS will be integral in implementation of component 1 (as related to WHR activities) and component 3 activities (WHR) and will coordinate and promote shared use of public institutions and shared spaces, sensitization of peaceful co-existence, capacity building and the transition of refugee camps into integrated settlements as per the Shirika Plan for Refugees and Host Communities. DRS has representation in the NPTC and PTC to enable them undertake the above-mentioned functions effectively. The activities of the DRS will be budgeted and funded by the IPF (WHR) Component under the SDHUD.

2.3 County Government Institutions

The CoK 2010 introduced a devolved system of government, with 47 county governments geographically created across Kenya. The main aim was to ensure equity in sharing of resources as well as bringing services closer to the people by letting the locals proposing and managing their own affairs. Each of the county governments has two arms namely: the executive and legislative arms. The county executive is mandated with management of the county government affairs and it comprises of the county governor, deputy governor and the county executive committee. On the other hand, the county assembly forms the legislative arm of the county government and is mandated to pass legislation and adopt policies.

As explained in section 2.1, CGA 2012 provided for further decentralization of functions and service provision as with the structures as provided for in UACA 2011 (amended in 2019).

2.3.1 County Urban Institutions

Although urban areas are governed by the county government, they are managed differently as provided for in UACA 2011 (amended 2019). The Act, as described before, provides for the classification and establishment of urban areas; their governance and management including formation and functioning of urban boards, appointment of city/municipal mangers, citizen for a; preparation, content and adoption of integrated development plans and; financial provisions.

In classification of urban areas, the Act stipulates that urban areas can be classified as cities, municipalities, towns or market centres[4] based on their population and other criteria including delivery of services to its residents, existence of an integrated development plan among others. Delineation of the boundaries of urban areas or cities may be initiated by the Cabinet Secretary or by the relevant county government making a written request to the Cabinet Secretary to appoint the ad hoc committee.

Management of cities/municipalities is vested in an urban board constituted in accordance with UACA 2011 (amended in 2019) a manager and other staff that the county public service board may determine. These are provisions that KUSP II seeks to promote through the MCs, specifically, UDG MC1 (institutional set up) and MC2 (urban area core staff).

[4] UACA 2011 (amended 2019) gives the population of an urban area to be classified as a city to be at least 250,000, for a municipality at least 50,000, at least 10,000 for a town and at least 2,000 for a market centre. Depending on the level of classification, there are other criteria that must be fulfilled before classifying an urban area accordingly.

It is expected that while appointing the members of the boards, the Governor shall ensure gender equity, representation of persons living with disability, youth and marginalized groups representation. Under the KUSP II Program, this is one of the verification protocols in meeting the minimum condition on urban board establishment. Stakeholder representation in urban management, as meant in the UACA, can only materialise if the selected members genuinely represent their respective groups.

Text box 2.1: Membership of the urban boards as per the amendments of 2019 of UACA

City board members (11No.) will include:

a) the county executive member for the time being responsible for cities and urban areas or his representative;
b) six members who shall be competitively appointed by the county governor, with the approval of the county assembly;
c) four members who shall be nominated by the organization specified under subsection (2) and appointed by the county governor, with the approval of the county assembly;
d) the Secretary appointed who shall be an *ex officio* member of the Board.

The four members of the board of a city specified under (c) above, shall be nominated by:

i) an umbrella body representing professional associations in the area;
ii) an association representing the private sector in the area;
iii) a cluster representing registered associations of the informal sector in the area; and
iv) a cluster representing registered neighbourhood associations in the area.

Further, the Act stipulates that the county public service board shall, through a competitive process, appoint a Secretary to the board (as listed in (d) above).

For Municipalities, the number of board member reduces to nine (9) as follows:

a) the county executive member for the time being responsible for cities and urban areas or his representative;
b) three members who shall be appointed by the county governor, with the approval of the county assembly;
c) four members who shall be nominated by an association and appointed by the county governor, with the approval of the county assembly;
d) the chief officer responsible for urban development; and
e) the municipal manager appointed under section 28 who shall be the secretary of the board and an ex-officio member of the board.

The four members of the board of a city specified under (c) above, shall be nominated by:

i) an umbrella body representing professional associations in the area;
ii) an association representing the private sector in the area;
iii) a cluster representing registered associations of the informal sector in the area; and
iv) a cluster representing registered neighbourhood associations in the area.

It should be noted that membership for the boards should adhere to the two-third gender rule as guided by the Constitution of Kenya. The boards should not have more than 2/3 of the same gender.

In addition to this direct stakeholder representation, the UACA provides opportunity for direct engagement of citizens through the citizen fora, to be organised at least once every quarter. This guarantees residents' participation in decision making; developing and adopting policies, plans, strategies, and programs, plus setting targets for service delivery.

Text box 2.2: Citizen Fora

Section 22 of the UACA describes the right of citizens to deliberate and make proposals with regards to service delivery and the plan and budgets for the county. For the urban areas, this means that citizens have, amongst others the right to deliberate on urban service delivery and the proposed urban investment plans. Through the fora, the citizens have the rights to monitor the activities of elected and appointed officials of the urban areas and cities, including members of the board of an urban area or city; and receive representations, including feedback on issues raised by the county citizens, from elected and appointed officials.

Citizen fora are regular public meetings organised by the manager of the urban board for citizens to ask questions of clarification and to make recommendations. The UACA provides ample freedom to the urban boards on how to organise the citizens' fora, but it is expected that in each public meeting the management of the board provides an overview of the activities of the past quarter whilst tabling issues for which it is seeking input from the public. The latter is especially relevant in the context of planning and budgeting. A typical agenda for the citizen fora, guided by the Acts provisions, is as described in text box 2.3 below:

Text box 2.3: Possible agenda for a regular Citizen / public meeting

1. Opening by the chair of the urban board
2. Quarterly report to citizens - by the chair of the Board
3. Quarterly report to citizens - by the manager of the Board
4. Items where the board seeks citizen input
    - Stakeholder representation
    - Urban Investment plan and budget estimates
    - Urban Service delivery
    - County policy and legislation (any issues for inclusion or proposals)
    - Any other topic of concern to the citizens
5. Question and Answer session
6. Closing by the urban manager

Under KUSP II, and as reflected in the UDG MC 5, the urban boards are expected to organise these public meetings quarterly, but they are also requested to announce the dates of these meetings well ahead.

In addition, the boards are encouraged to carefully select the location and the timing of the public meetings; such that, for example, both man and women can attend but also those that are employed.

2.3.2 County Program Coordination Teams (CPCT)

It is expected that a CPCT shall be established for each county and will be responsible for:

(i) Coordination of capacity development, and implementation of UIG;
(ii) Oversight, monitoring and evaluation of KUSP II implementation and reporting to NPCT;
(iii) Mobilization and coordination of relevant county departments toward Program implementation;
(iv) Support financial management, procurement, supervision and technical backstopping of works;
(v) Supporting the urban institutions to perform and prepare for APAs.

CPCTs will be appointed by the CECM responsible for urban development and will be headed by a coordinator, who is the Director responsible for urban development. Other members of the CPCT will include:

i) City/municipal manager(s) (for counties with more than one municipality, all the managers for each of the municipalities will be members of the CPCT)
ii) Engineer,
iii) Urban planner,
iv) Accountant,
v) Internal auditor,
vi) Procurement officer,
vii) Human resource management officer,
viii) Environment officer,
ix) Social safeguard officer,
x) Industry and trade,
xi) M & E officer,
xii) Representatives from County DOSH and NEMA where available.

The CPCT will report to the CECM Urban who will in turn report to the County Executive Committee at the county level. **In addition, the CPCT coordinator will report the following to the national coordinator** as approved by the CECM Urban.

i) half year progress reports from all participating municipalities
ii) quarterly submission of statements of expenditure (SoEs)
iii) quarterly reports on Environment, Social, Health & Safety
iv) annual work plan and budget

For counties benefiting from the WHR financing, their CPCTs shall include a representative from DRS (i.e. Camp Manager), UNHCR, National Land Commission county coordinator, and the community land registrar.

Urban boards will be responsible for implementation of UDG investments under Components 2 and 3, as well as selected procurement and contract management functions for goods, works and services financed out of UDGs. They will report on their activities to their respective county government, to whom they are directly and formally accountable. The urban boards are also required to provide and keep the evidence required for APAs.

2.3.3 City/municipality Project Team

This will mainly be comprised of municipal staff as follows: manager, city/ municipal engineer, urban planner, environment, social safeguards, accountant, procurement and the economist. The project team will be responsible for:

i) coordinating with the CPCT on UIG interventions within the municipality
ii) preparation of annual investments plans for UDG for approval by the boards
iii) preparation (feasibility, design and documentation) of projects
iv) procurement of goods, works and services for UDG
v) supervision and reporting on the implementation of the investments
vi) preparation and annual review of municipal Integrated development plans (IDePs) for approval by the boards
vii) development control
viii) interim financial reporting for the UDG including SoEs
ix) preparation, review and implementation of urban spatial plans
x) preparation and submission of Environment, Social, Health & Safety reports including grievance redress.

The city/municipal manager who is a member of the CPCT is expected to report all progress to the CPCT. **In addition, the manager will report the following to the CPCT coordinator** as approved by the board.

i) Half year progress reports
ii) Quarterly submission of statements of expenditure (SoEs)
iii) Quarterly reports on Environment, Social, Health & Safety
iv) Annual work plan and budget

3 URBAN INSTITUTIONAL GRANTS (UIG)

3.1 Objective of the UIG

Urban Institutional Grants (UIG), under component 2 (support at subnational level), will support county governments to build core capacities required by urban institutions. UIG is designed to incentivize counties and urban boards to undertake core institutional reforms and to finance a range of institutional and capacity building activities, some of which will strengthen their ability to access larger UDGs. County governments shall use at least 50% of the allocated UIG to support the participating urban boards through;

a) Capacity building interventions related to the domestication and operationalization of policies, regulatory instruments and guidelines related to FM and HRM, urban planning and development control, technical standards, norms, environmental and social risk and impact management for resilient urban infrastructure and services and, engagement with the private sector and urban residents (as specified in the UIG investment menu).
b) Procurement of office, ICT and specialized equipment (as specified in the UIG investment menu)

3.2 UIG allocations for each county government

Subject to compliance with UIG MCs (refer to section 3.3 below), each of the eligible 45 counties will access the UIG, set at a flat rate and made available for the first three years of the Program as follows: **US$250,000 (approx. Ksh. 35,500,000) in year 1 US$200,000 (approx. Ksh. 28,400,000) in year 2 and US$100,000 (approx. Ksh. 14,200,000) in year 3[5].**

3.3 UIG Minimum Conditions (MCs)

As explained above, eligible counties will have to comply with UIG MCs in order to receive their allocations. The table below details the UIG MCs and the indicators:

Table 2: UIG minimum conditions (MCs)

Minimum Condition (MC)	Start date	Indicator
MC1: County government has committed itself to participate in KUSP2	APA 1	The County Governor has signed an Intergovernmental Agreement stating that the county will participate in KUSP2 and adhere to its POM.
MC2: County government has drawn up (and is implementing) its County Urban Institutional Development Strategy (CUIDS)[6] that integrates aspects of climate resilience and disaster risk management	APA 1 APA 2	County government has prepared a CUIDS approved by the county executive. County government has included the proposed UIG activities in the County Annual Development Plan and Budget.
MC3: Use of previous year's UIG has been as per approved CUIDS and is consistent with eligibility and guidelines in the POM	APA 2	Annual county expenditure statement shows that the county has followed approved annual County Annual Development Plan and UIG expenditure guidelines and POM.
MC4: County government has utilized at least 50 percent of the UIG towards activities	APA 2	Annual County Annual Development Plan shows at least 50 percent of funds is allocated towards activities

[5] The actual figure in US$ might slightly vary as the loan is in Euros and thus the figure will be dependent on the exchange rate.
[6] The CUIDS will outline the county's overall approach to the management of urban areas within its jurisdiction, define the process the county will follow to integrate urban development into county-wide planning that incorporates climate resilience and inclusivity considerations and prepare an annual action plan and budget for achieving its objectives. The template for preparation of CUIDS has been provided in Annex 5.

Minimum Condition (MC)	Start date	Indicator
benefiting eligible urban boards participating in KUSP2		benefiting eligible urban boards participating in KUSP2. Expenditure statement validates the actual use of the funds accordingly.
MC5: County government has utilized at least 30 percent of funds for climate change related activities within the eligible expenditure menu in categories (1) Policy/regulatory, (2) Urban Planning, (4) Urban Resilience, (5) Asset Management, (8) Capacity Building	APA 2	Annual County Annual Development Plan shows at least 30 percent of funds is allocated for climate related activities. Expenditure statement validates the actual use of the funds accordingly.

The compliance assessment for UIG will be conducted as an integral part of the overall APA. The fulfilment of the MCs is measured against the indicators as detailed in table 2 above. All the indicators reflect a binary (yes/no) question and in order to meet the MCs, the score for all the applicable indicators must be a 'yes'. Failing one (that means scoring a 'no') means that the UIG MCs are not met thus, the county will not receive UIG funding for that FY. A simple scoring format to be used by the assessors is provided in annex 15.

3.4 UIG menu of Eligible Activities

County governments can use the UIG for activities that will help achieve the objective of the grant, as long as, the activities are within the eligible menu for UIG activities as presented below in table 3. The overall principle is that the UIG funded activities contribute to strengthen the ability of the county and its urban institutions to engage in the management of urban development and the provision of urban services as part of an overall agenda for installing good urban governance.

Table 3: UIG eligible and non-eligible expenditure menu

#	Area	Expenditure Type
1	**Policy/regulatory**	• Policy dialogues and consultancy services for development of urban-related policies and regulations, including urban resilience and low carbon urban development
2	**Urban planning, development control, M&E**	• Urban planning activities (urban spatial plans/land use plans, Integrated Development Plan), including urban regeneration, climate resilience and gender mainstreaming, and their dissemination • GIS mapping instruments; Information and Communications Technology (ICT) equipment relevant to urban development functions • Development control tools (zoning regulations, development control application process, approval process, development inspection process) • Setting up urban service delivery database, M&E activities • Preparation of Municipal SWM strategies to better understand the constraints within the solid waste management chain.
3	**Urban Financing**	• Development of revenue databases • Development of modernized billing systems • Street addressing in urban areas • Property valuation updates in urban areas • Analysis and design of formula for county government funding of urban areas
4	**Urban Resilience**	• Climate change risk assessments for urban areas • Emergency response plans for urban areas for all types of emergencies
5	**Asset management**	• Asset mapping, inventories and plans for urban areas • Operations and maintenance plans
6	**Private sector engagement**	• Mapping of economic activities and private sector actors • Business environment diagnostic and local economy assessment • Consultative meetings and workshops between urban institutions and private sector

#	Area	Expenditure Type
		• Business enterprise database management software
7	**Environmental and social management in urban areas**	• Environmental and Social Screening, assessments, and compliance audits • Preparation of ARAPs where applicable • Stakeholder Engagements, GRM, GBV/SEA/SH risk management in infrastructure investments. • Occupational, Health and Safety risks management in infrastructure implementation • Gender mainstreaming activities • Capacity building for enhanced E&S risk management in infrastructural development[7] • Environment, Social, Health and Safety (ESHS) compliance monitoring and reporting.
8	**Capacity Building, training and peer learning**	• Training in any of the above topics for Urban Boards, municipal/city manager, municipal staff, and other relevant county staff • In-country exchange visits and workshops related to above topics
9	**Other**	• Municipal office furniture, renovation (painting, tiling, etc.). • Specialized equipment and tools (e.g., surveying, environmental monitoring equipment)
General • All UIG-financed expenditures should be included in the county annual budget • Expenditure on ICT equipment and "Other" category should not exceed 25% of total annual UIG **Non-Eligible Expenditures** • Any expenditures that trigger Substantial/High Risk under the World Bank ESF. In addition, if E&S risks are high or linked to associated facilities related to the proposed investment. • Infrastructure or infrastructure maintenance, • Motor vehicles purchase. • Recurrent expenditures, such as salaries, utility costs (e.g., electricity, water), rent. • International travel costs.		

3.5 WHR Urban Institutional Grant (WHR UIG)

Similar to the main UIG above, the WHR UIG will be accessed by qualifying refugee hosting counties, currently Turkana and Garissa, to support capacity building activities in selected municipal core competence areas including but not limited to, financial management; spatial planning; development control; environmental and social risk management; public investment management. It should be noted that the WHR UIG grant **will only be eligible to be used for the capacity building of urban institutions established in refugee and hosting areas**.

The grant will be allocated at a flat rate of US$ 500,000 annually for 5 years[8]. For the counties to access the grant, county governments will need to comply with WHR UIG MCs as detailed in table 4 below. Failure to satisfy any MC will disqualify the county from accessing the WHR UIG grant.

Table 4: WHR UIG Minimum Conditions (MCs)

Minimum Condition	Start date	Indicator
MC1: County government has committed itself to participation in KUSP2	APA 1	The County Governor has signed a Participation Agreement with the SDHUD stating that the county government will participate in KUSP2 and adhere to its POM. Participation Agreement is required once at the beginning and will remain effective throughout the Program.

[7] E.g., Costing ESMP, mainstreaming E&S in feasibility designs, B.O.Q, ESHS in bidding & contractual documents, incorporate universal access to project designs to ensure all infrastructure are accessible to all persons including persons with disability.

[8] The actual figure in US$ might slightly vary as the grant is in SDR and thus the figure will be dependent on the exchange rate.

MC2: County government has drawn up (and is implementing) its County Urban Institutional Development Strategy (CUIDS) that integrate aspects of climate resilience and disaster risk management, and sustainable development of refugee hosting areas.	APA1 APA2	• County government has prepared a CUIDS (that is reflected in the County Integrated Development Plan) approved by the County Executive . • County government has included proposed UIG activities in the County Annual Development Plan & Budget.
MC3: Use of previous year's UIG has been as per approved CUIDS and is consistent with eligibility and guidelines in the POM*	APA2	Annual county expenditure statement shows that the county has followed approved annual County Urban Institutional Development Plan and UIG expenditure guidelines and POM.
MC4: County government has utilized least 30% of funds for climate change related activities within the UIG eligible expenditure menu in categories 1. Policy/regulatory, 2. Urban Planning, 4. Urban Resilience, 5. Asset Management	APA2	Annual County Urban Institutional Development Plan shows at least 30 percent of funds is allocated for climate related activities. Expenditure statement validate the actual use of the funds accordingly.

3.6 UIG and WHR UIG Planning and Budgeting

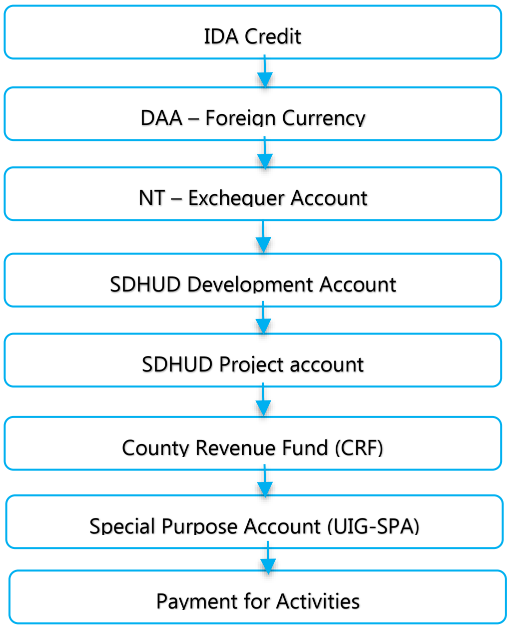
Whereas the UIG is a conditional grant to County governments, the use of which follows GoK financial and management regulations, it is the county governments that are to plan and budget for the use of the grant. A plan for the spending of the UIG is part of the annual County Urban Institutional Development Strategy (CUIDS), of which the template is provided in annex 6. It should be noted that preparation of CUIDS is a minimum condition for the release of the grant (refer to table 2 on UIG MCs). The aim of CUIDS is to raise the profile of the attention for urban matters and should be produced for at least three years (first three years of the program). Preparation of this document would typically be done under the supervision of the member of the County Executive Committee (CEC) responsible for urban issues, in consultation with the urban boards and city/municipal managers to assess and incorporate their needs, whilst the actual work of writing the document would be delegated to the (head of the) department involved in urban issues. This could be, for example, the county department for lands, housing and urban issues or any other department mandated with the urban portfolio. It could also be a cross cutting unit like the Planning Department or the urban board(s). Though, it is to be noted, that the UIG is a grant to the county governments and not to its urban institution(s), and the county governments should nominate the county department in charge of urban as the budget-holder for the UIG within its organisation. The UIG shall be reflected under the budget vote of the county department in charge of urban.

3.7 UIG and WHR UIG Funds Flow

Upon successful completion of the APA process and approval of the APA results by the PSC, the approved budget KUSP II figures will be included in the County Government Additional Allocation Bill (CGAAB). The SDHUD through the NT will submit a withdraw application to the Bank based on the APA report and Bank approval, and funds will be processed and deposited in the foreign currency Disbursement Linked Advances Account in the CBK. The UIG funds flow will then be done through the government exchequer procedure by TNT to SDHUD in the Central Bank of Kenya (CBK) and thereafter to the county revenue fund (CRF) before being transferred to the Special Purpose Accounts (SPAs) opened by the participating urban entities for the conditional grants at CBK. Separate SPAs will be opened for the UIG and UDG grants both for IDA and WHR. The funds should be transferred from the CRF to the SPAs within fourteen (14) days upon receipt in the CRFs.

The funds will be released on advice by NPCT upon receipt of the results of the APA approved by the WB and the PSC. The figure below shows the architecture of funds flow:

Figure 1: UIG Fund Flow



4 URBAN DEVELOPMENT GRANT (UDG)

4.1 Purpose of Urban Development Grants (UDG)

The objective of UDG is to provide financing for investments in urban infrastructure and service delivery with the aim of incentivizing enhanced performance of urban institutions. The grant will provide eligible urban boards, as agents of their respective county governments, with capital funds to finance investments in urban infrastructure. These are identified by the municipal board, after consultations with the citizens, and implemented by the urban administration, under the oversight of the municipal board. The grant seeks to establish semi-autonomous urban agency/agencies, under the wings of the county government that pushes the urban issues agenda on behalf of the county government.

The UDG will be available to eligible urban boards that comply with MCs and PSs (as detailed below in table 7 & 8) for achieving good urban governance and development, including mainstreaming gender and climate resilience into planning and infrastructure development, and seeking a better understanding of the local economy. The MCs are intended to incentivize basic institutional requirements to achieve the objectives of the program while the PSs are linked to the Program's result areas plus implementation standards.

4.2 UDG Performance Allocation

The allocation of the UDG for an eligible urban board will be a formula-based allocation determined by the scores in the performance framework and the number of urban residents according to the 2019 population census as captured in section 1, table 1 of this document. To ensure that smaller urban areas have meaningful resources, the minimum allocation will be set at KSh. 50,000,000 (approx. US$ 400,000) for full performance. The indicative maximum for each of the years will be as shown in table 6 but if municipalities fail to meet the maximum PSs score for each of the APAs, the figure will be lower. This means that any municipality with a population of less than 22,222 will be allocated US$400,000 as its maximum annual UDG Performance Allocation. Only urban boards that comply with all MC will access the UDG.

Text box 4.1: Example of floor UDG allocation

Based on a purely per capita allocation of US$18.00, a municipality with a population of 10,000 would have a maximum annual UDG Performance Allocation of US$180,000. In KUSP2, however, this would be rounded up to US$400,000, the floor (or minimum) UDG Performance Allocation.

The annual allocation will be calculated as follows:

(i) 70 percent of UDG resources allocated using a linear formula based on the points obtained in the PS with a maximum allocation of US$18 per resident per year following the results of the Annual Performance Assessment (APA), and

(ii) 30 percent of the allocation distributed on APA 2 and 3 (with a total envelop of US$37,462,500 for each year) as a bonus grant allocation to those urban boards that score above the average, following an exponential formula.

The actual level of total UDG allocations each year will depend on the achievement of MC and the performance score attained on the PS. The actual UDG bonus grant allocation received by each qualifying urban board is a function of its relative performance on the PS (i.e., Annual Bonus Pool x Relative Bonus

Score), although the bonus is capped at US$ 40 (KSh. 5,700) per urban resident to prevent problems with absorption[9].

Out of the 77 municipalities, 38No. have populations less than 50,000 (as per the 2019 census) with the least populated being Mwatate (9,572), Engineer (9,678) and Kwale (10,063). Twelve (12No.) municipalities have populations above 150,000 with the most populated being Nakuru (570,674), Ruiru (490,120) and Eldoret (475,716). The indicative maximum annual UDG performance allocations based on population sizes and assumption of performance score of 100, is as shown in table 6. The table gives the varying maximum annual UDG Performance Allocations (for APA1, APA2 and APA3) as per the assessed PSs each year (refer to table 5).

It is important to note that the maximum annual UDG Performance Allocation for each eligible city/municipality is the maximum amount that can be allocated when all PSs are measured and when maximum PS scores are achieved. This maximum amount would be allocated to a city/municipality if it scores the maximum number of PS points. Each urban area will receive an annual UDG allocation in direct proportion to its PS score. For planning and budgeting of prioritized investments, Counties and Municipalities are urged to **use the actual allocations and NOT maximum possible allocations.**

Text box 4.2: Example of actual UDG allocations and PS scores

Municipality X with a population of 100,000 has a maximum annual UDG allocation of US$1,800,000, which would be obtained by achieving a PS score of 100. For municipality X, each PS point scored corresponds to US$18,000.

- If municipality X complies with **all MCs and scores 30 PS points** in APA1, it will therefore receive a UDG **Performance Allocation of US$540,000 (i.e. US$18,000 X 30)** in Year 2.
- If municipality X complies with **all MCs and scores 60 PS points** in APA2, it will therefore receive a UDG **Performance Allocation of US$1,080,000 (i.e. US$18,000 X 60)** in Year 3.
- If municipality X complies with **all MCs and scores 80 PS points** in APA3, it will therefore receive a UDG **Performance Allocation of US$1,440,000 (i.e. US$18,000 X 80)** in Year 4.

In addition, the maximum annual UDG Performance Allocation is adjusted depending on the year in which the Annual Performance Assessment (APA) takes place. This is because each APA measures performance against a varying number of Performance. Table 5 below shows which PSs are measured in each APA and the corresponding maximum number of PS points that can be scored.

Table 5: Performance Standards assessment in each APA

Results Area	Performance Standards	APA1 (max. PS score)	APA2 (max. PS score)	APA3 (max. PS score)
RA1	PS1	4	10	10
	PS2	2	5	5
	PS3	5	5	5
RA2	PS4	10	10	10

9 **Relative bonus score** = (Population-weighted bonus score for the qualifying urban board) / (sum of the population-weighted bonus scores for all qualifying urban institutions).

Population-weighted bonus score = (Population of qualifying urban boards) x (Bonus score of the qualifying urban institution)

Bonus score of a qualifying urban board (for those performing above average) = [(Total score for PSs for the qualifying urban board) – (Average score for PSs for all qualifying urban boards)] raised exponentially to the power of 2. Urban boards performing below average on their performance standards have a bonus score of zero.

	PS5	-	5	10
	PS6	10	10	10
RA3	PS7	-	10	10
	PS8	6	10	10
	PS9	3	5	5
	PS10	-	10	10
RA4	PS11	-	10	15
	Total	**40**	**90**	**100**

From table 5 above, it can be observed that:

- APA1 measures performance against 7 Performance Standards with a maximum PS score of 40. As a result, the maximum UDG Performance Allocation (for Year 2) is 40% of the overall maximum annual UDG allocation.
- APA2 measures performance against 11 Performance Standards with a maximum PS score of 90. As a result, the maximum UDG Performance Allocation (for Year 3) is 90% of the overall maximum annual UDG allocation.
- APA3 measures performance against 11 Performance Standards with a maximum PS score of 100. As a result, the maximum UDG Performance Allocation (for Year 4) is 100% of the overall maximum annual UDG allocation.

It should be noted that, in the event that all municipalities get the maximum PSs score in APA 1 and APA 2 (meaning that they will get their full indicative allocations in the two APAs), then for APA 3 cycle, municipalities will be accessing the balance that will be distributed accordingly as per the performance.

The varying maximum annual UDG Performance Allocations (for APA1 and APA2) are shown in Table 6 below.

Table 6: UDG Indicative Performance Allocations

No.	County	Urban Centre	Urban Pop (2019)	Max APA1 Allocation (US$)	Max APA2 Allocation (US$)	Max APA3 Allocation (US$)
				40%	90%	
1	Baringo	Kabarnet	22,474	161,813	364,079	This will be determined by performance of the municipalities and based on the balance after APA 1 & 2.
2	Bomet	Bomet	11,765	160,000	360,000	
3	Bungoma	Bungoma	68,031	489,823	1,102,102	
4	Bungoma	Kimilili	56,050	403,560	908,010	
5	Busia	Busia	71,886	517,579	1,164,553	
6	Busia	Malaba	15,581	160,000	360,000	
7	Elgeyo Marakwet	Iten	12,630	160,000	360,000	
8	Embu	Embu	64,979	467,849	1,052,660	
9	Garissa	Garissa	163,399	1,176,473	2,647,064	
10	Homa Bay	Homa Bay	44,949	323,633	728,174	
11	Homa Bay	Oyugis	19,947	160,000	360,000	
12	Isiolo	Isiolo	78,650	566,280	1,274,130	
13	Kajiado	Kitengela	154,436	1,111,939	2,501,863	
14	Kajiado	Ngong	351,795	2,532,924	5,699,079	
15	Kajiado	Kajiado	24,678	177,682	399,784	
16	Kakamega	Kakamega	107,227	772,034	1,737,077	

No.	County	Urban Centre	Urban Pop (2019)	Max APA1 Allocation (US$)	Max APA2 Allocation (US$)	Max APA3 Allocation (US$)
				40%	90%	
17	Kakamega	Mumias	41,942	301,982	679,460	
18	Kericho	Kericho	53,804	387,389	871,625	
19	Kiambu	Ruiru	490,120	3,528,864	7,939,944	
20	Kiambu	Kikuyu	323,881	2,331,943	5,246,872	
21	Kiambu	Karuri	194,342	1,399,262	3,148,340	
22	Kiambu	Juja	156,041	1,123,495	2,527,864	
23	Kiambu	Kiambu	147,870	1,064,664	2,395,494	
24	Kiambu	Limuru	81,316	585,475	1,317,319	
25	Kiambu	Thika	251,407	1,810,130	4,072,793	
26	Kilifi	Malindi	119,859	862,985	1,941,716	
27	Kilifi	Kilifi	74,270	534,744	1,203,174	
28	Kirinyaga	Kerugoya/Kutus	39,188	282,154	634,846	
29	Kisii	Kisii	112,417	809,402	1,821,155	
30	Kisumu	Kisumu	397,957	2,865,290	6,446,903	
31	Kisumu	Ahero	16,853	160,000	360,000	
32	Kitui	Kitui	29,062	209,246	470,804	
33	Kitui	Mwingi	17,025	160,000	360,000	
34	Kwale	Ukunda	77,686	559,339	1,258,513	
35	Kwale	Kwale	10,063	160,000	360,000	
36	Laikipia	Rumuruti	13,056	160,000	360,000	
37	Laikipia	Nanyuki	72,813	524,254	1,179,571	
38	Lamu	Lamu	25,385	182,772	411,237	
39	Machakos	Machakos	63,767	459,122	1,033,025	
40	Machakos	Mavoko	293,368	2,112,250	4,752,562	
41	Machakos	Tala/Kangundo	25,057	180,410	405,923	
42	Makueni	Wote	19,725	160,000	360,000	
43	Makueni	Emali/Sultan	27,043	194,710	438,097	
44	Mandera	Mandera	114,718	825,970	1,858,432	
45	Mandera	El Wak	60,732	437,270	983,858	
46	Marsabit	Marsabit	36,289	261,281	587,882	
47	Meru	Meru	80,191	577,375	1,299,094	
48	Meru	Maua	50,826	365,947	823,381	
49	Migori	Migori	71,668	516,010	1,161,022	
50	Migori	Rongo	20,688	160,000	360,000	
51	Migori	Awendo	16,815	160,000	360,000	
52	Migori	Kehancha	22,194	160,000	360,000	
53	Murang'a	Murang'a	43,314	311,861	701,687	
54	Murang'a	Kenol	44,086	317,419	714,193	
55	Nakuru	Nakuru	570,674	4,108,853	9,244,919	
56	Nakuru	Naivasha	198,444	1,428,797	3,214,793	
57	Nakuru	Gilgil	60,711	437,119	983,518	
58	Nandi	Kapsabet	41,997	302,378	680,351	
59	Narok	Narok	65,430	471,096	1,059,966	
60	Narok	Kilgoris	10,845	160,000	360,000	

No.	County	Urban Centre	Urban Pop (2019)	Max APA1 Allocation (US$)	Max APA2 Allocation (US$)	Max APA3 Allocation (US$)
				40%	90%	
61	Nyamira	Nyamira	24,483	176,278	396,625	
62	Nyandarua	Ol Kalou	13,234	160,000	360,000	
63	Nyandarua	Engineer	9,678	160,000	360,000	
64	Nyeri	Nyeri	80,081	576,583	1,297,312	
65	Samburu	Maralal	31,350	225,720	507,870	
66	Siaya	Siaya	33,153	238,702	537,079	
67	Siaya	Bondo	22,712	163,526	367,934	
68	Taita Taveta	Mwatate	9,572	160,000	360,000	
69	Tana River	Hola	20,912	160,000	360,000	
70	Tharaka Nithi	Kathwana	59,599	429,113	965,504	
71	Tharaka Nithi	Chuka	22,388	161,194	362,686	
72	Trans Nzoia	Kitale	162,174	1,167,653	2,627,219	
73	Turkana	Lodwar	82,970	597,384	1,344,114	
74	Uasin Gishu	Eldoret	475,716	3,425,155	7,706,599	
75	Vihiga	Mbale	17,404	160,000	360,000	
76	Wajir	Wajir	90,116	648,835	1,459,879	
77	West Pokot	Kapenguria	28,469	204,977	461,198	
TOTALS			**7,137,427**	**52,267,968**	**117,602,928**	

4.3 UDG Bonus Allocation

The total UDG Bonus Allocation amounts to US$74,925,000. This will be disbursed to qualifying urban areas in two annual tranches (of US$37,462,500 in each year) in Years 3 and 4 of the program, based on the results of APAs 2 and 3.

Urban areas will qualify for UDG Bonus Allocations if their performance is above average, as measured in APA2 and APA3. These (better performing) urban areas will receive a share of the UDG Bonus Allocation in Years 3 and 4 (in addition to their UDG Performance Allocations).

> **Text Box 4.3: Example of qualification for UDG Bonus Allocations**
>
> In APA2 if 20 cities/municipalities qualify for UDG Performance Allocations, with an average PS score of 50, then those cities/municipalities which have achieved a PS score of more than 50 will receive UDG Bonus Allocations. The cities/municipalities that have scored 50 or less will not receive the UDG Bonus Allocation.

The method for calculating annual UDG Bonus Allocations is as follows:

- In each applicable year (APA 2 for Year 3 allocations and APA 3 for Year 4 allocations), **the annual UDG Bonus Allocation will be shared among those urban areas that achieve a PS score greater than the average PS score**. For example, if the average PS score in APA 2 is 60, then all those cities/municipalities that scored 61 and above will qualify for a UDG Bonus Allocation.
- **Each such qualifying urban area (that achieves a PS score greater than the average) will receive a share of the annual UDG Bonus Allocation that is proportional to its weighted score**. The weighted score of each qualifying urban area is calculated as being:

  A * B = weighted score,

Where;

A = [The difference between the urban area's PS score and the average PS score]^2 (squared)

* = multiplied by

B = [The population of the qualifying urban area] A detailed example is as shown in text box 4.4 below.

Text Box 4.4: Example of Weighted Score calculation

If the **average APA 2 PS score is 60** and municipality X (with a **population of 100,000**) has a **PS score of 70** (thereby qualifying for a UDG Bonus Allocation), the weighted score for municipality X is calculated as follows:

A = The difference between the urban area's PS score and the average PS score (squared)
[70 minus 60]^2 = 10^2 = 100

B = the population of Municipality X
= 100,000

Weighted score = A * B
=100 * 100,000
= 10,000,000

- **Qualifying cities and municipalities will receive a share of the annual UDG Bonus Allocation which is proportional to their respective weighted scores** (as a proportion of the total of the weighted scores of all qualifying cities and municipalities).

Text Box 4.5: Example of UDG Bonus allocation

If 10 municipalities qualify for the UDG Bonus Allocation in APA 2 (for Year 3 allocations) and their **combined total of weighted scores is 100,000,000**, then municipality X (with a weighted score of 10,000,000) will receive:
= (Weighted score/Combined score) % of the annual UDG Bonus Allocation funding pool
= (10,000,000 divided by 100,000,000) %
= 10% of the annual UDG Bonus Allocation funding pool (of US$23,962,500);
which amounts to **US$2,396,250**.
In the case of municipality X, this is equivalent to US$23.96 per capita.

In order to mitigate the risk that UDG Bonus Allocations are too large to be absorbed by qualifying cities/municipalities, there is a cap or ceiling on the maximum per capita amount that can be allocated to a qualifying urban area. This is set at US$40.00 per capita. Thus, if the calculated UDG Bonus Allocation for any city or municipality exceeds this per capita ceiling, then the amount that will be allocated will be rounded down to US$40.00 per capita.

4.4 UDG Minimum Conditions (MCs)

For municipalities to be eligible to access the grant, are to be met as provided in Table 7 below. The MCs will be assessed by the end of November of each year for the grant in the next financial year. However, the timelines for APA 1 would be determined by the timings of signing and effectiveness of the financing agreement (FA) and this would slightly affect when the APA is done. This would mean, to qualify for the first year of the UDG grant, the MCs should be met before undertaking of the APA, as per the calendar provided in section 5.2 of this document, at the latest.

In the first cycle of assessment for UDG grants, there will be six (6No.) MCs assessed, that is MCs number 1, 2, 3, 5, 6 and 9; two of which have some indicators that will be assessed in the second cycle, that is, MCs number 6 and 9. MCs number 4, 7 and 8 will be assessed from the second cycle onwards. This indicates that from the second cycle, all the nine (9No.) MCs will be assessed. Failing one MC means that a municipality does not qualify for the UDG for the following year (and that the allocation is lost and returned to the pool for allocation across all eligible municipalities in later years).

4.5 UDG Performance Standards (PSs)

As indicated above (section 4.2), 70 percent of the grant will be allocated using a linear formula based on the points obtained in the PS with a maximum allocation of US$18 per resident per year following the results of the assessment. A municipality that has not met any of required MCs cannot get access to the grant, even if its scores are good.

There are eleven (11No.) PSs categorized for each of the RAs, and each of the PSs has indicators, the verification process and the year when each will be assessed. As for the MCs, the deadline to meet the performance standards is before the APA for each year, as detailed in the section 5.2 of this document on the APA calendar. 7 out of 11 PSs, that is PSs number 1, 2, 3, 4, 6, 8 and 9, apply from the assessment for the first cycle (in FY 2023/24 for the UDG in FY 2024/25). Some of the indicators for PSs number 1, 3, 8 and 9 will be assessed from the second cycle. Four (4No.) standards (UDG PSs number 5, 7, 10 and 11) will be assessed from the second cycle onwards.

The total scores for the PSs is 100 and for urban boards performing above the average (the score is above the average score for all the participating urban boards) are eligible for a bonus which is calculated using an exponential formula as described in section 4.3 above. **Urban boards scoring zero on the PSs do not qualify for any money.**

Table 7: UDG Minimum Conditions (MCs)

Results Area	Minimum Condition	Indicator(s)	Start Date	Assessment Procedure & Means of Verification
RA1	**MC1:** The participating urban board has the appropriate institutional setup (including adequate gender representation).	• Urban Board membership: a) appointed and approved as per provisions of UACA. b) not more than two thirds of the same gender. c) includes private sector representation. • Urban administration: a) city/municipal manager appointed by the County Public Service Board b) City/municipal manager designated as city/municipal accounting officer.	APA1 APA1	• Obtain approved list of members of urban board. • Verify: a) that membership (number, qualifications etc.) is consistent with UACA provisions. b) gender of all board members and that less than two thirds of members are of the same gender. c) that private sector is represented by at least one board member. • Obtain letter of appointment of city/municipal manager. • Obtain signed CEC letter designating the city/ municipal manager as the accounting officer for the participating urban area.
	MC2: The participating urban area has core staff available.	• Full-time staff appointed to following positions: a) registered professional engineer. b) registered planner. c) environment officer registered with NEMA. d) social development officer. e) Accountant registered under CPAK f) procurement officer registered by KISM. • Full-time or shared (with other urban areas or county departments) staff appointed to following positions: a) human resources officer.	APA1 APA1	• Obtain: a) urban area staff list (indicating full-time and shared positions). b) urban area staff appointment letters/transfer of service document for listed staff to establish that they are filled. • Verify that: a) full-time staffing profiles and appointments are as required. b) staffing profiles and appointments of shared positions are as required.
	MC3: The participating urban board has a budget vote which is reported on accordingly.	Either: • Urban area budget: a) is included in county budget as a sub-vote under the Urban Development Department's full county government budget vote. b) spending is reported on by the county government to the Controller of Budget. c) is publicly available. Or: • Urban area budget: a) is included as a full department-level budget vote. b) in counties with ONE OR MORE eligible urban area, urban area budgets can be included together in a full	APA1	• Obtain: a) urban area budget (as developed by board), as a sub-set of the county Urban Development Department's full budget vote. b) county government spending reports submitted to and received by Controller of Budget. c) EITHER: COB quarterly and annual reports on county budget execution, showing urban area sub-vote execution. d) AND/OR: county government report (submitted to and received by COB) on urban area budget execution. e) evidence of public disclosure of urban area budget and budget execution (as part of COB reports or independently). • Verify that: a) urban area budget is a sub-vote [or sub-program] of Urban Development Department's budget vote. b) financial reporting on urban area budget is provided by county government.

Results Area	Minimum Condition	Indicator(s)	Start Date	Assessment Procedure & Means of Verification
		department-level budget vote. *Options enable counties that have already established department-level urban area budget votes to maintain them and provides flexibility for other cases.*		c) urban area budget and budget reporting has been disclosed. • Obtain: a) urban area budget vote in county budget (COB reports) b) COB reports on county urban area budget vote expenditure • Verify that: a) in counties with only ONE eligible urban area, the urban area's budget is included in county budget as a department-level vote. b) in the case of counties with more than one eligible urban area, their budgets are included together in a single department-level budget vote ("urban areas"). c) County government reports urban area budget vote spending to the Controller of Budget accordingly.
	MC4: The participating urban board's budget includes financing from the County Government.	• The county government has: a) officially established and adopted (by law) criteria (formula) for the allocation of county funds to urban areas on the basis of PFM Act provisions. b) made publicly available the above criteria (formula) in a gazette notice. • In subsequent years: a) the county government has allocated funds to the participating urban area on the basis of agreed criteria (formula).	APA2 APA3	• Allocation criteria (formula): a) Obtain official county government law concerning criteria to be used in allocating funds to urban boards. b) Verify that criteria used are consistent with PFM Act. c) Verify that above county government formula is adopted and gazetted/published. • Actual allocation of funds: a) Obtain information on urban area budget vote [or sub-vote] in county budget. b) Verify that county allocation to urban area budget vote is consistent with allocation criteria (formula).
	MC5: The participating urban area engages with local citizens, has a framework for participation and gender inclusion, has a grievance redress mechanism, and publicly discloses key documents.	• Citizen engagement: the urban board has: a) publicly announced its annual calendar of citizen fora meetings. b) has held at least quarterly citizen fora. c) publicly disclosed its reports on each citizen forum. • Municipal GRM system developed and functional. • Disclosure: urban board has publicly disclosed key documents:	APA1 APA1 APA1	• Review local media reports and website to confirm that the annual calendar of citizens' fora was published and announced. • Review minutes of citizen fora to confirm that citizen fora were held at least once every quarter, as per the schedule announced at the beginning of the year. • Verify that minutes/reports of the fora meetings are publicly available. • Verify that the municipality has an official gender inclusion and participation framework. • Verify that the gender inclusion and participation framework is publicly available. (develop a template/guideline for measuring in APA2)

Results Area	Minimum Condition	Indicator(s)	Start Date	Assessment Procedure & Means of Verification
		a) municipal charter. b) contact information. c) board and staff members. d) highlights of Board meeting deliberations. e) urban board budget. f) urban board annual investment plan. g) urban board annual financial report. h) up-to-date urban IDeP and spatial/land use plans.		• Verify that the urban area website and/or county website provides guidance on the submission of grievances. • Verify that the log/record of grievances received from all uptake channels and its resolution status is maintained in the Municipality office. • Verify that all the listed information is available on the website of the county and/or urban board.
RA2	**MC6:** The participating urban area has an up-to-date and comprehensive Integrated Development Plan (IDeP)	• Urban IDeP: a) prepared b) reviewed annually. c) includes key elements, as per UACA section 38, Schedule 3 d) includes principal findings and proposals of private sector dialogues and diagnostic (from APA3). • Urban physical and land use plan developed in accordance with PLUPA and CGA.	APA1 APA2	IDeP: • Obtain online or physical copies of most recent IDeP from planning department/municipality. • Verify that IDeP: a) has been approved. b) has been reviewed in previous year. c) includes all key elements (as per UACA 2011, CGA 2012 and other regulations). I d) includes principal findings and proposals of private sector needs diagnostic (from APA3) e) Includes Environmental and social impact assessment and management aspects Physical and land use plan: • Obtain online or physical copies of most recent urban physical and land use plan from planning department/municipality. • Verify that physical and land use plan: a) has been approved. b) is consistent with provisions of PLUPA 2019 and CGA, 2012. c) Is consistent with NEMA regulations
RA3	**MC7:** Infrastructure designed under the program adheres to minimum technical, climate resilience and ESS requirements.	• Infrastructure designs developed in the previous year comply with standards to ensure they are climate change resilient and inclusive (following checklist in annex 13). • Environmental and Social assessments conducted for preparation of UDG investments and compliance with Environment and Social Safeguards (ESS) minimum requirements: a) all subproject feasibility reports to include E&S screening reports as per POM guidelines. b) Site-specific environmental and social impact assessment's prepared and obtain NEMA license	APA2 APA2	• Project design specifications. • Checklist in POM incorporating climate change and universal design standards. • Checklists in Environmental and Social, health and safety management manual

Results Area	Minimum Condition	Indicator(s)	Start Date	Assessment Procedure & Means of Verification
		before the start of civil works. c) all contract documents include NEMA license/approval conditions and ESMP with budget allocation. d) all subprojects involving temporary physical or economic displacement and relocation to include consulted ARAP/Reinstatement-/Restoration/Reposition Plan before award of contracts. e) At least two stakeholder consultations with Project Affected Persons (PAPs) were undertaken at the preparation stage.		
RA4	**MC8:** The participating urban area operates within the county government's private sector engagement framework to promote public private dialogue in urban areas.	• The county government has developed an engagement framework[10] to promote public private dialogue in urban areas.	APA2	• Obtain copy of county private sector engagement framework.
Program	**MC9:** County government has committed itself to participation in KUSP2 and adheres to all program conditions.	• An intergovernmental agreement is signed by the County Government and the National Treasury. • The annual urban board investment plan (or annual strategic plan) for next FY is available and provides the budget for UDG-financed investments, with feasibility (or pre-feasibility) studies as per the POM, for the proposed investments completed and attached to the document. • UDG for the previous FY has been used in accordance with the eligible investment menu (as described in POM).	APA1 APA 2 APA 2	• Obtain copy of intergovernmental agreement. • Annual urban board investment plan (or strategic plan): a) obtain copy of annual investment plan (or annual strategic plan). b) verify that plan provides budget for UDG-financed investments. c) Verify that annual investment plan includes (pre-)feasibility studies. • Use of UDG in previous FY: a) obtain urban board reports and financial statements. b) verify that investments financed out of UDG allocation are consistent with positive/negative investment menu. • Procurement:

[10] The framework will identify private sector needs and priority interventions building on the Competitive Counties Toolkit, and based on the public-private forum discussion.

Results Area	Minimum Condition	Indicator(s)	Start Date	Assessment Procedure & Means of Verification
		• Procurement methods used and contracts issued for UDG funded investment project(s) were consistent with prescribed budget thresholds and contracting procedures. • Following disbursement of UDG grant by NT and confirmation of urban board budget provision, release of UDG funds from the County Revenue Fund to the Special Purpose Account took not more than 30 working days from the day the SDHUD issues the confirmation of disbursement letters to the county.	APA 2 APA2	a) obtain urban board reports, procurement notices and contracts. b) verify that procurement methods used were consistent with budget thresholds and procedures. • Release of UDG funds: a) obtain information on date of release of UDG funds by NT to CRF. b) obtain information on urban board budget provision. c) obtain information on date of transfer of UDG funds from CRF to SPA. d) verify that period between NT release and CRF/SPA transfer is not more than 30 working days.

Table 8: UDG Performance Standards (PSs)

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
RA1	**PS1:** Urban service delivery functions transferred.	• Steps taken to transfer and undertake functions to the participating urban board: a) county government and urban board undertake a functional analysis of the delegated functions of municipal infrastructure and service delivery and identify/review functions (and resources including assets) to be transferred and county gazette notification of transfer of functions. **[SCORE = 4]** b) urban board budget developed in line with transferred service delivery functions. **[SCORE = 3]** c) urban board budget execution reflects	APA1 APA2	• Obtain: a) report on analysis of municipal service delivery functions. b) gazette notifications. c) urban board budgets. d) urban board financial reports. • Verify that: a) county and urban board undertook analysis of municipal service delivery functions. b) functions officially transferred to urban board by gazette notice. c) urban board budget indicates that funds allocated to transferred functions. d) urban board expenditure reflects spending on transferred functions.	Municipal reports. Gazette notices. Urban board budgets and financial reports. Municipal charters.

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
		implementation of transferred service delivery functions. **[SCORE = 3]** **TOTAL SCORE = 10**	APA2		
	PS2: Effective human resource and performance management.	• Municipal organizational structure (with job specifications) and staff establishment of the urban administration is: a) Prepared in alignment with model structures, with all technical and administrative positions identified. b) prepared with priority positions identified. c) approved by the County Executive Committee. d) authorized by the County Public Service Board. e) Implemented through appointment of all priority positions and at least 50% of approved technical positions. **[SCORE = 3]** • Performance contracts are in place: a) between (i) Board chair and CECM; (ii) Municipal Manager and Board (APA1) b) for all municipal administration staff and are evaluated/reviewed annually (as of APA2) **[SCORE = 2]**	APA2 APA1	Organizational structure & staffing • Obtain: a) approved organizational structure (and job descriptions) and staff establishment for the participating urban board. b) approved staff appointments. • Verify that: a) organizational structure and staffing establishment have been approved. b) job descriptions for staff are in place. c) staffing appointments have been made for all priority positions and at least 50% of technical level positions as per approved establishments. Performance contracts: • Obtain: annual performance contracts, targets and evaluation reports. • Verify that: a) performance contracts for the Board Chair with CECM; Manager with the Board; and Manager with Heads of Departments are in place. b) performance contracts have	Approved organogram (with job specifications) Minutes of county public service board meetings (showing approvals). Minutes of County Executive Committee meetings (showing approvals). Annual performance contracts, targets and evaluation reports.

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
		TOTAL SCORE = 5		been reviewed/evaluated on an annual basis. c) staff performance appraisal system exists for technical level staff working under the Heads of Departments.	
	PS3: Quality/scope of participation/accountability.	• Urban board has a functioning committee mandated with addressing Gender Mainstreaming (including ToR) **[SCORE = 2]** • All grievances during past year submitted to urban area administration are responded to within 14 working days. **[SCORE = 2]** • Annual review of IDeP for previous FY OR New IDEP for new municipalities includes consultation session with citizens and private sector representatives. **[SCORE = 1]** **TOTAL SCORE = 5**	APA1 APA1 APA1	Committee mandated with Gender Mainstreaming : • Obtain: a) ToRs b) minutes of committee meetings. • Verify that: a) Committee is meeting regularly and reporting adequately. Grievances: • Obtain: a) documentation (all grievance submissions during past year, response to grievances). • Verify that: a) all grievances during the past year were responded to within 14 working days. IDeP annual review: • Obtain: a) minutes of IDeP annual review consultations. b) attendance list of IDeP review consultations. • Verify that: a) consultations took place. b) private sector was consulted.	Minutes of committee mandated with Gender Mainstreaming Urban area grievance management documentation. Minutes and attendance list of IDeP annual review consultations.

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
RA2	**PS4:** Technical quality/comprehensiveness of spatial/physical and land use plans.	• Updated urban spatial/physical and land use plan is prepared according to principles stated in PLUPA, CGA, and UACA and is: a) GIS-based. b) provides clear depiction of connectivity networks and areas of strategic urban infrastructure investments. c) spatially indicates housing areas and housing requirements. d) provides for any Special Planning Areas and/or urban renewal/ redevelopment areas. e) spatially indicates environmental protection and conservation areas, **[FOR EACH OF THE ABOVE SCORE = 2]** **TOTAL SCORE = 10**	APA1	• Obtain urban spatial/physical and Land use plan from Municipal Manager/Planning Dept. • Using a spatial plan checklist, verify that plan: - is GIS-based (using either urban board or county government GIS). - provides clear depiction of connectivity networks. - indicates housing areas and housing requirements. - provides basis for prioritization of strategic urban investments. - provides for any Special Planning Areas and/or urban renewal/redevelopment areas. - Indicates areas of environmental protection and conservation	Approved Spatial/physical and land use plans. For the new municipalities (An up to date draft Spatial/physical and land use plan adopted by the board with a clear work plan/timeline and budget for completion. Notice of the draft plan not prior to June 2023
	PS5: Climate risk informed planning.	• Climate risk profile for the urban area: a) is developed and published. b) informs updated/revised urban IDeP and physical/spatial/land use plan. **[SCORE = 5 for each requirement]** **TOTAL SCORE = 10**	APA2 APA3	• Obtain: a) urban area climate risk profile. b) urban area IDeP. c) urban area physical/spatial/land use plan. • Verify that: a) urban area climate risk profile has been developed in line with guidelines in POM. [11] b) urban area climate risk profile has been published online. c) revisions of urban area IDeP and physical/spatial/land use	Urban area climate risk profile. Urban area IDeP. LPLUDP.

[11] See also: AECOM guidelines.

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
				plan are informed by climate risk profile.	
	PS6: Development control.	• Development control instruments (i.e. zoning regulations for the participating urban board): - prepared according to applicable laws (PLUPA, UACA, CGA). - approved by County Assembly. **[SCORE = 5]** • Building/construction inspections of adherence to zoning and building regulations are: - undertaken. - compiled/recorded in monthly reports. **[SCORE = 5]** **TOTAL SCORE = 10**	APA1 APA1	• Obtain development control instruments (zoning regulations) from county planning director/municipal manager. • Verify that development control instruments (zoning regulations): a) are in accordance with PLUPA, UACA and CGA. b) have been approved by County Assembly • Obtain reports/summaries of development permission applications and building inspection reports from the Planning Director/Municipal manager. • Verify that these reports have been compiled on a monthly basis.	Zoning tools; Zoning regulations, development permission application and approval process software, building inspection flow charts. Development permission applications and approvals/permits reports. Building inspection reports (annually). Minutes of the approvals
RA3	**PS7:** Climate resilient and inclusive infrastructure. [12]	• Infrastructure sub-projects <u>completed</u> under the Program during the previous fiscal year: a) comply with design standards (following checklist in annex 13) to ensure they are climate resilient and inclusive. **[SCORE = 4]** b) have been handed over on time. **[SCORE = 2]** c) are already in use. **[SCORE = 2]**	APA2	• Obtain: a) sub-project contract documents (specifications etc.). b) sub-project completion/handover reports. • Verify that sub-projects: a) have been completed in accordance with initial design specifications. b) were completed on time (as per contract). c) Were completed as per ESMP closure report. • Verify (physically) that sub-projects	Sub-project implementation monitoring reports. Sub-project contract documentation.

[12] "Inclusive infrastructure" means universally accessible through the application of universal design to infrastructure and service delivery and/or prioritization and implementation of subprojects through a participatory, inclusive process (i.e., inclusive design).

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
		d) All ESMP requirements and NEMA license conditions have been completed. **[SCORE = 2]** **TOTAL SCORE = 10**		are either ready to be used or are in use.	
	PS8: Operationalization of urban solid waste management policies.	• Urban area SWM policy implementation is monitored and reported on annually (in POM-defined format). **[SCORE = 6]** • Urban area SWM policy implementation: a) maintains/increases coverage (geographical, % of households and other service users) of municipal waste collection. **[SCORE = 4]** **TOTAL SCORE = 10**	APA1 APA2	Monitor Overall policy implementation • Obtain: a) Approved urban area SWM policy /plan. b) Annual SWM policy implementation report (template has been provided) • Verify that: a) SWM policy/plan exists and has been approved by the urban board b) Annual SWM policy implementation report has been delivered to the urban board on time and in prescribed format. Scope/quality of service delivery • Obtain: a) annual SWM policy implementation report. b) SWM monitoring reports. • Verify that: a) geographical/household coverage of waste collection services has been maintained/increased.	Annual SWM policy/plan implementation report. Minutes of submission of Annual SWM policy/plan implementation report to urban board. Annual Municipal SWM monitoring reports (in accordance to the template) Urban area budget and financial reports.
	PS9: Asset management and O&M.	• The participating urban board actively manages its fixed infrastructure assets through: a) Asset inventories that are		• Obtain: a) Asset inventories b) Documentation on assets.	Assets Inventories.

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
		updated on an annual basis. **[SCORE = 3]** b) annual asset maintenance plans (for all assets in inventory) are drawn up and plan implementation reviewed at the end of the year. **[SCORE = 2]** **TOTAL SCORE = 5**	APA1 APA2	• Verify that: a) asset inventories have been annually updated. b) assets in the asset inventory have an annual maintenance plan. c) Implementation of annual maintenance plan has been reviewed.	Documentation on Assets.
	PS10: Implementation of UDG financed investments.	• All completed investment projects financed out of UDG funds fulfil the following: a) all ARAP actions undertaken before completion of respective subproject, where applicable. **[SCORE = 3]** b) regular supervision of ESMP implementation conducted and quarterly progress reports on environment, social, health and safety aspects as per POM, were prepared. **[SCORE = 3]** c) stakeholder consultations with project affected persons during start and end of construction stage undertaken. **[SCORE = 2]** d) no pending ESMP/ARAP actions before closing of the specific sub-project	APA2	a) Obtain: a) ESMP, ARAP where applicable and NEMA license conditions (for sub-projects). b) Obtain ESHS progress and completion report. c) Obtain stakeholder consultation documentation b) Verify physically that: a) .all ESMP requirements are completed b) All NEMA license requirements are completed c) All ARAP actions are completed Additional concerns raised during stakeholder consultations are addressed	Documents maintained by Urban administration and physical verification at site.

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification
		[SCORE = 2] **TOTAL SCORE = 10**			
RA4	**PS11:** Implementation of the county government's private sector engagement framework.	• The participating urban board has: a) developed a database of local businesses. b) updated the database on an annual basis. **[SCORE = 6]** • The participating urban board has held at least two public-private dialogue (PPD) meetings during the past 12 months. **[SCORE = 4]** • Private sector needs diagnostic: the participating urban board has: a) completed a comprehensive private sector needs diagnostic. b) publicly disclosed the private sector needs diagnostic. **[SCORE = 5]** **TOTAL SCORE = 15**	APA2 APA2 APA3	**Up-to-date business enterprise database.** Obtain a database of businesses for each participating board and review whether the database is clustered by economic activity, contains basic business information (name of the business, business code per sector/industry, time in operation, nature of business, contact address including geo-location), is publicly available (in accordance with Data Protection Act of 2019) and has been updated (annual verification). This includes adding or removing businesses and updating their information (change in activity, etc.) **PPD meetings/consultations.** Records and minutes of the meetings that include a list of participants, a summary of deliberations, including private sector input to urban development plans. Minimum of two meetings per year (annual verification). **Private sector diagnostic**. Review that the private sector diagnostic has been completed and follows the guidance of the private sector engagement framework (MC8)	Up-to-date business enterprise database. Online database of businesses for each participating board *(updated annually)* PPD meetings/consultations. Reports on meeting's deliberations and private sector input to inform urban development plans *(minimum 2 engagements per year)* **Private sector diagnostic.** Record of the private sector diagnostic following the guidance of the private sector engagement framework (MC8)

Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification

4.6 Guidance needed (for counties/urban areas) to meet MCs and attain PSs

The following tables provide guidance on what is needed for counties and urban areas to comply with the MCs and PSs.

Table 9: Guidance for UIG MCs

Minimum Condition (MC)	Start date	Indicator	Guidance
MC1	APA 1	The County Governor has signed an Intergovernmental Agreement stating that the county will participate in KUSP2 and adhere to its POM.	Intergovernmental Agreement **(Annex 1)**
MC2	APA 1	County government has prepared a CUIDS approved by the county executive. County government has included the proposed UIG activities in the County Annual Development Plan and Budget.	CUIDS **(Annex 8)**
MC3	APA 2	Annual county expenditure statement shows that the county has followed approved annual County Annual Development Plan and UIG expenditure guidelines and POM.	N/A
MC4	APA 2	Annual County Annual Development Plan shows at least 50 percent of funds is allocated towards activities benefiting eligible urban boards participating in KUSP2. Expenditure statement validates the actual use of the funds accordingly.	Ensure 50% of UIG is allocated to activities directly benefitting participating urban board.
MC5	APA 2	Annual County Annual Development Plan shows at least 30 percent of funds is allocated for climate related activities. Expenditure statement validates the actual use of the funds accordingly.	Ensure 30% of UIG is allocated to climate related activities.

Table 10: Guidance for UDG MCs

Results Area	Minimum Condition	Start Date	Guidance
RA1	**MC1:** The participating urban area has the appropriate institutional setup.	APA1	Section 2.3.1, text box 2.1
	MC2: The participating urban area has core staff available.	APA1	
	MC3: The participating urban area has a budget vote which is reported on accordingly.	APA1	
	MC4: The urban area's budget includes financing from the County Government.	APA2	Model law[13] on urban areas financing
	MC5: The participating urban area engages with local citizens, has a framework for participation and gender inclusion, has a grievance redress mechanism, and publicly discloses key documents.	APA1	• The Urban Boards Guidebook and the Citizens Forum Handbook prepared by UBNA may have relevant content • Guidance Note on municipal GRM[14] • Guidance Note on gender mainstreaming[15] • County citizen engagement policy

[13] The model law will be developed in year 1 of the program
[14] These guidance notes will be developed under KUSP II year 1.
[15] These guidance notes will be developed under KUSP II year 1.

Results Area	Minimum Condition	Start Date	Guidance
			• County Public Participation Guidelines
RA2	**MC6:** The participating urban area has an up-to-date and comprehensive Integrated Development Plan (IDeP) and Physical and Land Use Plan.	APA1	UACA, PLUPA and associated Regulations
RA3	**MC7:** Infrastructure designed under the program adheres to minimum technical, climate resilience and ESS requirements.	APA2	• Checklist for resilient and inclusive infrastructure. **(Annex 13 & 14)** • ESHSM manual **(Annex 12)**
RA4	**MC8:** The participating urban area operates within the county government's private sector engagement framework to promote public private dialogue.	APA2	Guidance Note on county private sector engagement framework *(to be developed in year 1 of the program)*
Program	**MC9:** County government has committed itself to participation in KUSP2 and adheres to all program conditions.	APA1	• Intergovernmental Agreement **(Annex 1)** • UDG eligible investment menu (Section 4.7, table 12) • PPADA 2015

Table 11: Guidance for UDG PSs

Results Area	Performance Standard	Guidance
RA1	**PS1:** Urban service delivery functions transferred.	Guidance Note on county transfer of functions to urban boards including on unbundling, assessment of capacity requirements and costing, assignment of functions to urban areas and cities and arrangements and models for service delivery[16]
	PS2: Effective human resource and performance management.	Guidance Note on municipal HRM includes guidance on performance management and performance contracting.[17]
	PS3: Quality/scope of participation/accountability.	• The Urban Boards Guidebook and the Citizens Forum Handbook prepared by UBNA may have relevant content • Guidance Note on municipal GRM • Guidance Note on gender mainstreaming (simplified checklist to be Annexed in the POM derived from the WB Handbook for Gender Inclusive Urban Planning and Design – link included) • County citizen engagement policy

[16] This guidance note is being developed under KUSP II
[17] This guidance note will be developed in year of KUSP II

Results Area	Performance Standard	Guidance
		• County Public Participation Guidelines
RA2	**PS4:** Technical quality/comprehensiveness of spatial/physical and land use plans.	~~Guidance Note on PLUPs~~ PLUPA and related Regulations
	PS5: Climate risk informed planning.	• Guidance note on climate risk profile (see annex 19), including climate risk assessment, IDeP performance criteria and local physical and land use development plan (spatial plans)
	PS6: Development control.	~~Guidance Note on development control~~ PLUPA Part IV and Corresponding Regulations The Physical Planning Handbook The National Building Code
RA3	**PS7:** Climate resilient and inclusive infrastructure. [18]	Checklist for resilient and inclusive infrastructure. **(Annex 13 & 14)**
	PS8: Operationalization of urban solid waste management policies.	Guidance Note on municipal solid waste management.[19]
	PS9: Asset management and O&M.	Guidance Note on municipal asset management[20].
	PS10: Implementation of UDG- financed investments.	ESHSM manual **(Annex 12)**
RA4	**PS11:** Implementation of the county government's private sector engagement framework.	Guidance Note on county private sector engagement framework[21] (including development of local business database and private sector needs diagnostic). Including engagement in private sector in service delivery

4.7 UDG Investment Menu

Urban boards will be able to use their UDG to finance urban infrastructure and service delivery in seven key areas, based on the board's prioritization of needs, as per Table 9 which provides a summary of the eligible and non-eligible investment menu. Urban boards will be expected to **adhere strictly** to this menu; failure to adhere will result in non-compliance with MCs, preventing an urban board from accessing its UDG in the following year. If an urban board undertakes an ineligible investment using UDG funds, they shall be required to reimburse the total cost of the ineligible investment.

Table 12: UDG eligible and non-eligible expenditure menu

FUNCTIONAL AREA	INDICATIVE ELIGIBLE INVESTMENTS

[18] "Inclusive infrastructure" means universally accessible through the application of universal design to infrastructure and service delivery and/or prioritization and implementation of subprojects through a participatory, inclusive process (i.e. inclusive design).

[19] This guidance note will be developed in year of KUSP II

[20] The guidance note will be developed in year 1 of the program hence municipalities should follow templates for asset inventories provided by National Treasury

[21] The private sector framework is being developed in year 1 of the program for municipalities to apply ready for APA 2

Connectivity, Mobility and Accessibility	• County urban roads[22], pedestrian walkways and bicycle paths, street and security lights (solar) and road furniture (Land acquisition is excluded) • Universal access adaptations in main transport stations including access, internal circulation, ticketing, toilets, access to platforms and specialized services. • Street improvements to meet the needs of all users (pedestrians and cycles lanes). • Converting roundabouts to Signalized junctions (traffic lights). • Piloting NMT means of transport (cycling and pedestrian walkways)
Municipal Solid waste management (MSWM)	• Solid waste: collection equipment (garbage tippers), skip bins, collection and waste bins, transfer stations, collection points, Garbage compacting trucks, skip loaders, Backhoes/front loaders **(construction of sanitary landfill, incinerators and decommissioning of dumpsites excluded).** • Community sensitization campaigns on improved MSWM.
Wastewater and faecal sludge management	• Safe and emptiable public toilets/latrines, community septic tanks, emptying and transportation services and equipment e.g., vacuum trucks, vacuum handcarts, sewer flushing trucks and others **(construction of wastewater treatment facility is excluded).**
Water supply	• Community connections (kiosks and storage tanks not exceeding $10m^3$), water reticulation systems **(water treatment facility and private connections excluded)**
Storm water drainage	• Urban drainage systems; flood control methods (along existing channels e.g., protection of drainage channels). • Rehabilitation of storm water drainage (drainage must have compliant outfall)
Urban social and economic infrastructure	• Urban greenery and public open spaces, social retail markets, community halls, childcare facilities.
Fire and Disaster Management	• Fire control stations and disaster management equipment (firefighting trucks, fire tenders, rehabilitation and/or construction of new firefighting station and facilities)

General Points to Note

i. Proposed investments must be included in the annual Urban Area Investment Plan, aligned with the Physical and Land Use Plan, and take place on public land.

ii. Proposed investments must follow urban resilience, gender and universal design requirements following a checklist provided in POM Vol. II, Annex 13 & 14.

iii. Investments can include both rehabilitation and construction of public infrastructure investments

iv. To avoid the fragmentation of urban investments (and limit procurement efforts), investment projects are subject to a **minimum investment of US$500,000** (except if the UDG allocation is lower).

v. At least 80 percent of the grants shall be spent on non-moveable infrastructure assets. Up to 20% can be used for equipment (fire engines, solid waste equipment, skip loaders, skips.) and consultancy services.

vi. In order to finance investment preparation costs, urban boards shall be permitted to spend up to 10% of UDG allocations on feasibility studies and designs, preparation of ESIA/ESMP, ARAP and supervision of investment projects through hiring of consultancy services.

vii. Project budgets should be 100% secured and covered within the concerned fiscal year. No project shall start with partial funding assuming that remaining funds will become available later. (The annual allocation should cover total project costs meaning that partial funding against annual budgets is not allowed).

viii. Cost Variation on contracts MUST not exceed 5% of the initial Contract sum or price.

ix. Investments must be accompanied by O&M plans.

x. Facilities (e.g., markets, fire stations) must have a management plan.

Non-Eligible Investments

i. Any investment projects that trigger Substantial/High Risk under the World Bank ESF. The following types of investment: power plants; dams; highways; urban metro systems; railways and ports; engineered landfills, construction and installation of incinerators; activities linked to management of solid waste dumpsites; decommissioning of dumpsites; office buildings; land acquisition; projects with potentially significant risks to protected areas or national parks; and manufacturing or industrial processing facilities.

ii. Investments considered temporary in nature, e.g., murram/gravel roads, temporary relocation sites.

iii. Investment projects not included in the urban IDeP and not approved by the urban boards.

[22] All roads constructed under the program **must adhere to the guidelines contained in the Street-Design-Manual-for-Urban-Areas-in-Kenya** for urban roads, **must have** drains with adequate outfalls, walkways, green spaces & street lighting.

iv.	Additionally, if E&S risks are high or associated facility is linked to the proposed investment.
v.	Investments **falling outside** functions transferred to the Municipality.

4.8 WHR Urban Development Grant (WHR UDG)

4.8.1 Purpose of WHR UDG

The WHR UDG will enable beneficiary urban boards to finance critical infrastructure investments that improve the accessibility and quality of basic services for both refugees and host communities. The WHR UDG will finance infrastructure investments in seven key areas of urban infrastructure and service delivery, based on the prioritization of urban needs whose selection will be anchored in the CIDP.

4.8.2 WHR UDG Allocation

Urban boards of Kakuma and Dadaab will need to comply with all WHR UDG MCs to qualify for their annual WHR UDG. If any of the two urban boards meet all the MCs, they will receive an **initial allocation of 50%** of their indicative formula based WHR UDG ceiling. The urban boards that meet the WHR UDG MCs, as per table 13, may qualify to receive additional financing upon meeting the WHR UDG PSs as per table 14 below. The size of the indicative (maximum) WHR UDG annual grant pool is US$10 million, based on an allocation of US$20.00 per refugee and host community resident. The actual level of total UDG allocations each year will depend on the achievement of WHR UDG PS, and may therefore vary between zero (if no urban boards qualify) to US$10 million (if the two urban boards qualify for their maximum UDG allocations). It should be noted that the maximum value may vary depending on the exchange rate at the time of disbursement. Additionally, in the last cycle of the APA, the municipalities will be accessing the balance that will be distributed accordingly as per the performance in meeting the WHR UDG PSs.

The first cycle of the assessment will cover MCs #1, 2, 3, 4 and 5, whilst the other two (#6 and 7) will be assessed from the second cycle of the APA.

Table 13: WHR UDG Minimum Conditions

Minimum Condition	Start date	Indicator	Means of verification
MC1: Municipal status has been granted	APA 1	County Governor, upon resolution of the county assembly, has granted municipal charter	Obtain: • gazetted notice of the municipal charter
MC2: Municipal Board is appointed	APA 1	Urban board has been appointed by County Governor upon approval by county assembly in accordance with the UACA (amendments of 2019) (Camp Manager is at minimum a co-opted member of the Urban Board).	NPCT Provide an advisory note on the legal backing as part of the APA package Obtain: • Gazetted notice of urban board members • Obtain letter of appointment of city/municipal manager. • Obtain signed CEC letter designating the city/ municipal manager as the accounting officer for the participating urban area. • • Verify:

			a) that membership (number, qualifications etc.) is consistent with UACA provisions. b) gender of all board members and that less than two thirds of members are of the same gender. c) that private sector is represented by at least one board member. d) That the camp manager has been co-opted as part of the board e) That the Municipal Manager has been appointed the accounting officer of the participating urban area.
MC3: Urban board has core staff available.	APA 1	A municipal manager and core municipal staff • Full-time staff appointed to following positions: a) registered professional engineer. b) registered planner. c) environment officer registered with NEMA. d) social development officer. e) Accountant registered under CPAK f) procurement officer registered by KISM. • Full-time or shared (with other urban areas or county departments) staff appointed to following positions: a) human resources officer.	Obtain: a. urban area staff list (indicating full-time and shared positions). b. urban area staff appointment letters/transfer of service document for listed staff to establish that they are filled. Verify that: a. full-time staffing profiles and appointments are as required. b. staffing profiles and appointments of shared positions are as required.
MC4: County government has committed itself to participate in KUSP2	APA 1	The County Governor has signed the Participation Agreement stating that the county government will participate in KUSP2 and adhere to its POM.	Obtain: Signed participation agreement
MC5: Annual Urban Area Investment Plan is available	APA 1	Annual Urban Area Investment Plan is available for the Fiscal Year and provides the budget for UDG investments.	• Obtain • Approved Urban Integrated Development Plan (IDeP), • Approved Annual Urban Area Investment Plan • minutes of approval of the annual investment plan by the county executive and/ or the urban board)

			Verify • IDEP is available and approved by the urban board (show minutes of approval by the county executive and the urban board) • Annual Urban Area Investment Plan priorities are captured in the urban IDEP , with budgets provided for UDG investments • Minutes of approval of the Annual Urban Investment Plan provided •
MC6: Use of previous annual WHR UDG is in compliance with eligibility criteria*	APA 2	UDG for the previous FY has been used in accordance with the eligible [positive] investment menus (as described in POM)	
MC7: Environmental and Social assessments conducted for WHR UDG investments and compliance with Environment and Social Safeguards (ESS) minimum requirements*	APA 2	a. All subproject feasibility reports to include E&S screening reports as per POM guidelines b. Site specific environmental and social impact assessment's prepared and obtain NEMA license before start of civil works. c. All Contract documents include NEMA license/approval conditions and ESMP with budget allocation. d. All subprojects involving temporary physical or economic displacement and relocation to include consulted ARAP/Reinstatement/Restoration Plan before award of contracts. e. GRM constituted and grievances records being maintained at Municipality level. At least two stakeholder's consultations with Project Affected Persons were undertaken at preparation stage and two at implementation stage.	

Table 14: WHR UDG Performance Standards

Performance Area	Performance Standard and Indicator	Start date	Score	Means of Verification
1. Municipal board functionality	**PS1:** Urban board meetings have been held at least once every three months	APA 1	10	Obtain: Digital or hard copies of board meetings held

and citizen engagement				Verify: • Review minutes of board meetings to verify that the meetings have been held at least quarterly, with resolutions consistent
	PS2: Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once every quarter, with representatives from refugee communities forming at least 50% of the participating stakeholders (with host communities also represented) over the full reporting period (annual).	APA 1	10	Obtain: • Citizen Fora reports showing list and category of participants, clearly indicating host and refugee categories. • Evidence of public announcement for citizen fora. • Evidence that the citizen fora minutes/ agreements/ discussions have been published in public platforms. Verify that : • confirm that the annual calendar of citizens' fora was published and announced. To the public in advance • Review minutes of citizen fora to confirm that citizen fora were held at least once every quarter, as per the schedule announced at the beginning of the year, and that representatives from refugee communities formed at least 50% of the participating stakeholders over the reporting period (annual) • The minutes of the meetings should clearly shows the designation of participants specifying if refugees or host communities

				• Verify that minutes/reports of the fora meetings are publicly available.
2. Public disclosure and transparency	**PS3:** Urban board has made key documents publicly available: municipal charter, contact information for board and key officials, urban IDeP (and other plans, as relevant), budget vote proposal (including appropriate annexes), and approved budget	APA 1	10	Obtain • local media reports and website to confirm that the annual calendar of citizens' fora was published and announced. • minutes of citizen fora to confirm that citizen fora were held at least once every quarter, as per the schedule announced at the beginning of the year. Verify : Verify that all the listed information is available on the website of the county and/or urban board.
3. Municipal budgeting	**PS4:** Urban board budget is included in county government budget as a full vote or as a sub-vote.	APA 1	15	Obtain: a) urban area budget (as developed by board), as a sub-set of the county Urban Development Department's full budget vote. b) county government spending reports submitted to and received by Controller of Budget. c) EITHER: COB quarterly and annual reports on county budget execution, showing urban area sub-vote execution. d) AND/OR: county government report (submitted to and received by COB) on urban area budget execution. e) evidence of public disclosure of urban area budget and budget execution (as part of COB reports or independently). Verify that f) urban area budget is a sub-vote [or sub-program] of Urban Development Department's budget vote. g) financial reporting on urban area budget is provided by county government. • urban area budget and budget reporting has been

				disclosed.
4. Climate resilient municipal planning	**PS5:** Urban IDeP submitted by the municipal administrator, and reviewed and approved by the municipal board, including municipal level climate change profiles, and integration of investments that achieve higher climate co-benefit and improve mitigation and adaption	APA 1	15	Obtain • online or physical copies of most recent IDeP from planning department/municipality. • Verify that IDeP: a. Urban IDeP has been submitted by the municipal administrator and reviewed and approved by the Municipal board b. has been reviewed in previous year. c. includes all key elements (as per UACA 2011, CGA 2012 and other regulations). I e. Includes Environmental and social impact assessment and management chapter.
	PS6: Urban spatial plan completed or under review for the area delineated as the municipal area, including refugee hosting areas, integrating urban resilience and climate change issues	APA 2	20	• Obtain online or physical copies of most recent urban spatial/physical and land use plan from planning department/municipality. • Verify that: o has been completed or under review. o has been approved, if completed. o Integrates urban resilience and climate change issues. o is consistent with provisions of PLUPA 2019 and CGA, 2012.

				○ Is consistent with NEMA regulations
5. Municipal services	**PS7:** An operational waste collection and disposal plan has been drawn up and adopted/endorsed by the municipal board, with an implementation plan and costings of priority investments in place.	APA 2	10	• Obtain ○ Waste collection and disposal plan ○ Implementation report of the plan ○ SWM Monitoring Plan Verify that: ○ It has been adopted/endorsed by the municipal board ○ It has an implementation plan with costing ○ urban area SWM monitoring system/plan is in place to monitor the implementation of the plan in accordance to the standardized templates
6. Municipal infrastructure delivery	**PS8:** Infrastructure designs developed_on the previous year complies with standards to ensure they are climate change resilient and inclusive (following checklist in the POM Vol. II annex 13)	APA 2	10	• Obtain: a) Sub-project contract documents (specifications etc.). b) sub-project completion/handover reports, if completed. • Verify that sub-projects: a) have been implemented/completed in accordance with initial design specifications.

4.8.3 WHR UDG investment menu

The eligibility menu for the WHR UDG activities is the same as that for the main UDGs (refer to section 4.6, table 9), with additional eligible items namely:

i) Water storage capacity increased to 100m3 at public land and facilities (schools, hospitals), for public use and from functional existing boreholes,
ii) Construction of trunk water infrastructure servicing public water kiosks and community facilities, and
iii) Re-afforestation activities and tree nurseries in restoration of environmentally degraded areas.

4.9 UDG and WHR UDG Planning and budgeting

The first responsible party for the planning of the use of the Urban Development Grant is the urban board with assistance from the urban manager and his/her staff, whilst taking into account inputs from stakeholders including citizens.

The following are, in a logical sequence, the documents that are important and considered part of the documentation for use of the UDG:

- The county urban institutional development strategy (CUIDS), as prepared by the county government and reflected in the county investment development plan (see UIG MC #2 and the template in annex 8). The strategy cum policy statement provides, at county level, the broad guidance on urban issues and urban investments.
- The five-year integrated development plan (urban IDeP)[23] to be made by each urban board, based on the urban policy statement, for the same period as the CUIDS) but worked out in more detail with regards to possible investment opportunities;
- The annual urban investment plan, based on the five-year IDeP, and picking the priorities for one particular year.

Planning is always a process of prioritization, but given that under the UDG the number of projects a city or municipality can annually undertake is fairly limited, the priority process is becoming more important than usual. Hence the importance to involve the population in the consultations for the choice of the preferred projects. It is expected that draft plans as mentioned above are presented for discussion in the citizen fora that are mandated by the UACA (Section 22 and the Second Schedule).

It is expected that before finalization of any of the above-mentioned documents, both the county assembly as well as the population (through public fora) are given a chance to comment and contribute.

Once the annual urban investment is finalized, the budget shall be reflected under the county's 'urban vote' for which the urban manager is the budget holder. It shall be visible in the county budget as UDG funding for earmarked projects.

For WHR UDG investment planning, further details will be discussed and agreed between SDHUD, CoG, DRS, Turkana and Garissa County Governments, Kakuma and Dadaab municipal boards, World Bank and UN Habitat) during the first year of the program to ensure the selection is aligned with KUSP II objective to support the transition to integration settlements.

4.10 Investment planning, screening and appraisal

Planning and budgeting is an iterative process. This is even more so the case for participatory planning as there is no single straight line from the 'suggestion of a good idea' by either a citizen, an assembly member or a member of the executive to 'a fully-fledged proposal with budget provision in the urban investment plan that is based on detailed design'. Nevertheless, in order to be transparent, inclusive and participatory a certain number of steps need to be followed for the identification of possible projects to be funded under the Urban Development Grant, for their ultimate inclusion in the annual urban investment plan (see next paragraph).

As reflected in the performance standards, the KUSP II seeks to promote the establishment of a system of regular (that is at least quarterly) meetings of the citizen fora, the legal provision of which is provided in the Urban Areas and Cities Act (UACA. These public meetings are to be used to generate

[23] Sometimes also called 5-year urban investment plan. The UACA (2011 in section 39 stipulates that an urban IDeP is to be prepared within one year of a board's election: the scope of an urban IDeP's scope is defined in section 36 of the Act; its intended provision defined in the Third Schedule.

project ideas for the use of the UDG but also be used to provide feedback and to seek feedback as the development of the plans progresses. These public fora should put mechanisms in place and provide evidence that there was adequate gender representation. At the same time, the Urban Board and the urban administration would also generate possible project ideas. It is for the urban board to screen the various project ideas and decide which ones merit further data collection and analysis.

From the initial list of project ideas (based on input from the citizen fora, the urban boards and its administration; and the county government and its assembly), the urban board will make a long list

Text box 4.6: Appraisal items for project ideas on the Long list In order to get a shortlist to be effectively included in the five year Urban investment plans the following aspects would need to be considered:

a) Situational analysis and problem(s) to be addressed
b) Objectives, rationale and targeted benefits of the proposed investment
c) Urgency and severity of the problem the proposed investment is addressing
d) Number of direct and indirect beneficiaries
e) Location of the project, land ownership and Description of the beneficiaries
f) Inventory of individuals and groups that maybe negatively affected by the project
g) Social and environmental impact of the proposed project (positive and negative)
h) Economic benefits
i) Overall Costs and relation between costs and number of beneficiaries
j) Assessment of Pros and Cons / Overall Cost/Benefit analysis

for further data collection and information gathering to allow project appraisal, which will be undertaken by (or under the supervision of) the urban administration. In the appraisal the various items as mentioned in Text box 4.6 will need to be considered.

The Social and Environmental impact assessment, as part of the overall project appraisal process, is very important and merits special attention. Involvement of the county social and environmental safeguards officers is mandatory. It is explicitly disallowed to fund projects from the Work Bank funded UDG grant that have an irreversible negative impact on the environment, on the natural habitat, cultural resources or those that cause serious occupational or health risks (see ESHSM manual, Annex 12). Obviously, all proposed projects funded under UDG have to fulfil all criteria of GoK legislation, environmental and other, and at minimum should have prefeasibility studies, Projects have to comply with the regulations as provided by the National Environmental Management Agency (NEMA).

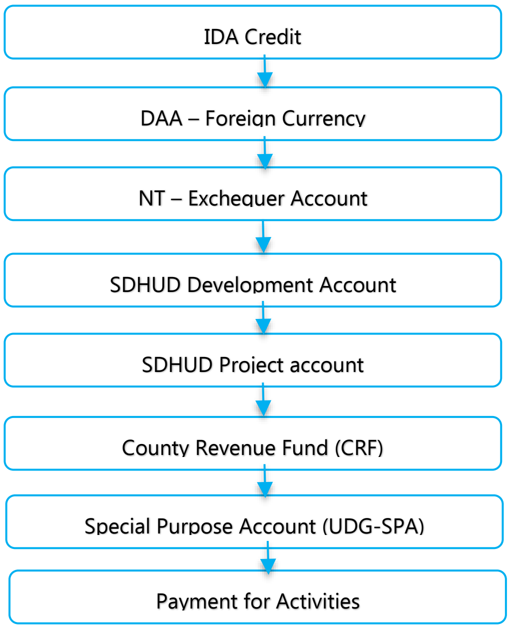
It should also be noted that multi-year projects (i.e. projects requiring more than one funding cycle under the program) are not allowed for funding under the grant. All **selected projects should be completed within the same cycle of funding to functional level**. Any project that will not be completed to functional level within the same funding cycle will be considered ineligible.

4.11 Fund flow

Similar to the UIG (section 3.7), the UDG funds will be disbursed based on the APA results and approved allocations by the PSC. The only deviation from the UIG fund flow is that once the UDG funds hit the CRF, the funds will be transferred to the UDG SPA opened by the participating urban entities for the conditional grants at CBK. Separate SPAs will be opened for the UIG and UDG grants both for IDA and WHR. The funds should be transferred from the CRF to the SPAs within fourteen (14) days upon receipt in the CRFs.

The funds will be released on advice by NPCT upon receipt of the results of the APA approved by the WB and the PSC. The figure below shows the architecture of funds flow:

Figure 2: UDG Fund Flow



5 ANNUAL PERFORMANCE ASSESSMENTS (APAs)

5.1 Purpose of the APAs

The APA will be undertaken to ascertain the level of counties'/municipalities' preparedness and commitment to the program. The APA is scheduled to be undertaken at the start of each FY and completed before the finalization of the next FY budget. This was as a result of lessons learnt from the first KUSP in which grants for each FY delayed by a year due to the late undertaking of the APA process which informs the UDG allocations for each county in each year.

The primary objective of the APA is to assess the performance of eligible counties and urban boards with respect to:

- Compliance with the MCs applicable to UIGs and WHR UIGs.
- The compliance to MCs applicable to UDGs and WHR UDGs.
- The achievements of PSs applicable to UDGs and WHR UDGs

As stated earlier (refer to section 3 and 4 on UIG and UDG MCs and PSs), the MCs and PSs assessed will be the ones relevant for that particular cycle of the assessment.

5.2 APA Calendar

The APA is scheduled for the period between August – October and the proposed sequence of activities is as shown in the table below:

Table 15: APA Calendar of Events

Period	Activity	Output
June	Preparations	○ APA IVA contracted ○ Assessment schedule ○ Communication to counties
July **(first 3 weeks)**	Collection and collation of documentary evidence	○ Draft report ○ Indicative UIG and UDG allocations
July **(last week)**	Debrief to the County Government and Municipality	○ Signed minutes of the debrief meeting (minutes will include the status of each of the indicators)
August	Compliance window (1 month)	○ Update of the APA results based on documentary evidence provided
September **(1st week)**	Deadline for counties and urban areas to submit adequate evidence of complying with MCs and meeting PSs	○ Counties missing the deadline are considered non-eligible for the grant in the upcoming FY ○ Revised Draft report
September **(2nd week)**	Quality Assurance Review (QAR) – this will sample counties and municipalities to assess the veracity of the APA results	○ QAR report
September **(2nd week)**	Finalization of the APA reports	○ Revised final APA report

September	Presentation of the APA report to the program Technical Committee (PTC)	
September	Program Steering Committee (PSC) approves final APA results	○ Formal approval/endorsement of both APA results and the UIG/UDG allocations for next FY
September	Inclusion of the APA amounts in SDHUD budget proposals	
October	Inclusion of KUSP II figures in the SDHUD draft budget	
November	Inclusion of KUSP II budget in the County Government Additional Allocation Bill (CGAAB)	

The start date for APA 1 is highly dependent on when the program becomes effective and as such, the APA calendar will change to align with the program effectiveness date. Otherwise, follow up APAs will be carried out as per the calendar.

5.3 County and urban areas responsibility in the APA process

Before visiting the counties, the consultant shall, at least two weeks (2 Weeks) prior to the exercise, communicate to the counties, indicating the scheduled dates and the required documentation and evidence for assessment.

The counties and urban boards shall ensure that all the required documentation and evidence are availed during the APA assessment process. **An entry meeting** with the CEC, CO and the CPCT shall be undertaken before commencement of the APA process.

Further, upon completion of the exercise, an **exit meeting** will be held with the county/urban board to discuss on the assessment results including performance status per indicator, general strengths and weaknesses, **but not** on the decision on qualification or specific scores. The exit meeting will include the CPCT, other County/municipal staff and political leadership. The debriefing meeting must be attended by the CEC.

Minutes of the debriefing/exit meeting will be prepared jointly by the CPCT and the Consultant and signed by the CEC Urban and the consultant team leader. The minutes will include the status of each of the indicators especially those for which the minimum conditions have not been complied with or where the full scores have not been attained for the performance standards.

5.4 MCs Compliance Verification Procedures

Each of the MCs will be scored in accordance to the verification protocol given in the tables for UIG and UDG MCs (refer to tables 2 and 7). All the MCs' indicators will be assessed and will determine if a certain MC is 'met' or 'not met' with remarks regarding the reason for the assessment.

All the indicators for each of the MCs have to be met for that MC to be assessed as 'met'. For MCs that are not to be assessed in that particular cycle, then the assessment will state 'n/a' to indicate that the MC is not applicable for that cycle and remarks will be made accordingly. The reporting template for the assessment is provided in annex 12, POM Vol. III.

5.5 PSs Scoring Procedures

The PSs indicators will be assessed similarly like the MCs above and scores given based on their compliance. Each of the indicators have scores assigned to them and for an urban board to get those scores, they must have complied with the indicator as per the verification protocol (refer to UDG PSs table 8).

5.6 Notification of the APA results

After completion of the APA, the draft report will be submitted, together with any accompanying attachments as specified, to NPCT with sufficient copies to COG and Counties. All the documentary evidence will be safely stored at SDHUD for future reference and the appropriate repository system shall be determined for proper storage and management of these documents.

5.7 Appeal Process

Upon completion of the APA data collection process and submission of the draft report with the results, the counties/municipalities have a window of one (1) month within which to submit documents/evidence that were missing during the data collection process, for compliance.

The APA consultant may be requested to review and if needed rectify mistakes, anomalies and inconsistencies based on comments from the Counties.

The PTC, however, cannot request the APA consultant, who is independent to carry out the assessment, to alter the results themselves.

5.8 QAR Process

Upon completion and submission of the APA report, the WB will conduct a quality assurance review to ascertain the veracity of the APA results. The QAR will include:

i) Review of the APA Report and accompanied evidence
ii) Assess DLR achievement, and
iii) Sample a few counties and cities/municipalities to validate APA results

In case of any discrepancies between the results of the APA and QAR, the QAR results shall prevail. The results of the QAR shall then be communicated by the WB to the PTC.

5.9 Submission of the Final Draft Report

Once the draft APA report has been reviewed and amended by the consultant as per the appeals, the final report will then be submitted to the NPCT for onward transmission to the PTC, who will forward the same to the PSC for approval. The report shall include:

i) a detailed, county-by-county, list of:
   a) For UIGs/WHR UIG:
   - MCs that have been met at the time of fieldwork;
   - MCs that had not been met at the time of fieldwork and identify what needs to be done in order to meet them in the next APA process;

   b) For UDGs/WHR UDG:
   - MCs and PSs that have been met at the time of fieldwork;
   - MCs and PSs that had not been met at the time of fieldwork and identify what needs to be done in order to meet them in the next APA process;

ii) final listing of all counties that have or have not complied with UIG, WHR UIG, WHR UDG and UDG MCs and PSs and, (as per the following templates)
iii) a calculation of UIG, WHR UIG, UDG and WHR UDG allocations for all counties and urban boards.

The reporting templates are provided in annex 12 & 13, POM Vol. III.

6 TECHNICAL SUPPORT AND CAPACITY DEVELOPMENT

6.1 Objectives

One of the main aims of the Second Kenya Urban Support Program is to provide support to the Urban Development Department (UDD) to be able to manage the program. More importantly it is to be able to support counties and urban boards in the implementation of the program, as well as more generally, in their dealing with urban planning, infrastructure and services, as well as to support the establishment of a national policy framework for urban development in a devolved context. As such, the program component on technical assistance and capacity building strategy has several objectives including:

- Support the harmonization of policies, regulations and development of guidelines for urban management and service delivery in the devolved context;
- Support to counties and urban boards by NPCT in dealing with urban development, whereby a distinction can be made between
  - Support for putting in place the institutional arrangements, such as the urban boards and the citizen fora; and
  - Support on technical issues, both in a supply driven mode (training) as well as in demand driven fashion (on call support / help-desk)
  - Support for urban infrastructure and services delivery
- National level urban grant and financial management; i.e. support all the necessary actions to ensure that the grants are properly and timely included in the various budget papers to allow releases in the course of the financial year and ensure that all expenditure adhere to the FM procedures as guided in the FM manual;
- Capacity building and continuous professional development for SDHUD officers towards enhancing achievement of the PDO;
- Support the urban committee at the CoG on urban development aspect to promote the urban development agenda;
- Support dissemination and implementation of the Shirika plan for refugees and host communities as related to urban development and aspects linked to KUSP II objectives.
- Support benchmarking activities and global forums participation that would contribute to build capacity to achieve the PDO; and
- Support for the overall management and implementation of KUSP II.

6.2 National Level: Component 1

Under component 1 the IPF will be applied towards technical assistance and capacity building to support the establishment of a national policy and regulatory framework for urban development, national level program management support and capacity development support to counties and urban boards to strengthen their performance across the five result areas and to respond to the incentives offered by the performance grants and. This will cover:

6.2.1 Subcomponent 1.1 Program management and coordination of the overall operation

This includes technical, fiduciary and ESS support for program implementation, APAs, and M&E. Activities will include, inter alia: (i) hiring of technical consultants to support NPCT, including: institutional development specialist, urban planning and management specialist, infrastructure development specialist with climate change expertise, private sector specialist, environmental specialist, social development specialist, occupational, health and safety specialist, program implementation specialist, and urban planning and governance specialist (technical assistant to

CoG); (ii) carrying out of the APAs through a qualified firm; (iii) providing fiduciary backstopping for program implementation; (iv) providing technical backstopping for program implementation (including technical advice on infrastructure designs supported under Component 2; review of procurement documentation; review of compliance with eligibility criteria including E&S requirements; conducting periodic supervision visits and technical and environmental & social audits of investments under Component 2 and 3); (v) developing ESHS management tools,57 supporting coordination activities with NEMA and DOSHS, and providing capacity building to counties and urban institutions to ensure ESS compliance; (vi) M&E, including development of required tools and GEMS training; (vii) improvement of Records Management; (viii) program assessments including end of program evaluation, beneficiary & economic assessment, value for money audit; (ix) development and maintenance of a Program website and information repository, and integration with the CoG's Maarifa Center's knowledge hub; (x) communication activities; (xi) training for NPCT members and peer learning activities for participating counties and urban institutions; (xii) support to the Lands, Planning, Housing and Urban Development Committee of the CoG, the Intercity and Inter Municipality Forums, the Caucus of the CECMs and Chief Officers in charge of Urban Development, CPCT coordinators and the Caucus of board chairpersons and City/Municipal Managers; and (xiii) IAD and OAG audits.

6.2.1.1 Grant and Program Management

- **National level urban grant management:** The IPF will be put towards TA and other actions to support national level urban grant and financial management (UIG and UDG) to ensure all the necessary actions for the proper and timely inclusion of the grants into the various budget processes and papers to allow releases in the course of the financial year. In the previous chapters, it was described what counties and urban boards have to do in relation to these grants, in terms of accessing and using them, but under component 1, provisions are made to ensure that the grants are included in the UDD/SDHUD budget and the County Government Additional Allocation Bill.
- **Annual Performance Assessment (APA):** The sub-component on grant management also includes the Annual Performance Assessment (APA) as well as all further support actions required to ensure that the grants under Component 2 and 3 reach the counties and the urban boards as intended; that these funds are administered as an urban budget and used as per the provisions laid out in this POM.

6.2.1.2 Program management and implementation support

This will include a modest operational budget, that also caters for program M&E, provisions for a mid-term and end of project evaluation as well as records and knowledge management. It also has provision for hiring an external technical team to support the implementation as needed and agreed by the WB.

6.2.2 Subcomponent 1.2 Urban development policy support, technical assistance, and capacity building.

Support work on national level policy and regulatory frameworks and technical assistance and capacity building support for counties and urban institutions for the implementation of Component 2. Activities to support the development or review of policies and regulatory frameworks will include:

- **Results Area 1.** Support the development of: (ii) strategy for financing of cities and urban areas; (iii) model law to operationalize PFM Act, 2012; and (iv) Guidelines for customizing gender mainstreaming indicators and monitoring tools to municipalities. Work with the IFMIS Department in TNT&EP to map out business processes in municipalities for future deployment of the system.

- **Results Area 2.** Support the (i) white paper on policy and regulatory changes related to urban development planning, management, and governance; (ii) review and harmonization of the urban planning regulatory framework: [24] (iii) update and dissemination of the NUDP, incorporating metropolitan management, climate change resilience and gender aspects; and (iv) development of the status of urbanization in Kenya report; (v) completion and dissemination of UACA regulations; (vi) strategy for classification, establishment and institutional development of municipalities and urban areas; and (vii) development and implementation of urban regeneration guidelines.
- **Results Area 3.** Support the development of municipal sanitation policy guidelines.
- **Results Area 4.** Support the review of the urban planning regulatory framework to identify barriers to private sector growth.

6.2.2.1 Capacity development for counties and urban boards

NPCT will apply the IPF to support counties establish and operationalize the urban institutional arrangements i.e., the County governments, the urban boards, the municipal administrations and their citizen (and refugee where relevant) and private sector engagement fora. UDD will provide and facilitate training to the target county departments, the CPSB and county assemblies, urban boards and municipal administrations on: urban institutions and governance, urban policies and regulations, urban planning, urban finance, municipal human resource management, and private sector and urban citizen engagement as per the technical assistance and capacity building plan each year. It is expected that, over the years, the training topics will evolve to respond to actual training needs as they emerge.

In addition to the supply driven training (which, obviously, will be based on actual generic capacity needs as felt and expressed by a majority of the counties and urban areas), counties and urban areas can request for individual, tailor made, on-demand technical and other support.

Activities to build capacity at the county and urban level to deliver on intended outcomes would include:

- **Results Area 1.** Development and rollout of: (i) templates on organizational and staffing structures, municipal schemes of service, salaries and remuneration scales, performance contracting guidelines for municipalities; (ii) standardized categorization of urban revenue streams; (iii) standardization of budget classification of urban votes; iv) records management guidelines and tools; and (iv) public participation guidelines. Training for: (i) participating urban entities on matters related to urban management and governance, records management, PFM, HRM, IFMIS, and others; and (ii) county HRM officials in the development of guidelines and standards for urban areas. Support the operationalization of the urban sector intergovernmental forum under IGRA 2012 Section 13(2) to enhance coordination in the delivery of urban infrastructure and services.
- **Results Area 2** Development and roll out of: i) IDeP guidelines, including climate change, urban resilience, gender, disability, and citizen engagement aspects; ii) guidelines on the definition and delineation of urban areas; iii) urban regeneration guidelines; iv) UACA regulations. Where

[24] Including PLUPA, CGA, UACA, Special Economic Zones Act, Community Land Act.

required, the component will provide support for the development of model: (i) land use/spatial plans; (ii) zoning regulations; and (iii) urban gender mainstreaming and participation frameworks. Training in spatial/land use planning and development control.

- **Results Area 3**. Development and rollout of: (i) guidelines for low carbon urban development and climate action planning; (ii) service delivery manuals,[25] including climate resilience aspects; (iii) guidelines for community sensitization on solid waste disposal, including a pilot study applying behavioral science approaches; and (iv) guidelines for M&E systems for urban service delivery, with a focus on SWM. The component will support capacity building on: (i) infrastructure standards and design; (ii) mainstreaming resilience in urban infrastructure investments including universal design standards;[26] (iii) urban disaster risk management, including fire and hazard risk prevention in public spaces; (iv) development of municipal bylaws related to infrastructure and services.
- **Results Area 4**. Support: (i) development and rollout of guidelines on private-sector engagement, including establishing public-private dialogue and a tool for rapid diagnostic to inform IDePs; (ii) documentation of good practices on private sector service delivery models, including inventory of existing private sector institutions/organizations and PPP models in the sector; (iii) biannual private sector forums to promote the urban agenda; and (iv) piloting of public private partnerships for service delivery (e.g. onsite sanitation or solid waste management).

6.2.3 Subcomponent 1.3 WHR policy support, technical assistance, and capacity building.

Support for relevant policy and regulatory development, technical assistance, capacity building and program management activities for the effective implementation of Component 3. Activities will include: (i) management and coordination of the overall operation, including technical, fiduciary and ESS support for program implementation and monitoring and evaluation; (ii) work on national level policy and regulatory frameworks to support the implementation of regulations and policies following the Refugees Act of 2021, and as aligned to RA5, in coordination with the DRS; (iii) national level technical assistance and capacity building support for participating counties and urban institutions, including development of guidelines. A UN Agency will provide technical assistance to participating counties, focused on Kakuma-Kalobeyei and Dadaab, based on their long-standing work in both areas (ToRs detailed in annex 9, POM Vol. III).

6.3 National Technical Assistance (TA) and capacity development planning and coordination

The NPCT will develop a process for an annual capacity needs assessment review and planning. This process will include reviewing the findings from the APA process and the collation and analysis of needs and requests for capacity development support received from the CPCTs. The process will engage the COG, DRS and the relevant MDAs expected to participate in providing technical and capacity development support.

The NPCT will prepare the project capacity development plan and budget, and monitoring and reporting framework to facilitate tracking of capacity building interventions and measurement of results. Every year during the annual work planning process the TA and capacity development priorities and the institutions responsible for delivery will be identified and included into the annual capacity development plan. The priorities will be identified through annual capacity need assessment

[25] Manuals for bus parks, markets, urban planning and development, building maintenance and SWM prepared by the former Ministry of Local Government in 2007.

[26] Using guidelines currently being developed under the GFDRR-supported Kenya Resilient Urban Areas TA.

reviews covering the institutional, technical, fiduciary and ESS aspects required to deliver the program outcomes and informed by the annual performance assessments results. An annual capacity development plan will be prepared and integrated into the overall project annual work planning and mid-year review process.

The NPCT will establish coordination arrangements and agreements with the respective agencies with roles based on the capacity building plan. Each agencies intervention should be included in the annual work plan with clearly defined and costed activities, timelines, targets and indicators. The NPCT will finance and facilitate the respective agency provide the TA and deliver training to the target beneficiary county and urban institution entities, with coordination and convening support from COG.

The NPCT will operationalize a mechanism for effective inter-agency and inter-governmental technical assistance and capacity development planning, implementation coordination, reporting, monitoring and evaluation. The NPCT will provide reporting guidelines and templates for bi-annual and annual reporting.

6.4 County government level: Component 2 and 3 (PforR): Urban Institutional Grant (UIG) TA and capacity development support

- Eligible counties will apply the UIG to address institutional and technical capacity needs of the county and urban institutions to perform their urban management and service delivery roles and responsibilities and contribute to achieving the Program outcomes.
- Counties will use UIGs to finance the range of eligible expenditures as per Table 3 above to develop basic capacities and systems related to urban governance and management including urban policy and legislation, urban planning and development control, urban finance, municipal finance and human resource management, resilient and inclusive urban infrastructure and municipal services delivery, Monitoring and Evaluation (M&E), asset management, environmental and social risk management, climate change, citizen and private sector engagement.
- Led by the department responsible for urban development, each county government will assess and identify the urban governance and development capacity development needs of the relevant departments, the county assembly, the county public service board and the urban institutions and prepare responsive capacity development plans with budgets and monitoring and reporting frameworks as part of their CUIDS (MC 2).
- Each year the CPCT will be required to define and prioritize capacity development interventions to be financed through the UIG to be incorporated in the urban (or other relevant) departmental annual work plan and budget of the urban and captured in the County Annual Development Plan and Budget.
- At least 50 percent of UIG should be applied to the urban entities participating in the program (MC 4) and at least 30 percent assigned towards funding climate change related activities within the eligible expenditure menu in categories i.e., policy and regulatory, urban planning, urban resilience, asset Management, capacity Building (MC5).

7 PROCUREMENT AND CONTRACTING

7.1 Procurement Objectives

To achieve the best value for money and timely acquisition of required goods, works and services, the Project Procurement Objectives are:

(i) To conduct need based /refresher procurement trainings on Public Procurement and Asset Disposal Act, 2015, Revised Edition 2022 and its attendant Regulations 2020 to key user departments involved in program procurement.
(ii) Provide timely and effective procurement advice at all times throughout program implementation.
(iii) To select qualified, capable, and competitive suppliers, contractors, service providers and consultants that can execute and complete the contracts within the original stipulated contract period, contract amount and quality as planned.
(iv) To monitor regularly and periodically the performance of suppliers, contractors, service providers and consultants to ensure that the contracts are executed and completed as per agreed contractual conditions and obligations without unnecessary cost overruns, time overruns and changes in scopes.
(v) To meet core public procurement principles and demonstrate the best value for money through implementing competitive, fit for purpose, transparent and open procurement process with the aim of achievement of Value for Money and integrity.

7.2 Applicable Procurement Regulations

The program procurement under PforR will be carried out in accordance with the Public Procurement and Disposal Act, 2015 (PPADA, 2015), Revised Edition 2022 2, and the attendant Regulations, the Public Procurement and Asset Disposal Regulations, 2020 (PPADR, 2020) and the provisions stipulated in the Financing Agreement.

7.3 Procurement Plan (PP)

For UDG, the individual City/Municipality shall be required to prepare a procurement plan (PP) approved by the Board indicating the activities' implementation period (multi-year projects are not allowed). It must also be in line with the approved budget.

For UIG, the CPCT shall be required to prepare a PP that is approved by the Chief Officer (CO) in charge of urban.

With regards to the PP, the Accounting Officers (CO for UIG and Manager for UDG) shall:

i) Ensure all procurable activities are included in the Annual Work Plan and Budget (AWP&B).
ii) Ensure no procurement activity in the PP is commenced prior to receipt of user requisition approved by the Accounting Officer.
iii) Ensure all approved procurements are executed within the approved timeline using the procurement method stated in the procurement plan.
iv) Sign all procurement contracts and amendments (if any).

7.4 Approved Selection Methods

The selection methods to be followed in procurement of goods, works, non-consulting and consulting services are prescribed in the applicable Public Procurement and Disposal Act, 2015, Revised Edition 2022, which is made part of the Financing Agreement by reference. The procurement law provides for the following selection methods and particular types of approved selection arrangements and market approaches:

Table 16: Procurement of goods, works and non-consulting services

Approved selection methods and arrangements	Market approach options
1. Request for Bids (RFB)	Open, Limited, Direct, International, National, Single Stage
2. Request for Quotations (RFQ)	Limited, Direct, National, Single Stage
3. Direct Selection (DS)	Direct, Single Stage, Negotiations

7.5 Publication of Procurement Opportunities

The Counties/Municipalities shall advertise the procurement opportunities:

a) on its free access website/public places
b) in at least two newspapers of nationwide circulation.

7.6 Applicable Standard Procurement Documents (SPDs).

For national competitive procurement, the Borrower shall use its own Standard Tender Documents (STDs) available on the Public procurement Regulatory Authority (PPRA) website at www.ppra.go.ke.

7.7 Communication and Records

Communications between the Counties and cities/municipalities and Applicants/Bidders/Proposers/Consultants during the different stages of the Procurement Process shall be in writing with proof of receipt. The Counties shall keep a written record of meetings, such as: early market engagement, pre-tender/pre-tender site visit/clarification meetings, public opening of tenders/proposals.

Counties and cities/municipalities shall keep records of all proceedings of the Procurement Process in accordance with the PPADA requirements.

The counties will be responsible for maintaining all procurement files/records for UIG while Cities/Municipalities will be responsible for maintaining all procurement files/records for UDG.

7.8 Procurement Records

All the procurement documents (including quotations, tenders, technical and financial proposals for consulting services) shall be kept (for UIG at the county level and for UDG at the city/municipality level) to the end of the program and then archived as per the applicable law. The originals of various valuable documents (such as bid security, performance guarantee, advance guarantee) shall be kept in the safe and shall be duly returned to the bidders in timely manner.

The procurement file for each procurement activity should have at minimum the following documents:

1. Approved Procurement Plan
2. Fully processed user requisition from the user department

3. Tender/Quotation/Request for Proposal document
4. Tender Advertisement /Invitation to tender and Addendum if any
5. Letters of appointment for both the *ad hoc* Opening and Evaluation committees
6. Signed Opening Minutes from the Opening Committee
7. Signed Evaluation Report and Recommendation for Award from the Committee/Recommendation for Award
8. Professional Opinion from Head, Supply Chain Services
9. Award/Regret Letters signed by the Accounting Officer
10. Acceptance Letters from the winning firm
11. Performance Bond acceptable as per the instructions to bidders
12. Signed Contract Document with all appendices
13. Appointment of Inspection and Acceptance Committee
14. Inspection and Acceptance Committee Report
15. Payment Records.

8 FINANCIAL MANAGEMENT AND ACCOUNTING PROCEDURES

8.1 Planning and Budgeting

The formulation and preparation of the program's budget follows GOK's processes and procedures as contained in the Public Finance Management Act, 2012. At the SDHUD, the Program is captured under budget (code 0105000) and itemized to facilitate budget tracking and monitoring at national level. Similarly, at the counties, the Program is captured as a separate budget line under the Urban Department. Having a separate budget line for the municipalities is a Minimum Condition under KUSP II which will enable tracking of the Program expenditure up to the urban entities level.

To ensure inclusion in the CGAAA, the SDHUD will need to communicate maximum UIG/UDG allocations determined by the initial APA by November 30th. If the initial APA is delayed, then the initial allocations proposed in the CGAAA and DORA should include maximum allocations. The final grant allocations will be less than or equal to Annual Appropriations and the CGAAA and DORA allocations – which will allow full disbursement during the FY.

The table below sets out the key deadlines:

Table 17: The National budget process deadlines

Step	Deadline	Responsible
Include UIG/UDG and Component1 allocations in SDHUD MTEF proposals and Sector Reports in advance of budget hearings	1st October,FY N-1	SDHUD
Maximum UIG & UDG allocations determined based on APA. UIG/UDG allocations for FY N to NT & Commission on Revenue Allocation for inclusion in the CGAAB/DORB	30th November, FY N-1	SDHUD
UIG & UDG allocations for FYN included in CGAAB &DORB	15th December, FY N-1	National Treasury
UDD / SDHUD budget proposals prepared and submitted to NT including Component1, UIG and UDG	15th March, FY N-1	SDHUD
Draft Budget estimates for UDD / SDHUD submitted toParliament including Component1, UIG and UDG	30th April, FY N-1	National Treasury

In addition, UIGs and UDGs will need to be reflected in the annual budgets of counties that qualify for these allocations from the Program. The SDHUD will thus ensure that counties are informed of their UIG/UDG allocations on a timely basis. To ensure that Program resources are fully reflected in the national and county budget frameworks, thefollowing table provides deadlines for meeting key steps in the county budget process.

Table 18: County Budget Process Deadlines

Step	Deadline	Responsible
County annual development plan submitted to CEC,incorporating UIG/UDG allocations	September 1,FY N-1	County Treasury
Budget Review and Outlook Paper submitted to CEC, incorporating UIG/UDG allocations	October 30, FY N-1	County Treasury

UDD communicate UIG/UDG based on APA toCounties.	November 30, FY N-1	SDHUD
County Treasury submits County Fiscal Strategy Paper to theCEC for approval	February 28, FY N-1	County Treasury
CEC submits to the County Assembly budget estimates andother budget documents incorporating expected UIG/UDGallocations	April 30, FY N-1	County Treasury/CEC
UDD communicates final UIG and UDG allocations to Counties	June 17, FY N-1	SDHUD
County assembly approves county appropriations bill incorporating final UIG and UDG allocations.	June 30, FY N-1	County Assembly

8.2 Funds Flow

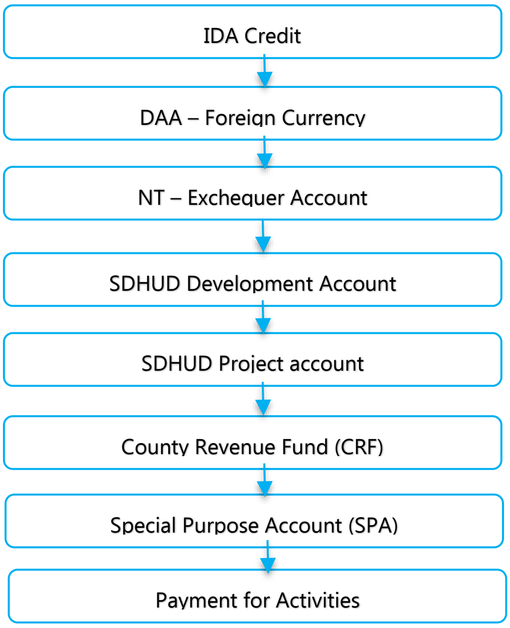
Disbursement under Component 2 and 3 for the PforR: In Components 2 and 3 there will be two levels of fund flows as listed below;

i) County-level funds flow from the National Treasury to SDHUD after which the State Department disburses to counties for financing achievement of results as well as urban grants; and
ii) Up-stream funds flows from the World Bank to the National Treasury on achievement of DLIs.

Component 2 and 3 are PforR funds and will be managed by counties on the basis of existing country PFM systems. The funds will flow directly from the exchequer in the National Treasury to the to the SDHUD. SDHUD then disburses the funds to the County Revenue Fund (CRF). The funds will eventually flow to the special purpose account opened by each county for these conditional grants in line with the GoK practice. The funds should be disbursed from the CRF to the SPA within fourteen (14) days upon receipt in the CRF.

For all Program activities under components 2 and 3, the funds will be spent by the county department responsible for implementation of various Program activities in accordance with their approved annual plans and budgets. The fund flow can be summarized as below:

Figure 2: Funds flow chart IDA Credit



8.3 Fund Management and Procurement

At the sub-national level and within their respective jurisdictions, county governments will be responsible for coordination, undertake institutional and capacity building and oversee the use of UIG and UDGs. They will implement relevant institutional reforms and capacity development activities and be responsible for fund management at county level. They will be responsible for implementing UIG-funded activities and accountable for the use of program grants. They will also be responsible for coordination with DRS and refugee camp managers in refugee hosting counties.

The UIG and UDG will be disbursed to County governments as a conditional grant, the use of which follows GoK / National Treasury financial and management regulations. The county governments are to plan and budget for the use of the grant. Fund management and procurement will be in accordance with the GoK provisions for expenditure and procurement by national government and county governments, i.e. the same rules as apply for all County expenditure and procurement.

At the National level, the signatories to SDHUD KUSP2 Development Account are the Head of Accounting Unit and the Project Accountant. All payments must approve by the AIE holder who is the project coordinator or his/her designates.

At the County level; Each of the counties will be required to open a Special Purpose Account (SPA) in which the UIG funds will be received. **The signatories of the UIG account will be the Chief Officer Urban (mandatory), CO Finance and CPCT Coordinator or their designates**. Each of the County Governments will be required to open a SPA for each of the City / Municipalities qualifying for the UDG. **The signatories for each UDG Account will be City/ Municipal Manager (Mandatory), Municipal Engineer/ Planner and Chief Officer Urban or their designates.**

Each county will therefore have one UIG SPA at county level and one UDG SPA at each City/ Municipality

8.4 Implementation, Monitoring and Supervision

Program monitoring and reporting will be done using the existing Government Systems. The main elements of the monitoring and reporting process will include APA reports, audits, the mid-term review report and other regular reports from NPCT and counties. Monitoring and reporting will take place at both the national and county government levels and will be based on the Program Results Framework and DLI reporting requirements. The M&E officer in the CPCT will be responsible for collecting information from the urban institutions and county departments to report on program implementation. The CPCT Coordinator will prepare semi-annual reports and transmit them to the National Coordinator, who will consolidate them into a single progress report to be submitted to the PTC , PSC, and the World Bank for review, as per the template annexed to the POM. The use of the Geo-Enabling Initiative for Monitoring and Supervision (GEMS) tools will be integrated into CPCT semi-annual reporting, and any other relevant activities as undertaken by the NPCT. Additionally, the CPCT will also document program results and beneficiaries, and consolidate this information in its semi-annual report, for subsequent NPCT consolidation and monitoring. The M&E specialists in the NPCT will provide training and backstopping support to county and municipal staff in the use of GEMS and M&E tools, to ensure that reporting is comprehensive, accurate and timely. NPCT and World Bank both have the right to monitor the use of the grant.

8.5 Accounting

The Program accounting will be subject to the existing GoK financial management regulations applicable at the national, county and municipality levels and will use GoK accounting and financial reporting systems using IFMIS Program-identified codes in the Chart of Accounts at all levels. Most of the Cities/Municipalities are not using IFMIS for accounting purposes which is being looked at as part of the policy reform dialogue.

8.6 Internal Control and Internal Audit

8.6.1 Internal Controls:

Internal controls will be designed to provide reasonable assurance to the overall Program Management to manage risks and improve the likelihood that established goals and objectives will be achieved.

Measures will be put in place to address previously noted weaknesses in KUPS I including, spending KUSP funds through the CRF Accounts, use of Program funds to make non Program payments, double dipping, poor maintenance of various infrastructure projects implemented leading to value for money concerns, irregular transfer of funds UDG funds between UIG and UDG Accounts, other county accounts and in some cases to accounts not related with the Counties, municipalities failing to meet contractors' financial obligations and failure to provide documentations and explanations during audit reviews, lack of segregation of duties and unsupported utilization of bills of quantity items.

8.6.2 Internal Audit and Oversight Audit Committees

The County government shall bring on board an internal auditor attached to the program who will be responsible to carry out routine audit of the programs financial and non-financial activities.

The internal auditor in each city/municipality will carry out risk-based audit reviews of project activities in line with an Internal Audit Work plan approved by an oversight Audit Committee and within the internal auditor's roles as guided by Section 160(1) of the PFM Regulations 2012. The results of the reviews will be quarterly internal audit reports which shall be reviewed and deliberated by the oversight Audit Committee.

To enhance the fiduciary oversight, the counties shall set up functioning audit committees under requirements of Section 73 (5) of the Public Finance Management Act, 2012, Regulation 174 of the Public Finance Management Regulations 2015; and the Kenya Gazette Notice Vol. CXVIII No. 40 of 15th April, 2016. The audit committees shall approve the Annual Audit Workplan and conduct follow ups on audit queries raised and ensure the implementation of the audit recommendations.

The risk based annual fiduciary review will be coordinated between the NPCT internal Audit Department (IAD) of the SDHUD and the report shared with the PS, SDHUD and the World Bank.

Program funds will be drawn from the IDA IPF Funds for training and capacity enhancement of the fiduciary agencies, including the Internal Audit Department (IDA) at the State Department, Program internal Audit Functions at the city/municipality level and the office of the Auditor General (OAG) to support their incremental costs for audit of the urban entities.

8.7 Reporting

The county government will report on the use of the grant as part of its statutory reporting to (i) the county Assembly; (ii) the controller of Budget; and (iii) its constituents. Additionally, twice a year (that is, at the end of the second quarter and at the end of the financial year), each county and City/Municipality that has received the UIG and UDG will need to report to NPCT on the use of the grant, the progress and improvements made, the problems encountered (if any) together with an outlook on the activities for the next 6 months.

The NPCT will use these reports to make consolidated reports for the World Bank. Counties are expected to present their reports to NPCT within one month after the end of the reporting period (31st January and 31st July). NPCT is expected to present the consolidated report to World Bank by end of February and end of August. The consolidated reports will also be posted on the KUSP II designated webpage. Counties are expected to post their reports on their websites.

On financial reporting, the counties and municipalities will be required to submit quarterly SOEs containing both IDA and GoK expenditure (including recurrent expenditures from the participating urban boards, as per the Program Expenditure Framework) as to the SDHUD that will consolidate and share with the Bank. The SDHUD will prepare and submit to the Bank quarterly unaudited IFRs as per the agreed format attached to the DFIL. The IFRs will be submitted to the World Bank within 45 days after the end of the calendar quarter to which they relate. The SDHUD will also prepare and submit annual audited Project financial statements as per the agreed format. The financial statements will be prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

9 ENVIRONMENT SOCIAL, HEALTH AND SAFETY RISK MANAGEMENT

9.1 Background

KUSP2 is financed through a hybrid of the Investment Project Financing (IPF) (for Component 1) and Program for Results (PforR) instruments (for Components 2 & 3). As part of program preparation an Environmental and Social Systems Assessment (ESSA) was undertaken with the aim of reviewing the national and county systems, capacity as well as their adequacy to plan and implement effective measures for Environmental, Social, Health and Safety (ESHS) impact management associated with the UIG (Urban Institutional Grant) and UDG (Urban Development Grant) investment menus. This was to determine if any measures would be required to strengthen them as per the requirement of the PforR Financing Policy. The assessments were carried out through a comprehensive review of relevant government policies, legislation, institutional roles and capacities, program procedures, and assessment of the available capacity in 45 counties of the Republic of Kenya to implement the existing systems consistent with Bank PforR Financing Policy.

The ESSA sought to ensure consistency with the six "core principles" outlined in paragraph 8 of the World Bank's PforR Financing Policy in order to effectively manage Program risks and promote sustainable development. The six principles are:

i) *Core Principle 1: General Principle of Environmental and Social Management:* Promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social effects

ii) *Core Principle 2: Natural Habitats and Physical Cultural Resources:* Avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program

iii) *Core Principle 3: Public and Worker Safety:* Protect public and worker safety against the potential risks associated with: (a) construction and/or operations of facilities or other operational practices under the Program; (b) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards

iv) *Core Principle 4: Land Acquisition:* Manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assist the affected people in improving, or at the minimum restoring, their livelihoods and living standards

v) *Core Principle 5: Indigenous Peoples and Vulnerable Groups:* Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups

vi) *Core Principle 6: Social Conflict:* Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

In analysing programs for consistency with the sustainability principles in the Program for Results financing Policy, the ESSA was intended to ensure that Projects supported by PforR operations are designed and implemented in a manner that maximizes environmental and social benefits, while avoiding, minimizing, or otherwise mitigating environmental and social harm.

As an annex to this POM, an Environmental, Social, Health and Safety Management (ESHSM) manual has been prepared to guide implementation of PforR activities. The purpose of the Manual is to operationalize recommendations presented by the Environment and Social System Assessment (ESSA) by providing the required guide and appropriate tools for the management of Environmental, Social, Health, and Safety risks during the implementation of sub-projects to be financed under the program.

9.2 Issues

9.2.1 Public Participation and Stakeholder Consultation

Public Participation and Stakeholder Consultation has been strengthened through the devolution process under the Kenya Constitution, which has put in place robust requirements for citizen participation in project and budget development process. Public participation and Stakeholder consultation shall be part of the project identification, ESIA and ARAP processes, and shall be undertaken in accordance with the requirements of the Kenyan Constitution and provisions of EMCA 1999 (amended 2015). The program shall use the published public participation and civic education guidelines that have been developed under KDSP and county policies and laws. This notwithstanding, all projects implemented under the program shall be expected to undergo at least 3 Public participation sessions (at identification, preparation or design, and during implementation) phase.

9.2.2 Environmental, Social, Health and Safety

Consistent with the requirements of the World Bank's PforR Policy, the Program will not finance activities that pose high ESHS risks. All proposed investments will be pre-screened for E&S risks prior to prioritization and as guided by Part 4 of Annex 12 of this POM. Prioritization and selection of the urban investments will consider key issues such as citizen engagement, public participation, gender, and vulnerable groups inclusion, climate change, and disaster adaptation. The Environmental and Social Risks at this level are mainly related to infrastructure development activities that have a direct impact on the environment and social systems within the urban environment. The anticipated risks may be categorized as follows:

i. **Construction-induced Environmental Risks**: As expected of any construction works, potential impacts include noise and vibration, air pollution (dust emissions and other particulate matter), solid waste and wastewater management challenges, health and safety risks, traffic related safety risks, increased soil erosion and sedimentation risk, storm water management challenges, land degradation from sourcing of construction materials impacts, and loss of flora and fauna, among others.

ii. **Occupational and Community Health and Safety risks,** including the workers accidents while implementing construction activities, potential for spread of communicable diseases and Sexually Transmitted Diseases (STD) such as HIV/AIDS. In some cases, it is anticipated that the presence of workers in localized environments may produce conditions for sexual exploitation and harassment.

iii. **Social exclusion,** including the risks for excluding marginalized and vulnerable groups such asyouth, women, minority, lack of consideration of PWD needs, access and suitable infrastructure for persons with disabilities living in the various beneficiary municipalities and communities.

iv. **Involuntary Displacement**. The project has a screening procedure for excluding projects that result in large-scale land acquisition and involuntary displacement. However, some risk of involuntary resettlement still exists, and may result from the temporary removal of movable business structures along transport corridors, market projects, and in cases of encroachment on public spaces.

v. **Labour-Management Related Risks:** This includes; labour influx risks, forced and child labour, labor-related disputes like delayed payments of wages, discrimination in the hiring of personnel, and general human resource management challenges.

All national regulations pertaining to ESHS management will be applicable while carrying out ESHS due diligence under the program. This means all relevant permits, consents, licenses, and monitoring of ESHS parameters as per the national regulations are to be considered mandatory compliance requirements for all eligible sub-projects. An overview of the national ESHS Regulatory requirements is provided in the ESHSM manual.

Implementation of ESHS will be supported by the various Lead government agencies. These include the Ministry of Environment, Climate Change & Forestry (MoECC&F), National Environment Management Authority (NEMA), National Environment Tribunal (NET), County Environment Committees, National Environmental Complaints Committee (NECC), Environment and Land Court, National Commission on Gender and Equality, Directorate of Occupational Safety and Health Services (DOSHS), National Construction Authority (NCA), Department of Public Health, National Land Commission, among others where applicable.

9.2.3 Grievance Management

The Grievance Redress Mechanisms that were established in the Kenya Urban Support Program (KUSP) will be strengthened and enhanced under the KUSP2 to allow for a transparent, timely and efficient redress process. The program shall carry out dissemination and awareness raising activities amongst the SDHUD, Counties, cities/municipalities, and the implementing agencies on the grievance redress mechanism systems and procedures. The procedures shall be harmonized across implementing agencies and linked to the national system to be established at the NPCT and e-GRM on the website of the State Department for Housing and Urban Development.

Each participating urban area is required to establish an integrated functional GRM system (see table 7, UDG MC #5) with; (i) urban boards publicly disclosing the system and uptake channels to include a dedicated toll-free number, email address, mail, phone number, SMS text, website, and complaint box ; (ii) the urban area website and/or county website providing guidance on submission of grievances; (iii) the logs/records of grievances received from all uptake channels and resolution status maintained at Municipality level; (iv) all grievances submitted to urban area administration and responded to within 14 working days; and (v) the ESHS reports including grievance logs submitted to the NPCT. The WHR participating urban areas will have their GRM constituted, and grievances records maintained at Municipality level.

9.2.4 Contractual Obligations

Before tendering for sub-projects, the implementing agency must ensure that contractual obligations to safeguard environmental, social, safety and health issues are included in the tender and contract documents. Contract and bidding documents for building and civil works should include the ESHS clauses, ESMP with budget allocation, NEMA license with approval conditions. The key areas to be covered in the pre and post tender documentation include;

i) Compliance with key environmental, social and labour management (working hours, facilities for workers, prohibition of forced, compulsory or child labour) obligations;

ii) Contractor's ESHS capacity to implement Environment and social safeguards requirements;
iii) Gender equality and prevention of Gender-based Violence and Sexual Exploitation Abuse and Sexual Harassment (GBV/SEA-SH);
iv) Compliance with Occupational Health and Safety (OHS) and the Community Health and Safety (CHS).

9.2.5 Monitoring, Recording and Reporting

At the end of every quarter, each urban board that has received the UDG will report to NPCT on Environmental, Social, Health and Safety performance for all their respective infrastructure investments. This will include reporting on progress of ESMP implementation, ARAP implementation for the various sub-projects where applicable, site accidents and incidents and their nature, problems encountered (if any) together with suggestions on how to resolve them, emerging issues, grievances received and the status of their resolution on various sub-projects. The recording and reporting templates are provided in the Environmental, Social, Health and Safety Management (ESHSM) Manual. The reports will be prepared by the respective Environment and Social safeguards' persons of the municipal PIU's under the purview of the Municipal Manager. These quarterly reports are expected to be submitted to NPCT within 7 days after the end of the reporting period.

The NPCT will use these reports to compile a consolidated Environmental, Social, Safety and Health Safeguards performance report for submission to the World Bank within 14 days after end of the reporting period in line with the ESCP.

9.3 Processes & Procedures

The manual reviews the program implementation arrangements at national and county levels, including the various key stakeholders and their respective roles in environmental and social risk management. Similarly, the relevant institutions in charge of environmental and social risk management have been reviewed in the manual, and their roles outlined.

The Manual further outlines the process/procedures for environmental and social risk identification, assessment, and management. The manual provides guidelines on procedures to be followed during assessing sub-projects, as well as the possible outcomes of each process.

The manual also reviews and outlines a grievance management mechanism to guide grievance management throughout the project cycle at the County/Municipality level. This includes an outline of measures to be put in place by all implementing agencies to receive, record, investigate, and resolve grievances.

The manual equally outlines the necessary procedures and requirements for a lifecycle approach to stakeholder engagement, including disclosure procedures.

To enhance the capacity of the different actors in implementing environmental and social risk management measures, the manual has identified training and a capacity development need and proposes key areas of training and capacity development for the project teams.

Finally, the manual details processes and procedures for monitoring and evaluation of performance of environmental and social risks management measures put in place.

Annexed to the manual are screening and verification checklists, and reporting templates, that are key to the implementation of the Environmental, social, health, and Safety management measures.

10 MONITORING, EVALUATION AND REPORTING

10.1 Monitoring and Evaluation

Monitoring, evaluation and reporting will take place at National, County and Urban levels The monitoring and evaluation activities will be spearheaded by the NPCT at the national level and by the CPCT at the county level.

The CPCT will be responsible for collecting and consolidating data from the relevant county departments and urban boards to report on Program implementation. In addition, they will also capture data on all result areas including: urban governance, urban planning, own source revenue, private sector participation, urban infrastructure and services delivered using Program funds. They will facilitate access to key data required for the Annual Performance Assessments (APAs), which will be a key source of information for tracking program indicators outlined in the results framework (refer to chapter 8 of POM Vol. III).

The CPCT will also be required to prepare progress reports **twice a year (a mid-year report (at the end of the second quarter i.e. December) and an annual report (at the end of the FY i.e. June))** containing agreed data and transmit the same to the State Department for Housing and Urban Development (SDHUD) within 14 days after end of the stipulated reporting period (refer to the reporting templates provided in annex 8).

Online reporting on the Geo-Enabled Monitoring and Supervision (GEMS) platform, **and other appropriate platforms to be integrated in enhancing M&E activities under the Program**, will be applied to compliment the reports from the CPCTs and enhance efficiency and quality in reporting. This will be guided accordingly by the NPCT during Program implementation. The NPCT will consolidate the reports from the sub-national levels into a single progress report for presentation to the Program Technical Committee (PTC), Program Steering Committee (PSC) and the World Bank for review and feedback (refer to annex 8).

The M&E specialists in SDHUD will provide training and back-stopping support to staff at the counties/urban areas to ensure that the reports are timely, comprehensive, and accurate. The reporting templates and timelines are provided in annex 8.

10.2 Reporting

The NPCT will report twice yearly to the World Bank on general progress and the use of the funds under each of the three windows. For Component 2 and 3, the relevant sections of the progress report will be based on the reports to be provided by the county governments and the urban boards respectively, as stated in the preceding section. Reports are due not later than two months after the end of each calendar semester, that is, by end of February (for the first semester) and by end of August (for the end of the financial year). Detailed guidance notes for these progress reports, which contain physical progress as well as a budget expenditure overview and mandatory annexes is provided in annex 8.

ANNEX 1: INTERGOVERNMENTAL AGREEMENT TEMPLATE

Intergovernmental Participation Agreement
Template

On the following pages is provided the template for the KUSP II participation agreement to be signed by counties, indicating their interest to join the Kenya Urban Support Programme II and their readiness to abide by the provisions of the Programme Operations Manual

The county having signed a participation agreement is a Minimum Condition for accessing the Urban Institutional Grant and the Urban Development Grant.

INTERGOVERNMENTAL PARTICIPATION AGREEMENT

REPUBLIC OF KENYA

INTERGOVERNMENTAL PARTICIPATION AGREEMENT

ON THE KENYA URBAN SUPPORT PROGRAM II (KUSP II)

BETWEEN

THE NATIONAL GOVERNMENT OF THE REPUBLIC OF KENYA

AND

COUNTY GOVERNMENT OF

……………………………………………………………………………………

[INSERT COUNTY SYMBOL]

INTERGOVERNMENTAL PARTICIPATION AGREEMENT

This Intergovernmental Participation Agreement (hereinafter referred to as "the Agreement" is made this…………………..day of………………………2024 between the National Government of the Republic of Kenya acting through State Department for Housing and Urban Development (SDHUD) (hereinafter referred to as "the National Government") on the one part, and the County Government of.. (hereinafter referred to as "the County Government") of the other part (the National Government and the County Government are hereinafter collectively referred to as "the Parties" and each, "a Party").

INTRODUCTION

[A] **WHEREAS** in cognizance of the role played by the urban areas and cities under Kenya's constitutional dispensation and the existing challenges facing urban areas and cities in Kenya, the Government of the Republic of Kenya developed the National Urban Development Policy (NUDP), 2016 aimed at bolstering the financial, institutional, and managerial structures of urban areas and cities to adequately fulfil their functions.

[B] **WHEREAS** the Cabinet of the Republic of Kenya duly approved the National Urban Development Policy in 2016 intended to contribute towards the realization of the broader national development goals articulated in the Kenya Vision 2030 by addressing the key challenge of urban development.

[C] **WHEREAS** the State Department for Housing and Urban Development (SDHUD) will focus on developing an enabling environment and strengthening urban institutions to deliver sustainable urban places in line with the country's development objectives under the NUDP.

[D] **WHEREAS** Article 6 of the Constitution provides that the governments at the national and county levels are distinct and inter-dependent and shall conduct their mutual relations based on consultation and cooperation.

[E] **WHEREAS** Article 189 of the Constitution requires that government at either level shall:

(i) perform its functions and exercise its powers in a manner that respects the functional and institutional integrity of government at the other level, and respects the constitutional status and institutions of government at the other level and in the case of county government, within the county level;

(ii) assist, support and consult and, as appropriate, implement the legislation of the other level of government; and

(iii) liaise with government at the other level for the purpose of exchanging information, coordinating policies and administration and enhancing capacity.

[F] **WHEREAS** Article 200 of the Constitution required parliament to enact legislation to inter alia provide for the governance of the capital city, other cities and urban areas.

[G] **WHEREAS** Section 11 of the Urban Areas and Cities Act provides that governance of urban areas and cities shall be based *inter alia* on principles of recognition of the principal and agency relationship between the respective county governments and boards of urban areas and cities.

[H] **WHEREAS** the State Department for Housing and Urban Development intends to implement the National Urban Development Policy with the cooperation of the County Governments to effect the Policy recommendations.

[I] **WHEREAS** the World Bank during the period of 2018-2023 undertook the Kenya Urban Support Program ("KUSP I") whereby it supported Kenya National Urban Programme (KenUP) by providing grants to eligible county governments, access to which was conditional on the performance of the counties, measured through the Annual Performance Assessment ("APA") and other details as per the requirements of KUSP I.

[J] **WHEREAS** through KUSP I the State Department for Housing and Urban Development undertook and established certain specified activities.

[K] **WHEREAS** by (i) an agreement (Credit No. 7349-KE) between the Republic of Kenya and the International Development Association (World Bank); (ii) an agreement (Credit No. 7350-KE) between the Republic of Kenya and the World Bank; and (iii) an agreement (Grant No. E208-KE) between the Republic of Kenya and World Bank (collectively, "Financing Agreements") – all dated December 21, 2023, the World Bank has agreed to extend to the Republic of Kenya, credits in the total sum of EUR 273,200,000 and grant in the sum of SDR 37,200,000, to finance activities under the Kenya Urban Support Program II ("KUSP II" or "Program") for the period of 2024-2028, by building on the foundations of KUSP I.

[L] WHEREAS the SDHUD has embarked on implementation of KenUP 2 and provide capacity building grants to 45 counties and infrastructure development grants to 79 Municipalities.

[M] WHEREAS KUSP II will not only aim to sustain the gains achieved through KUSP 1 but will continue to strengthen the nascent urban institutions to further devolve the provision of urban services.

FURTHER WHEREAS, to cope with the increasing challenges that climate change represents for the sustainable growth of Kenya's urban areas, KUSP II will equip urban institutions with appropriate technical and financial capacities for the provision of resilient urban infrastructure and services, as well as planning and development control tools. In addition, to realize the potential of urban areas, KUSP II will aim to build the foundations for stronger engagement of the private sector. This will be done through provision of grants to eligible county governments and urban boards, access to which will be conditional on the performance of the counties, measured through the Annual Performance Assessment ("APA") and other details as per the requirements of KUSP II.

[N] **WHEREAS** the State Department for Housing and Urban Development undertakes to establish activities aimed at:

Strengthening the capacities of urban institutions to:

i. help improve public expenditure, transparency and effectiveness at the county and municipal level by strengthening the institutional capacity of urban institutions;
ii. improve the delivery and resilience of urban infrastructure and services;
iii. enhance the private sector engagement in urban planning; and
iv. support the transition of refugee camps into integrated host community and refugee settlements.

NOW, PARTIES HEREUNTO enter into this Participation Agreement to define their roles and obligations to facilitate eligibility to KUSP II and make the following undertakings.

A. OBLIGATIONS OF THE NATIONAL GOVERNMENT

1. The National Government undertakes to establish activities aimed at:

(a) establishing and strengthening the institutional and policy framework for urban management;

(b) supporting the management and administration of urban finances;

(c) providing a framework for the delivery of urban infrastructure and services to bolster resilience;

(d) providing support to combat increasing challenges that climate change represents for the sustainable growth of Kenya's urban areas

(e) providing backstopping for urban planning, urban infrastructure delivery and for the provision of basic urban services;

(f) ensuring that the County Government is provided with guidance and capacity building to enable it establish and operate urban management institutions for its urban areas by;

(i) providing templates for municipal charters;

(ii) providing training for urban boards; and

(iii) providing procedural guidelines on municipal management.

(g) conducting reviews of policy and legislation, as well as coordinating policy on a variety of urban development issues;

(h) ensuring sound Program management;

(i) providing support to the County Government for the formulation of urban development plans, the establishment and operation of urban institutional arrangements and for the initial preparation of urban infrastructure investments through:

(i) providing Urban Institutional Grants (UIGs) and the Urban Development Grant (UDG's) to the County Government and WHR UDG and UIG grants as applicable; and

(ii) specifying the minimum conditions for accessing the Urban Institutional Grants (UIG's) and the Urban Development Grant (UDG's).

(j) providing support to urban boards and administrations (through their respective county governments) for financing infrastructure investments in urban areas.

(k) Providing support as may be required for the proper implementation of the KUSP

2. The Accounting Officer, being the Principal Secretary~~,~~ for the State Department for Housing and Urban Development, on the advice of the Program Steering Committee and in consultation with the World Bank may suspend and/or terminate the right of County Government to use or benefit from the Urban Institutional Grants, the Urban Development Grant (UDG's) and WHR UDG and UIG grants upon failure by the County Government to comply with the program requirements as captured in the Financing Agreements and/or Program Operations Manual.

B. OBLIGATIONS OF THE COUNTY GOVERNMENT

1. The County Government undertakes to; -

(a) Carry out its activities under the Program with due diligence, efficiency and in adherence to the Financing Agreements and Program Operations Manual;

(b) establish a County Program Coordination Team with composition, terms of reference and resources as detailed in the Financing Agreements and the Program Operations Manual;

(c) ensure adherence to the Minimum Conditions and Performance Standards for grant of the Urban Institutional Grant and the Urban Development Grant;

(d) use the funds within the eligible expenditure areas and adhere with Environmental and Social Management System, with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social safeguard practices;

(e) maintain adequate records in accordance with sound accounting practices and proper coding of the revenues and expenditure of the operations , resources, expenditure;

(f) ensure that the goods, works, services financed from the proceeds of the Urban Institutional Grants and the Urban Development Grants shall be procured in accordance with the procurement procedures as provided by the laws of Republic of Kenya;

(g) ensure that the State Department for Housing and Urban Development and World Bank shall have the right to obtain all information as it shall reasonably request regarding the administration, operation and financial management of the Urban Institutional Grants and the Urban Development Grants and otherwise under KUSP II;

(h) report on the utilization of funds from the grant;

(i) submit any complaints or evidence of fraud involving the Urban Institutional Grants or the Urban Development Grant expenditures to the Ethics and Anticorruption Commission.

(j) provide information and support in terms of documentation, disclosure of materials and such other document that may be required to the State Department for Housing and Urban Development and World Bank annually; performance assessment teams and participate actively in providing the team with all the requested information and attend such meetings to achieve the results in the assessment.

(k) ensure that all reporting-financial as well as progress reports are compiled and submitted as per the KUSP II guidelines and ensure a proper compilation of complaints on issues of environmental and social safeguards, procurement, fraud and corruption; and

C. DISPUTE RESOLUTION AND GOVERNING LAW

1. Any dispute between the Parties shall be resolved in accordance with Part IV of the Intergovernmental Relations Act.
2. This Agreement shall be governed and construed in accordance with the Laws of Kenya.

D. VALIDITY

1. This Agreement shall be valid from the date of the last signature by the Parties below to the end of the Program period as stated in the Financing Agreements or such a later date as may be modified by the National Government and the World Bank;

2. This Agreement will become invalid in the event of cancellation of the Financing Agreements by the World Bank before the end of the Program;

3. This Agreement may be terminated by either Party through a three-month's written notice.

IN WITNESS WHEREOF the Parties hereto through their duly authorized representatives have caused this Agreement to be signed the day and year first herein before written.

SIGNED BY THE GOVERNOR **OFFICIAL SEAL**

NAME: ……………………………………………………………………

COUNTY GOVERNMENT OF: ……………………………………………..

SIGNATURE: …..…………………………………………….………………...

DATE: …………………………….…………………………….

FOR AND ON BEHALF OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF KENYA

CABINET SECRETARY: …………………………………………………………………..

MINISTRY: …………………………………………………………………….

SIGNATURE: ………………………………………………………………………

DATE: ……………………………………………

ANNEX 2: LIST OF ELIGIBLE URBAN AREAS

Eligible Urban Areas for the UDG (DLI 2 To DLI 5)

County	Urban Centre	Urban Population (2019)	County	Urban Centre	Urban Population (2019)
Baringo	1. Kabarnet	22,474	Machakos	2. Machakos	63,767
Bomet	3. Bomet	11,765	Machakos	4. Mavoko	12,396
Bungoma	5. Bungoma	68,031	Machakos	6. Tala/Kangundo	25,057
Bungoma	7. Kimilili	56,050	Makueni	8. Wote	19,725
Busia	9. Busia	71,886	Makueni	10. Emali/Sultan	27,043
Busia	11. Malaba	15,581	Mandera	12. Mandera	114,718
Elgeyo Marakwet	13. Iten	12,630	Mandera	14. El Wak	60,732
Embu	15. Embu	64,979	Marsabit	16. Marsabit	36,289
Garissa	17. Garissa	163,399	Meru	18. Meru	80,191
Homa Bay	19. Homa Bay	44,949	Meru	20. Maua	50,826
Homa Bay	21. Oyugis	19,947	Migori	22. Migori	71,668
Isiolo	23. Isiolo	78,650	Migori	24. Rongo	20,688
Kajiado	25. Kitengela	154,436	Migori	26. Awendo	16,815
Kajiado	27. Ngong	102,323	Migori	28. Kehancha	22,194
Kajiado	29. Kajiado	24,678	Murang'a	30. Murang'a	43,314
Kakamega	31. Kakamega	107,227	Murang'a	32. Kenol	44,086
Kakamega	33. Mumias	41,942	Nakuru	34. Nakuru	570,674
Kericho	35. Kericho	53,804	Nakuru	36. Naivasha	198,444
Kiambu	37. Ruiru	490,120	Nakuru	38. Gilgil	60,711
Kiambu	39. Kikuyu	323,881	Nandi	40. Kapsabet	41,997
Kiambu	41. Karuri	194,342	Narok	42. Narok	65,430
Kiambu	43. Juja	156,041	Narok	44. Kilgoris	10,845
Kiambu	45. Kiambu	147,870	Nyamira	46. Nyamira	24,483
Kiambu	47. Limuru	81,316	Nyandarua	48. Ol Kalou	13,234
Kiambu	49. Thika	251,407	Nyandarua	50. Engineer	9678
Kilifi	51. Malindi	119,859	Nyeri	52. Nyeri	80,081
Kilifi	53. Kilifi	74,270	Samburu	54. Maralal	31,350
Kirinyaga	55. Kerugoya/Kutus	39,188	Siaya	56. Siaya	33,153
Kisii	57. Kisii	112,417	Siaya	58. Bondo	22,712
Kisumu	59. Kisumu	397,957	Taita Taveta	60. Mwatate	9,572
Kisumu	61. Ahero	16,853	Tana River	62. Hola	20,912
Kitui	63. Kitui	29,062	Tharaka Nithi	64. Kathwana	59,599
Kitui	65. Mwingi	17,025	Tharaka Nithi	66. Chuka	22,388
Kwale	67. Ukunda	77,686	Trans Nzoia	68. Kitale	162,174
Kwale	69. Kwale	10,063	Turkana	70. Lodwar	82,970
Laikipia	71. Rumuruti	13,056	Uasin Gishu	72. Eldoret	475,716
Laikipia	73. Nanyuki	72,813	Vihiga	74. Mbale	17,404
Lamu	75. Lamu	25,385	Wajir	76. Wajir	90,116
			West Pokot	77. Kapenguria	28,469

Eligible Municipalities for the WHR UDG (DLI 7)

County	Urban Centre	Total Urban Population (2019)	Refugee Population (UNHCR, 2022)
Garissa	Dadaab	11,524[27]	233,726
Turkana	Kakuma	24,978[28]	244,286[29]

27 Urban population in Dadaab Town (Census 2019)

28 Urban population of 22,978 in Kakuma Town and 2,000 in Kalobei Town (Census 2019)

29 Population of 197,437 in Kakuma Camp and 48,795 in Kalobei Settlement (UNHCR 2022)

ANNEX 3: GUIDANCE NOTE FOR THE ESTABLISHMENT OF MUNICIPALITIES

1. Introduction

On 27th August 2010, Kenya promulgated a new constitution which introduced a new system of governance. The devolved system of government assigns sovereignty to national and subnational governments by distributing power and resources between the levels of government. In Kenya, these two levels of government are the national government and the county government.

The two levels of government are distinct and inter-dependent although they conduct their affairs on the basis of mutual consultation and co-operation. To that end, the functions of the various levels of government are as set out under the Fourth Schedule of the Constitution of Kenya 2010.

The guiding principles of devolution are as set out under Article 174 of the Constitution which include: to promote democratic and accountable exercise of power; to foster national unity by recognizing diversity; *to give powers of self-governance to the people and enhance the participation of the people in the exercise of the powers of the State and in making decisions affecting them; to recognize the right of communities to manage their own affairs and to further their development*; to protect and promote the interests and rights of minorities and marginalized communities etc.[30]

In furtherance of the principles of giving powers of self-governance to the people and recognizing the right of communities to manage their own affairs, county governments are mandated to decentralize their functions and services provision to the extent that it is efficient and practicable to do so.[31] Urban areas and cities are further decentralized units of county governments[32].

Together with the devolved system of governance, the constitution of Kenya introduced a new legal framework on the governance and management of urban areas and cities including municipalities. Article 184 of the Constitution mandated parliament, within one (1) year of the date of the promulgation of the Constitution, to enact a legislation providing for among other things the criteria for classifying areas as urban areas and cities; establishing the principles of governance and management of urban areas and cities and to provide for participation by residents in the governance of urban areas and cities. The said legislation was also intended to provide for mechanism to provide for identifying the different categories of urban areas and cities and their governance. The legislation contemplated by the framers of the Constitution of Kenya 2010 was enacted in 2011.

The purpose of the Act is captured in the preamble to the Act which provides;

"An Act of Parliament to give effect to Article 184 of the Constitution; to provide for the, classification, governance and management of urban areas and cities; to provide for the criteria of establishing urban areas, to provide for the principle of governance and participation of residents and for connected purposes."

Under the Urban Areas and Cities Act, urban areas are categorized into four categories as follows;

(a) Cities;
(b) Municipalities;
(c) Towns;

30 Article 174 of the Constitution of Kenya, 2010
31 Article 176 (2) of the Constitution of Kenya 2010
32 Section 48 of the County Governments Act

(d) Market.

The Act also provides for the mechanisms for establishment of the various urban areas. The following note will highlight the procedural steps in the establishment of municipalities as provided under the Urban Areas and Cities Act.

2. Qualifications for Conferment of a Municipality Status

Save for "special Municipalities" established by the County Governor as headquarters of the respective counties as set out under the Third schedule of the County Government Act[33], the Urban Areas and Cities Act requires towns intending to be considered for grant of a municipality status to fulfill the following criteria[34]:

(a) a population of at least at least between seventy thousand and two hundred and forty-nine thousand (50,000-249, 000) residents;
(b) must have an integrated urban area or city development plan;
(c) must have a demonstrable capacity to generate sufficient revenue to sustain its operations;
(d) capacity to effectively and efficiently deliver essential services to its residents as provided in the First Schedule to the Urban Areas and Cities Act.
(e) institutionalized active participation by its residents in the management of its affairs
(f) sufficient space for expansion
(g) infrastructural facilities, including but not limited to street lighting, markets and fire stations
(h) capacity for functional and effective waste disposal

3. Procedural Steps in Establishment of a Municipality

3.1. Passing a resolution to apply for conferment of the status of a municipality

The Town Committee of a town intending to apply to the County Executive Committee for consideration of conferment of municipality status passes and forwards a resolution for this purpose. The passing of the resolution shall be governed by the rules and regulations of the concerned Town Committee[35].

3.2. Consideration and Approval of the request by the County Executive Committee

Upon receipt of a resolution from a Town Committee for the grant of a municipality status in respect of a specific town, the County Executive Committee reviews the same and may either approve or decline the same.

It is noteworthy that the Act does not set out the matters to be considered by the County Executive Committee in approving the resolution for grant of a town a municipality status. However, we are of the view that compliance with the criteria set out under Section 9 of the Act may guide the County Executive Committee.

The Act does not also prescribe the procedure to be followed in case a resolution from a Town Committee is declined by the County Executive Committee. Equally, we are of the view that the provisions of the Fair Administrative Actions Act requiring *inter alia*, the grant of an opportunity to make representations before arriving at a decision and the furnishing of a statement of reasons whenever a public entity arrives at a decision should be observed.

33 Municipalities established as headquarters of counties are exempted from the fulfilling the criteria set out under section 9 (3) of the Urban Areas and Cities Act

34 Section 9 of the Urban Areas and Cities Act

35 Section 9 as complemented by Section 8 (1) of the Urban Areas and Cities Act

Where the County Executive Committee, after consideration of the resolution, approves the resolution by the Town Committee, it makes a recommendation for the conferment of a municipality status on the concerned town[36].

3.3. Formation of an ad hoc Committee

Where the County Executive Committee makes a recommendation for the conferment of a municipality status on a qualifying town, the County Governor constitutes an *ad hoc* committee to consider the recommendation by the County Executive Committee and advise as appropriate.[37]

The membership of the *ad hoc* committee constituted by the County Governor as described above is set out under the Act and includes relevant professionals in good standing nominated by the following institutions taking account of regional, ethnic and gender diversity and representation of persons with disability[38]:

a) a representative of the Independent Electoral and Boundaries Commission, who shall be the chairperson;
b) three representatives from the national government drawn from
    i. the Ministry for the time being responsible for urban development;
    ii. the Ministry for the time being responsible for environment;
    iii. the Ministry for the time being responsible for agriculture;
c) three representatives from the county government drawn from
    i. the Department for the time being responsible for urban development;
    ii. the Department for the time being responsible for environment;
    iii. the Department for the time being responsible for agriculture; and
d) two representatives from the following professional associations
    i. Institute of Surveyors of Kenya; and
    ii. Kenya Institute of Planners.

The *ad hoc* committee will determine whether the concerned town satisfies the criteria set out under section 9 of the Urban Areas and Cities Act for the grant of a municipality status. Where the *ad hoc* committee determines that the concerned town meets the statutory criteria, the recommendation for grant of the concerned town a municipality status is forwarded to the County Assembly by the County Governor for approval.[39]

3.4. Approval by the County Assembly

Once a recommendation is received from the County Governor for the conferment of a concerned town with the status of a municipality, the same is debated by the County Assembly and passed or declined in line with the standing orders of the relevant County Assembly.

If approved, a resolution is drafted and forwarded to the County Governor requesting the County Governor to confer the concerned town with the status of a municipality by grant of a municipality charter in the prescribed form.

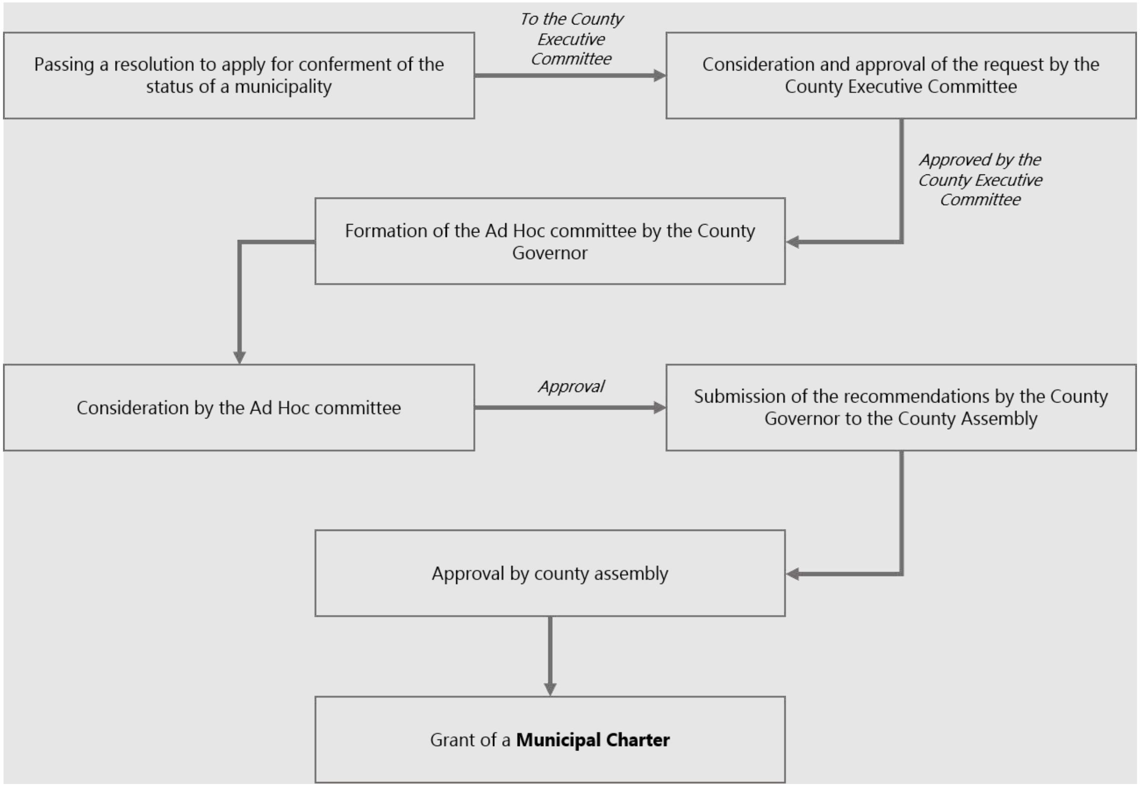
It is noteworthy that the Act seems to suggest some element of discretion on the County Governor in granting a concerned town a municipality charter. The employment of the word "may" in Section 9 of

36 Section 9 as complemented by Section 8 (2) of the Urban Areas and Cities Act
37 Section 9 as complemented by Section 8 (2) of the Urban Areas and Cities Act
38 Section 9 as complemented by Section 8 (3) of the Urban Areas and Cities Act
39 Section 9 as complemented by Section 8 (4) of the Urban Areas and Cities Act

the Act is unclear as to whether or not it is obligatory for the county governor to grant the municipality charter or not. Local authorities in Kenya have interpreted the meaning of the word "may" when used in respect of performance of public duties with varied results.

Further, the Act speaks of the grant of a municipality charter in the prescribed form which have been prescribed in the Draft Regulations to the Act and annexed to this document.

Diagrammatic Representation of the Process of Establishment of a Municipality in Kenya



ANNEX 4: MODEL MUNICIPAL CHARTER

SEVENTH

SCHEDULE

(R. 20(2))

URBAN AREAS AND CITIES (GENERAL) REGULATIONS, 2022

Model Municipal

Charter Template

[................] MUNICIPALITY

MUNICIPAL CHARTER

PREAMBLE

WHEREAS

Article 2 of the Constitution provides that the Constitution is the supreme law of the Republic of Kenya and binds all persons and all State organs at both levels of government.

WHEREAS

Article 184 of the Constitution of Kenya 2010 mandated parliament to enact a legislation to provide inter alia the criteria for classifying areas as urban areas and cities; establishing the principles of governance and management of urban areas and cities and to provide for participation by residents in the governance of urban areas and cities within 1 year of the promulgation of the Constitution.

WHEREAS

Parliament enacted the Urban Areas and Cities Act in the year 2011 which legislation had an effective date falling after the first elections held under the Constitution of Kenya, 2010.

WHEREAS

Parliament enacted the Urban Areas and Cities (Amendment) Act in the year 2019.

WHEREAS

Section 9 of the Urban Areas and Cities Act of 2011 empowers the County Governor, on the resolution of the County Assembly, to confer on a qualifying town, the status of a Municipality by grant of a Charter in the prescribed form.

WHEREAS

Schedule 5(b) of the Regulations of the Urban Areas and Cities prescribes the form of a Municipal Charter.

WHEREAS

Section 72 of the Interpretations and General Provisions Act allows for substantial conformity of any instruments required to be in a prescribed form under any statute in Kenya.

WHEREAS

The County Assembly of [...] duly approved the request by the Town Committee of [...] for grant of this Charter to the now Municipality of[ ].

NOW THEREFORE IN EXERCISE of the powers conferred by section 9 (1) of the Urban Areas and Cities Act, (No. 13 of 2011) as complemented by section 72 of the Interpretations and General Provisions Act (Chapter2) and all other enabling provisions of law, I, the County Governor of [...] County **HEREBY GRANTS** the Town of[.....................], this Municipal Charter on this [...] day of [....] 20[..].

[SIGNATURE OF COUNTY GOVERNOR]

....

[INSERT NAME OF COUNTY GOVERNOR] THE COUNTY GOVERNOR OF [...] COUNTY

SEAL OF THE COUNTY GOVERNOR OF [...] COUNTY

1. INCORPORATION, NAME AND BOUNDARIES

1.1. Incorporation and Name

1.1.1. This Charter is the Municipal Charter of the Municipality of [……….], within […….…] County, Kenya.

1.1.2. All processes affecting the Municipality shall be served on the Municipal Manager or the person for the time being holding the office of the Municipal Manager.

1.2. Boundaries

1.2.1. The boundary of the Town of […] as now existing or as may subsequently be altered shall be the boundary of the Municipality of [……………………].

1.2.2. The boundary of the Municipality of (………………………) is as per the map below;

2. OBJECTS, FUNCTIONS AND POWERS OF THE MUNICIPALITY

2.1. Powers of the Municipality

2.1.1. The Municipality of […] shall have all the powers, general and special, governmental or proprietary, expressed or implied, which may be possessed or assumed by municipalities under the Urban Areas and Cities Act, the County Government Act and the County Legislations.

2.1.2. All such powers shall be exercised in the manner prescribed in this Charter, resolutions of the Board, or, as prescribed in any other written law.

2.2. Objects of the Municipality

2.2.1. The objects of the Municipality of […] are to:-

(i) Provide for efficient and accountable management of the affairs of the Municipality.

(ii) Provide for a governance mechanism that will enable the inhabitants of the Municipality to:

a) Participate in determining the social services and regulatory framework which will best satisfy their needs and expectations.

b) Verify whether public resources and authority are utilized or exercised, as the case may be, to their satisfaction.

c) Enjoy efficiency in service delivery.

(iii) Vigorously pursue the developmental opportunities which are available in the Municipality and to institute such measures as are necessary for achieving public order and the provisions of civic amenities, so as to enhance the quality of life of the inhabitants of the

Municipality.

(iv) Provide a high standard of social services in a cost-effective manner to the inhabitants of the Municipality.

(v) Promote social cohesiveness and a sense of civic duty and responsibility among the inhabitants and stakeholders in the Municipality in order to facilitate collective action and commitment towards achieving the goal of a harmonious and stable community.

(vi) Fostering the economic, social and environmental well-being of its community

2.3. Functions of the Municipality

2.3.1. The Municipality of [...] shall, within its boundary, perform the following functions:

(i) Promotion, regulation and provision of refuse collection and solid waste management services;

(ii) Promotion and provision of water and sanitation services and infrastructure

(iii) Construction and maintenance of urban roads and associated infrastructure;

(iv) Construction and maintenance of storm drainage and flood controls;

(v) Construction and maintenance of walkways and other non-motorized transport infrastructure;

(vi) Construction and maintenance of recreational parks and green spaces;

(vii) Construction and maintenance of street lighting;

(viii) Construction, maintenance and regulation of traffic controls and parking facilities;

(ix) Construction and maintenance of bus stands and taxi stands;

(x) Regulation of outdoor advertising;

(xi) Construction, maintenance and regulation of municipal markets and abattoirs;

(xii) Construction and maintenance of fire stations;

(xiii) provision of fire-fighting services, emergency preparedness and disaster management;

(xiv) Promotion, regulation and provision of municipal sports and cultural activities;

(xv) Promotion, regulation and provision of animal control and welfare; Development and enforcement of municipal plans and development controls;

(xvi) Municipal administration services (including construction and maintenance of administrative offices); Promoting and undertaking infrastructural development and services within municipality;

(xvii) Any other functions as may be delegated by the County Government.

3. THE BOARD OF THE MUNICIPALITY

3.1. Establishment of the Board

3.1.1. There shall be a Board of the Municipality of[…].

3.1.2. The Board of the Municipality shall be a body corporate with perpetual succession and a common seal with all the attributes provided for under section 12.(2) of the Act.

3.1.3. There shall be a principal and agency relationship between the Board of the Municipality and the County Government of [ ].

3.2. Powers and Functions of the Board of the Municipality

3.2.1. The Board of the Municipality shall have all the powers and perform all functions vested in boards of municipalities under the Urban Areas and Cities Act, the County Government Act and the Municipality By-laws.

3.2.2. Except as this Charter otherwise provides, all powers of the Municipality shall be vested in the Board of the Municipality.

3.2.3. The functions of the board shall be as provided for in section 20.(1)

3.3. Composition and term of the Board of the Municipality

3.3.1. The composition of the board shall be as provided in Section 14 of the Act.

3.4. Eligibility for appointment as member of the Board of the Municipality

3.4.1. A person will be eligible for appointment as a member of the board if they meet the requirements set out in Section 13(4) of the Act.

3.5. Chairperson and vice chairperson of the Board

3.5.1. There shall be a chair person and vice chairperson of the board as provided for in section 17(2) of the Act.

3.6. Powers and functions of the Chairperson

3.6.1. The Chairperson of the Board shall have such powers as provided for in section 7(5).

3.7. Vice-Chairperson of the Board of the Municipality

3.7.1. The Vice-Chairperson shall, in the absence of the Chairperson, perform the functions of the Chairperson and shall perform such other functions as may be delegated by the Chairperson.

3.8. Removal of the Chairperson and Vice-Chairperson

3.8.1. The Chairperson and the Vice-Chairperson of the Board of the Municipality may be removed by a majority decision of the members of Board of the Municipality at a duly convened meeting where quorum is present; or upon petition by a resident of the Municipality.

3.8.2. The procedure for the removal of a Chairperson or Vice-Chairperson of the Board of the Municipality under 3.8.1 above may be provided by Regulations under the Urban Areas and Cities Act and, in the absence, thereof in accordance with Kenyan law having regard to fair labor practices.

3.8.3. Any vacancy arising out of the removal of a Chairperson or the Vice-Chairperson of Board of the Municipality may be filled in the manner provided for in Section 19 of the Urban Areas and Cities Act.

3.9. Secretary of the Board of the Municipality

3.9.1. The secretary of the Board shall be appointed according to section 13A of the Urban Areas and Cities Act (Amendment), 2019.

3.10. Committees of the Board of the Municipality

3.10.1. The board may establish such committees as provided for in section 26 of the Act.

3.11. Vacation and Removal of members of the Board of the Municipality

3.11.1. A member of the Board shall cease to hold office as provided for in section 16 of the Act.

3.11.2. A member of the Board may be removed from office in accordance with section 18 of the Act.

3.12. Quorum

3.12.1. The quorum for board meetings is a minimum of five members.

3.13. Conflict of interest

A member of the Board who has a conflict of interest on a matter before the Board shall declare the same ahead of the meeting and shall not be eligible to vote on that particular issue.

3.14. Rules of the Board

3.14.1. The Board of the Municipality shall by resolution regulate the procedure governing its meetings.

3.15. Record of information of the Board

3.15.1. The minutes and other information of the Board of the Municipality shall be kept by the Secretary of the Board of the Municipality.

3.15.2. Access to information on the activities and resolutions of the Board shall be availed as provided for under the Urban Areas and Cities Act and other applicable laws.

3.16. Citizen Fora

3.16.1. The Board of the Municipality shall ensure the development of mechanisms for the participation of the residents of the Municipality in the management and administration of the Municipality.

3.16.2. All recommendations from the Citizen Fora shall be forwarded to the Board for deliberations.

4. LEGISLATIVE AUTHORITY

4.1. By-laws

4.1.1. The Board shall make By-laws for the efficient management of the Municipality.

4.2. Passing of By-laws

4.2.1. The Board shall adopt a procedure to guide the making, approval and effective date of by-laws.

5. ADMINISTRATIVE AUTHORITY28

5.1. Resolutions

5.1.1. The Board of the Municipality shall exercise its administrative authority by approving and implementing its resolutions.

5.2. Approval of resolutions

5.2.1. Approval of a resolution or any other Board administrative decision shall be made through consensus by the Board

6. THE MUNICIPAL MANAGER

6.1.1. Office of the Municipal Manager

6.1.2. There shall be a Municipal Manager as provided for in Section 28 of Urban Areas and Cities Act. The Municipal Manager shall be the administrative head of the Municipality of[…].

6.2. Appointment and Term

6.2.1. The Manager shall be recruited competitively by the County Public Service Board in consultation with the board.

6.2.2. The Municipal Manager may be appointed under such terms and conditions as the Board may determine.

6.3. Qualifications

6.3.1. The Municipal Manager shall:

(i) Be a citizen of Kenya
(ii) Hold a degree from a university recognized in Kenya or its equivalent
(iii) Have served and had proven experience in administration or management either in public or private sector for a term of at least ten years.

6.3.2. In appointing the Municipal Manager, the County Public Service Board shall ensure: gender equity;

(i) The inclusion of minorities and marginalized communities; and
(ii) the person satisfies the requirements of Chapter six of the

Constitution.

6.4. Functions and powers of the Municipal Manager

6.4.1. The Municipal Manager shall implement the decisions and functions of the Board of the Municipality and shall be answerable to the Board.

6.4.2. The Municipal Manager shall perform the following powers and functions:

Act on behalf of the Board of the Municipality-

(i) In ensuring the execution of the directives of the Board of the Municipality;
(ii) During all intervals between meetings of the Board of the Municipality;
(iii) Prepare and present for approval of the Board of the Municipality, an annual estimate of revenue and expenditure to fund and carry out the programs and operations of the Board;
(iv) Be principally responsible for building and maintain a strong alliance and effective working relationships between the Board of the Municipality and the civil society, private sector and community-based organizations;
(v) Cause to be prepared, transmitted to the Board of the Municipality, and distributed to the public at least an annual report on the activities and accomplishments of the departments and agencies comprising the executive branch of the Municipality.
(vi) Act as an ex-officio member of all committees of the Board of the Municipality;
(vii) Exercise supervision over all departments and agencies of the Municipality and provide for the coordination of their activities;
(viii) Enforce the provisions of this Charter, Municipal By-laws, and all applicable laws;
(ix) Exercise powers granted to the Municipal Manager in this Charter, By-laws and applicable laws concerning the appointment and removal of certain officers, employees, and members of committees of the Board of the Municipality;
(x) Exercise such other powers and functions as may be prescribed by this Charter, by-laws, applicable laws, and as the Board may, by order, confer upon the Municipal manager.

6.4.3. The Municipal Manager must:

(i) Attend all Board meetings unless excused by the Chairperson of the Board or the Board of the Municipality; Make reports and recommendations to the Board about the needs of the Municipality;
(ii) Administer and enforce all Municipality By-laws, resolutions, franchises, leases, contracts, permits, and other Municipality decisions;
(i) Supervise Municipality employees; Propose to the Board the organization of Municipality departments and administrative structure;
(ii) Prepare and administer the annual Municipality budget; Administer Municipality utilities and property;

(iii) Encourage and support regional and intergovernmental cooperation;
(iv) Promote cooperation among the Board of the Municipality, staff and citizens in developing Municipality policies and building a sense of community;
(v) Perform other duties as directed by the Board of the Municipality;

6.4.4. The Municipal Manager shall attend meetings of the Board but shall not be entitled to vote.

6.5. Removal of the Municipal Manager

6.5.1. The Municipal manager may be removed from office by;
(i) the County Public Service Board;
(ii) or a resolution of the Board of the Municipality supported by at least two- thirds of the members of the Board of the Municipality;

6.5.2. The Municipal Manager shall cease to hold office upon the lapse of the employment term or if he/she:
(i) is unable to perform the functions of the office by reason of mental or physical infirmity; is declared or becomes bankrupt or insolvent;
(ii) is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
(iii) resigns in writing to the Board; is found guilty of professional misconduct by the relevant professional body;
(iv) is disqualified from holding a public office under the Constitution;
(v) engages in any gross misconduct;
(vi) dies.

6.5.3. Any vacancy arising in the office of the Municipal Manager may be filled in the manner provided under Article 6.14 above.

7. MUNICIPAL FINANCES AND FINANCIAL MANAGEMENT

7.1. Sources of the Municipality's funds and revenue

7.1.1. The Board of the Municipality shall derive its revenue and funds as provided for in Section 172 of the Public Finance Management Act,2012

7.2. Appointment of the Municipality Accounting Officer

7.2.1. The Municipality Accounting Officer shall be designated by the County Executive Committee Member for Finance in the manner provided under Section 148 of the Public Finance Management Act.

7.3. Functions and Powers of the Municipality Accounting Officer

7.3.1. The Municipality Accounting Officer shall have all the powers and perform all the functions of accounting officers as provided under the Public Finance Management Act.

7.3.2. Without prejudice to the foregoing, the Municipality Accounting Officer shall be responsible for managing the finances of the Municipality.

7.4. Financial year

The Municipality shall operate on an annual budget.

7.4.1. The financial year of the Board shall be the period of twelve months ending on the thirtieth June in each year.

7.5. Budget

7.5.1. The budget of the Board shall be developed in the manner provided under Section 175 of the Public Finance Management Act.

7.6. Management of Municipality Finances

7.6.1. The Board shall, with the approval of the County Executive Committee member for finance, open and maintain a bank account in the name of the Municipality.

7.6.2. All monies received by the Board shall be paid into the Municipality's bank account promptly and in accordance with the Public Finance Management Act.

7.7. Borrowing by the Municipality

7.7.1. The Board may only borrow from: -

(i) from the County Government;

(ii) through the County Government; or

(iii) by way of a bank overdraft.

(iv) and subject to such terms as may be imposed by the County Assembly or such terms as provided by law.

7.8. Audit

7.8.1. The audit of the Board shall be as provided under Section 46 and 47 of the Urban Areas and Cities Act.

8. MUNICIPALITY PERSONNEL

8.1. Municipality Personnel

8.1.1. The Board may subject to the approval by the County Public Service Board, employ such officers and employees as it deems necessary to execute the powers and duties provided by this Charter or other any other law.

8.1.2. The remuneration of the municipal personnel shall be set by the County Public Service Board in consultation with the Board and Salaries and Remuneration Commission.

8.2. Management of Municipal Personnel

8.2.1. Employees of the Municipality shall be under the general guidance of the Municipal Manager.

8.3. Retirement systems

8.3.1. The retirement benefits for the officers of the Board shall be determined in accordance with Section 49 of the Urban Areas and Cities Act.

9. MUNICIPALITY PROPERTY

9.1. Acquisition, possession and disposal

9.1.1. The Board of the Municipality is a body corporate and may acquire real, personal, or mixed property for any public purpose by purchase, gift, bequest, devise, lease, or otherwise and may sell, lease, or otherwise dispose of any property belonging to the Municipality.

9.1.2. All town property and funds of every kind belonging to or in the possession of the town (by whatever prior name known) at the time this Charter becomes effective are vested in the Municipality, subject to the terms and conditions thereof.

9.2. Compulsory acquisition

9.2.1. Whenever the Municipality deems it necessary to acquire private land for its purposes, it shall send a request to the National Land Commission through County Executive Committee Member for acquisition.

9.2.2. The provisions of the Land Act shall apply to any intended compulsory acquisition by the Municipality of property within the Municipality.

9.3. Protection and maintenance of Municipality Property

9.3.1. The Board of the Municipality may do whatever may be necessary to protect municipal property and to keep all municipal property in good condition.

10. GENERAL PROVISIONS

10.1. Amendments to the Charter

10.13.1. Amendment of this Charter may be proposed by the Board or County Government. The proposal shall be made to the President though the County Governor.

10.2. Separability

10.2.1. If, at any time, a provision of this Charter is or becomes illegal, invalid or unenforceable in any respect under Kenyan law, the legality, validity or enforceability of the remaining provisions shall not be affected or impaired.

11. TRANSITIONAL PROVISIONS

11.1. Effective Date of Charter

11.1.1. The commencement date of this Charter shall be the date of Gazettement.

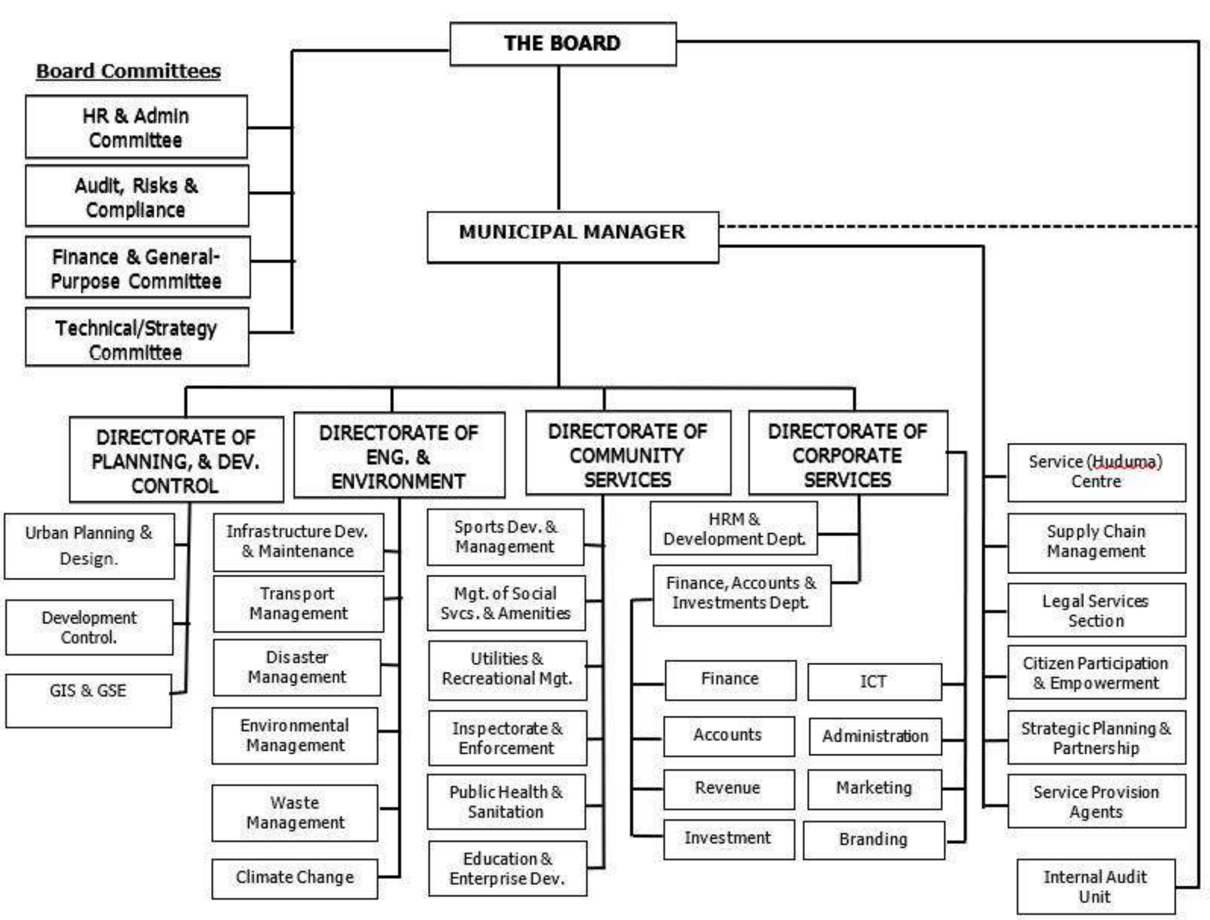
11.2. Rights and Privileges Preserved

11.2.1. Nothing in the Charter except as otherwise specifically provided shall affect or impair the rights or privileges of persons who are Town Officials, Officers or Employees at the time of its adoption.

11.3. Departments

11.13.1. All Town Departments shall continue to operate with the same powers, duties, activities, budgets, and employees as were in effect at the time this Charter becomes effective until changed by the Municipal Manager with the approval of the Board of the Municipality.

CITY/MUNICIPAL INSTITUTIONAL HUMAN RESOURCE STRUCTURE



MUNICIPAL DIRECTORATES' FUNCTIONS

Service Provision Agents	Planning and Development Control	Community services	Municipal Manager	Corporate Services	Engineering and Environment
Water Services and Management	**Developmental Services**	**Sports and Talents Development**	**Citizen Participation and Empowerment Programs**	**ICT Services**	**Civil/Structural Engineering Services**
	• *Integrated Development Planning*	• *Library Services*	Municipal Branding and Marketing	**Budget, Reporting and Expenditure Services**	• *-Roads & Storm Water Services*
Solid Waste Management	• *Local Economic Development*	• *Public Parks and squares*	• *Municipal image*	*-Asset Management*	• *-Transport network Planning, Compliance*
	• *Performance Management Systems*	• *Cemeteries*	• *Outdoor advertising*	*-Creditors*	• *-Project Management Services*
Water resources' management	• *Compliance*	**Refuse collection &Transportation**	• *Roads&*	*-Payroll*	• *-Fire fighting*
	GIS and GSE	**Healthcare Services**	• *Business signage*	**Revenue Services**	• *-Fleet Management Services*
Conservation and protection of water catchment areas	**Urban Planning and Design, & Building Control**	**Education and Technical Training**	• *Marketing of municipal products/services*	*-Rates &Taxes*	• *-Street lighting and service lines*
County Line ministries	• *-Business advertising and signage*		Supply Chain Management	*-Debtors &Cashiers*	• *Infrastructure Maintenance*
Nation al Government	• *-Building Control*	Agricultural Extension Services	*-Demand & Acquisition Management*	*-Credit*	
Internal partners	• *-Urban Planning*	Markets management	• *-Stores and Disposal Management* Legal &ERM Services	*-Control*	-
NGOs	• *-Urban Design*	**Enterprise development**	• Huduma Centre services	**Finance and Accounts**	**Mechanical Engineering services**
CBOs	• *-Road signage*	**Administrative Support Services**	• Investment Modelling		-Electrical installation and controls
Institutions	• *-Street Furniture*	*-Secretariat/ Committee Services*	• Performance Management	**Human Resource** Management	-Traffic Services
CDF	**Valuation services**	*-Office Auxiliary Services*	• Service Provision Agencies/Partners	*-HR*	*-Law Enforcement*

Religious Organizations	**Quantity surveying**	*-Records & Archives*		*Administration & Staff Provisioning g*	*License & Vehicle Test Station -*
National Government Agencies		*-Cleaning Services*		*-Labor*	*-Registration, Licensing*
Women Rep related Funds	**Housing Services**	*-Customer Care Services*		*-Relation Management & Employee Wellness*	-
Senatorial related Funds	• *Housing Projects*	*-Switchboard/ Reception*		- Staff *Skills Development*	*-Environmental Monitoring & Compliance*
	• *Housing Finance*			Welfare management	
	• *-Housing Administration*			Pension Management	

ANNEX 5: COUNTY URBAN INSTITUTIONAL DEVELOPMENT STRATEGY (CUIDS) TEMPLATE

Within the framework of KUSP2, counties will need to draw up County Urban Institutional Development Strategies (CUIDSs), which:

- outlines the county's overall approach to the management of urban areas[40] within its jurisdiction;
- spells out the process whereby the county will integrate urban development into county-wide planning that incorporates climate resilience and inclusivity considerations;
- provides an annual action plan and budget for achieving the above.

Drawing up a CUIDS is a condition that counties need to meet in order to access their Urban Institutional Grants (UIGs).

Typically, a CUIDS

- will be between 10 and 15 pages.
- is prepared under the supervision of the CEC member responsible for urban issues by the department(s) responsible for urban issues
- Is prepared within the first year of a county government taking office, is valid for a period of 5 years, but reviewed and updated annually prior to the approval of the county plan and budget for next financial year.
- Is approved by the county government and presented to the County Assembly for discussion.

The CUIDS template provides counties guidance on its substance and contents.

Sections 1 and 2 of the CUIDS as outlined on the following pages are to be integrated into the County Integrated Development Plan (CIDP) as part of an Urban Development Chapter or as (part of) an annex.

SECTION 1:

URBANIZATION, URBAN MANAGEMENT, CLIMATE RESILIENCE & URBAN DEVELOPMENT IN THE COUNTY

[*Suggested maximum of 3-4 pages*]

This section of the CUIDS should provide an overview of levels of urbanization, urban management and urban development in the county. In drawing up this section, the county should use available sources of information and consult with all relevant departments and stakeholders. For writing this section use the Urban Area Matrix (see attachment 1)

1.1. Urbanization and Urban Development in the County

- Urbanization trends
    - What of the county's population lives in urban areas, and what are the projected trends?
    - What are the main urban areas in the county?
- Urbanization and county socio-economic development
    - What are the principal economic activities of the county's urban areas?
    - What is the role of urban areas in the county economy?
    - What is the nature of rural-urban linkages in the county?

[40] For counties participating in the WHR component, ensure to provide information on the participating refugee hosting municipalities and provide the required information

- Urban development challenges
  - What infrastructure (transport, drainage, waste disposal, socio-economic) exists in the county's urban areas? And how adequate is this infrastructure?
  - What are the basic urban services that are provided in the county's urban areas?
  - What does the urban scorecard say?
  - What urban planning and urban land use management exist in the county's urban areas?
  - What is the state of housing in the county's urban areas including a section on the status of informal settlements – the number of slums in each urban are, population level of services and county strategies in addressing informal settlement as well as the ongoing interventions?
- Climate change related challenges
- The level of vulnerability/inequalities including vulnerable groups, gender aspects and county strategies in addressing such vulnerabilities (e,g any policy on gender integration, PLWD, street families, marginalized communities etc)
  - Define/describe County Climate Risk Profile.
  - What are the major and common climate change impacts experienced in the County?
  - What are the vulnerability and exposure trends in the County?
  - Describe the urban poor and human settlements that are most affected by climate change impacts in the County?
  - Identify and show on a map hazard hotspot area(s) within the County.

1.2. Legal and regulatory systems for urban management, climate resilience and disaster risk management in the county

- What are the national laws and regulations that govern urban)?
- Are there any county-level laws and regulations that govern urban management?
- What are the laws and regulations governing climate change aspects and disaster risk management?
- For the above, in addition to listing the laws, indicate how these laws are informing urban development related actions and also how the county is conforming to these national requirements in relation to urban development (e.g the required plans etc) and any challenges in relation to adopting such policies (e.g capacity challenges)

1.3. County-wide planning and urban development

- County Integrated Development Plan (CIDP):
  - Does the CIDP address urban development issues?
  - If so, how?
  - If not, what are the gaps?
- Other county planning instruments:
  - Do they address urban development issues?
  - If so, how?
  - If not, what are the gaps?

1.4. Current status of urban areas in the county

SECTION 2:
DEVELOPING INSTITUTIONS FOR URBAN MANAGEMENT

[*Suggested maximum of 5-7 pages*]

This section should provide an overview of how, in general, the county envisions institutional arrangements for its urban areas and, more specifically, what institutional arrangements will be put in place for each urban area in the county. In addition, and if necessary, this section could include a description of any legal and regulatory reforms that the county will need to undertake in order to implement proposed institutional arrangements in its urban areas. Finally, this section could include, if necessary, a brief description of the capacity building actions that will be needed to establish the proposed institutional arrangements in its urban areas.

2.1 Institutional development for the county's urban areas

- County policy on urban institutional development:
    - What does the county plan to do in terms of urban institutional development? Does the county intend to grant municipal or city status to all urban areas that are eligible for either municipal or city status? Or does the county prefer to establish other institutional arrangements (e.g. town administrations) for such urban areas? Does the county intend to establish town committees and/or town administrations for smaller urban areas?
    - What will be the general relationship between the county government and urban areas? In particular, what will be the nature of the administrative interface in the following areas:
        - planning and budgeting for the urban areas (including presentation of the budget to the county assembly);
        - flow of funds between the county government and the urban boards;
        - recruitment of staff for the urban boards;
        - accountability of the urban boards to the county government;
        - organizing for joint/collaborative development and service delivery improvement initiatives, including the development of urban investment plans.
- For each urban area in the county (use Urban Area Institutional Development Matrix, see attachment 2): what is the future institutional status (municipality, town, status quo) of each urban area in the county? Management and staffing arrangements? Finance and budget arrangements? Boundary demarcation? Implementation plan and steps to be taken to set up the municipality/town?

2.2 Legal and regulatory reforms at the county level

- Are there any county-level legal and regulatory reforms required for urban management, such as:
    - Domesticating the UAC Act and any national regulations and/or implementation guidelines?
    - Legislating for urban planning and development control?
    - Legislating for basic services delivery standards in the urban areas (including legislation to support implementation of the urban areas' solid waste collection and disposal policies)?
    - Legislating for resource mobilization (including local taxation, fees and user charges) by the urban areas boards and committees (if applicable)?
    - Legislating for citizen engagement, public participation and accountability by the urban boards and committees?

2.3 Capacity building actions

- What capacity building actions will be required to support changes in urban management or enhance climate resilience and promote low carbon urban development?

SECTION 3:

ANNUAL ACTION PLAN AND BUDGET

[*Suggested maximum of 1-3 pages*]

In this section of the CUIDS, the county should provide a detailed annual action plan and budget (use CUIDS Annual Action Plan and Budget, see attachment 3) for the activities that it will undertake urban institutional development (as outlined in Sections 2 and 3). This should include a projection of the available budget (UIG and any other funds).

Annual updates: After the first year, and at least for the first three years of KUSP, the CUIDS is likely to be in need of annual updating as the status of the urban areas is expected to change. Even if the status (sections 1 and 2) do not change, the county is expected to produce a new version of the third section to proposed allocation of the UIG for the next financial year (see also Vol II, Annex 4, with a template for section 3 as standalone document).

ATTACHMENT 1

URBAN AREA MATRIX: CURRENT SITUATION

[MAP SHOWING URBAN AREAS TO BE ATTACHED]

Name(s) of urban area	Geographical and demographic data			Institutional status		Urban management								Hazards and climate impacts
	Location	Estimated Population	County capital (Y/N)	Pre-2010 administrative status	Current administrative status and/or current urban management arrangements	Board or Committee (Y/N)	Town or city manager or administrator (Y/N)	Office (Y/N)	Staffing of municipality or town administration	Budget and finance	Urban planning	Infrastructure and service delivery responsibilities		

Official and other names of the urban area	GIS coordinates Longitude and latitude	Use most recent official data (e.g. census)	Is the urban area in question the admin HQ of the county?	Municipality?	Chartered city or municipality? Town? Does the urban area have a town administration?	Does the urban area have an urban board or town committee?	Does the town have an officially designated town administrator or town manager?	Does the urban area admin-istration have an office?	If the urban area has a board or an administration, does it have staff? If so, how many professional or technical staff?	Does the urban area have a separate budget? If so, is this budget: - a separate vote in the county budget - part of the vote of a CEC department? What was the annual budget of the urban area in FY 2016-17	Does the urban area have any urban plans? If yes, what plans currently exist and when were they completed? - IDeP (date) - Spatial (town) plan (date)	What are the specific infrastructure and service delivery responsibilities of the urban area board or administration or administrator?	What are hazards and climate change impacts within the urban area? Has the county and their urban areas prepared climate action for the most vulnerable?

ATTACHMENT 2

URBAN AREA INSTITUTIONAL DEVELOPMENT MATRIX - Proposals for 3 -5-year horizon

Name(s) of urban area	General		Specific								Climate Change
	Current institutional arrangements	Planned institutional arrangements?	Board or Committee Y/N Timelines	Town or city manager or administrator Y/N Timelines	Office Y/N Timelines	Staffing of municipality or town administration Numbers Timelines	Budget and finance Budget status? Timelines	Urban planning Timelines	Infrastructure and service delivery responsibilities Timelines	Demarcation of urban area? Y/N	Is there a dedicated staff for disaster risk management or climate change matters? is there a dedicated CC budget? Y/N

Official and other names of the urban area	None Chartered city or municipality? Town? Does the urban area have a town administration?	Y/N Y = urban area to be granted city or municipal status or to be classified as town N = no change in existing status of urban area	Y/N or N/A Y = either board or committee to be established Deadline N = no board or committee to be established N/A = no changes proposed in current arrangements	Y/N or N/A Y = either manager or administrator to be appointed Deadline N = no manager or administrator to be appointed N/A = no changes proposed in current arrangements	Y/N or N/A Y = office to be set up Deadline N = no office to be set up N/A = no changes proposed in current arrangements	Y/N or N/A Y = staff to be appointed N = no staff to be appointed N/A = no changes proposed in current arrangements What staffing arrangements and numbers? Deadline	Y/N or N/A Y = urban area to have separate budget - Separate vote in county budget? - Sub-component of existing vote in county budget? Deadline N = urban area will not have separate budget N/A = no changes proposed in budgeting arrangements	Y/N or N/A Y = urban area to have its own plans - IDeP incorporating climate resilience? - Spatial plan? Deadline N = urban area will not have its own plans N/A = no changes proposed in planning arrangements	Y/N or N/A Y = urban area to be assigned specific infrastructure and service delivery functions - which functions to be assigned? Deadline N = urban area will not be assigned specific infrastructure and service delivery functions N/A = no changes	Y/N Y = demarcation of urban area N = no planed demarcation of urban area	

ATTACHMENT 3

COUNTY URBAN AREA INSTITUTIONAL DEVELOPMENT – ANNUAL ACTION PLAN & BUDGET

County: ______________ **FY:** _____________

CUIDP Section	Activity	Timeframe												Implementation modality	Cost elements	Proposed budget (KES)
		J	A	S	O	N	D	J	F	M	A	M	J			
Section 3: Developing institutions for urban management	Examples: - Hold consultations with residents in urban areas - Draw up municipal charter for urban area 1 - Select and appoint municipal board members for urban area 1 - Select and appoint municipal manager for urban area 1 - Orientation for municipal board and municipal manager - Select and appoint town committee - Select and appoint town administrator - Establish municipal/town office - Prepare investment project pipeline for urban areas - Undertake urban spatial plan - Undertake urban climate risk assessment													Examples: - External consultants to be hired - In-house county government staff to be used - UDD staff and support needed	Examples: - Consultancy fees - Meeting costs - Per diems for travel - Local travel costs - Office equipment (for municipal office) - Training materials	
															Total annual budget	
														Resources	County contribution	
															Other budget contributions (including UIG)	
															Total resources	

ANNEX 6: COUNTY ANNUAL URBAN INSTITUTIONAL DEVELOPMENT PLAN & BUDGET SHOWING THE ALLOCATION OF URBAN INSTITUTIONAL GRANT

Introduction

The County Urban Institutional Development Strategy (CUIDS), the outline for which is provided in the previous annex, sets the broader urban institutional objectives against an analysis of the actual situation. Against that background, the Annual Institutional Development Plan and Budget is the justification for use of the Urban Institutional Grant in a particular Financial Year. The UIG is only available for the first three years thus, the annual development plan is only to be prepared for the first three years of the program (FY 2023/24, 2024/25 and 2025/26). The UIG is intended for institutional and capacity building.

The Annual Urban Institutional Development Plan and Budget is part of the county's budget for next financial year and as such will need to be approved by the county assembly. It should be made public by posting it on the county's and Municipal websites. It is not expected to be more than 2-3 pages in length.

The template for the annual Institutional Development plan and budget is provided below.

[County seal]

Institutional Development Plan and Budget - FY 20__/___

1. **Introduction**
   - *Indicate who prepared / wrote the plan*
   - *Briefly indicate how the plan was made, and who were consulted / Involved*

2. **Context**
   - *Summary of the objectives and strategy as outlined in the CUIDS*
   - *For years 2 and 3: summary of the activities undertaken so far and indication of what remains to be done*
   - *Mention and explain any deviation from the original CUIDS*

3. **Brief description of proposed activities for FY …/….**
   - *Highlight the priorities for the year, against the CUIDS and the remarks made under the introductory section.*
   - *Briefly describe the various proposed activities and provide justification.*
   - *Indicate the expected outcomes by end of the year.*

4. **UIG Budget FY 20../ 20…**
   - *Brief indication of the budget, supported by a table listing the different intended activities and the corresponding budget.*
   - *The total available budget is USD 200,000 for the first two years and USD 100,000 for the third year (provided the Minimum conditions are met)*

Table: Budget UIG FY 20… /20…				
#	***Activity***	***Responsible party for implementation***	***Timing from -to*** *(months)*	***Budget*** *(in KES)*
1.				
2.				
3.				
		Total :		

5. **Implementation arrangements**
   - *Describe who will be responsible for implementation of the proposed activities and who will manage the budget (requisition officer) and expenditure (authorizing officer). Make a distinction between the role of the county and the role of the urban board(s)/administration(s) as appropriate.*

ANNEX 7: URBAN AREA ANNUAL INVESTMENT PLAN & BUDGET INCLUDING THE ALLOCATION OF THE URBAN DEVELOPMENT GRANT

Introduction

The five-year Urban Area Investment Development Plan (IDeP), as prescribed by the Urban Area and Cities Act, provides the framework for priority actions and investments for a county government. As per UACA Section 39, the urban boards are expected to make such a plan in the first months after coming into office. It is expected to guide actions and investments over the 5-year period of their reign. The IDeP is expected to be reviewed annually.

Against that background, the Annual Urban Area Investment Plan and Budget is the more specific annual justification for urban investments in a particular year. Apart from other sources, it would also include the Urban Development Grant (UDG) for the next Financial Year.

The Annual Urban Area Investment Plan and Budget needs to be approved by the Urban Board. Its budget needs to be within the budget ceiling provided by the county government.

The Annual Urban Area Investment Plan and Budget is part of the county's budget and will, as part of the overall budge discussion, need to be approved by the county assembly.

The Annual Urban Area Investment Plan and Budget should be made public by posting it on the county's website. It is not expected to be more than 3-5 pages in length, exclusive of the annexes with pre-feasibility study report(s). Latter to include the results of the social and environmental impact screening

The template for the Annual Urban Development plan and budget is provided below.

[County and/or Urban Area Seal]

Urban Area Annual Investment Plan and Budget - FY 20___/___

1. **Introduction**
2. **Context**
   - *Summary of the main objectives as identified in the 5-year Urban IDeP.*
   - *[except for year 1] Provide a brief overview of the activities already undertaken in the context of the Urban IDeP*
   - *Describe changes -if any- to the IDeP following review by the urban board - and provide a description of the rationale and considerations for such changes.*
3. **Investment prioritisation**
   - *Re-iterate the priorities as identified by the Urban Board*
   - *Summarize priorities raised by the county government (Assembly and executive)*
   - *Summarise priorities and issues raised during citizen fora*
   - *Describe consensus reached - priorities as retained*
4. **Urban Investment Plan and Budget FY 20../ 20...**
   - *Present in table format (see Table below) the proposed list of projects and the tentative estimate of costs*
   - *Describe under this heading each of the projects in brief, and provide the rationale and justification for their inclusion in the plan.*
   - *At least as far as UDG funded projects are concerned, show that the projects suggested meet all UDG criteria, in terms of eligibility, minimum project size (USD 500,000), need to complete the project(s) within one FY (no partial funding), and the social and environmental screening.*
   - *Attach as annexes detailed pre-feasibility study report(s) that include a social and environmental impact screening (See POM, Vol II, Annex 18).*
   - *Make in the table a distinction between detailed design and other preparatory work and actual implementation in terms of timing and budget (i.e. treat these as two separate projects).*
   - *Add a Gantt chart (as shown below)*
5. **Expected outcomes**
   - *Describe the expected outcomes of the projects and indicate how they relate to the priorities as expressed by citizens, the urban board and the county government (as discussed under Section 3 above).*
6. **Implementation modalities and timeframe**
   - *Describe who will be responsible for implementation of the proposed activities*
   - *Indicate how procurement will be organised*

- *Make a realistic assessment of what can be completed in the FY and what need to be scheduled for the subsequent FY. Reflect this in the Gantt chart*
- *Make a distinction between the role of the county and the role of the urban board(s)/administration(s) as appropriate.*

Annexes: Pre-feasibility study report for each proposed project, including the social and environmental check-list (see ESHSM Manual)

Table1: Urban Area Investment Budget FY 20… /20…				
#	***Activity****	***Timeframe***		***Budget***
		Start date	***End date***	***UDG***
1				
2				
3				
4				
5				
	Total			

**Separate detailed design and other preparatory work from actual project implementation (treat in the table as two separate projects)*

Table 2: Gantt Chart Urban Area Investment Budget FY 20…/20…													
#	***Activity***	**Jul**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
1													
2													
3													
4													
5													

ANNEX 8: HALF YEARLY PROGRESS REPORTS

Introduction

This annex provides formats for the Program specific half yearly progress reports. It concerns the following reports:

(a) **Counties to report to UDD on use of UIG**

(b) **Urban Boards to report to their counties on the use of UDG for its consolidated submission to UDD**

The first two reports form the basis for the major part of the third report (i.e. Components 2 and 3). For these components 2 and 3, reporting by the county government and the urban boards respectively, is done against the annual plans and budgets for UIG and UDG respectively (formats for which are presented in annexes 7 and 8, respectively).

The objective of the progress reports is two-fold. Firstly, it serves as a tool of self-reflection, for county and urban management to take stock whether progress (for UIG and UDG respectively) is on track. Secondly, it provides few key indicators for Program management at the national level, to monitor progress and to see where bottlenecks, in terms of physical spending are. Respecting the autonomy of the county governments, the information to be provided is kept to a bare minimum.

The reporting deadline for counties (component-2) and the urban boards (component-3) for submission of their reports to UDD is 14 days after the end of each reporting period, i.e. December and June. UDD then has one month to prepare a consolidated report (all three components) for submission to the World Bank (to be presented before end of February and end of August, respectively).

All three reports have a narrative on physical progress as well as a section with financial information (i.e. expenditures vs budget). For all three reports it is suggested to start with compiling the two tables in the annexes of the report and then prepare the text, which is then based on the information in those annexes.

UDG Half yearly progress reports
……………………………(Municipality/ City Name)
FY …………

Submitted by :

the County Government

(Template)

[County seal]

Half yearly progress report on use of the Urban Development Grant
(for period ending (dd/mm/yy))

Contents

*[**Note1**: Start with filling the tables in the Annex (see next page) that are linked to the annual plan then write the text along the lines as suggested below]*

*[**Note 2:** Although counties are free to elaborate more, the total length of the half yearly UDG report is not expected to exceed 3-4 pages maximum, excluding the annexes]*

City/ Municipality Profile

Approximate area: (square kilometres) :...

Population (2019): ....

Estimated Population[41] (at reporting year) :...

1. Introduction *[half a page]*

Highlight one or two main achievements of the past 6 months

2. Detailed Overview of progress *[half to one page per project]*

For each of the UDG funded projects describe briefly

- *Activities completed past 6 months*
- *Status of implementation including ESS implantation (as compared to Gantt chart in the annual plan)*
- *Major problems and bottlenecks encountered and how these were overcome*
- *and/or what is needed to overcome them*
- *Project specific priorities for the next 6 months*

3. Overall assessment of progress and Outlook for next 6 months *[half a page]*

- *Assess progress overall: is UDG implementation on track or behind schedule?*
- *If behind schedule, what will be done to rectify the situation?*
- *Describe the priorities for UDG implementation over the next 6 months*
- *Indicate need for rescheduling of activities, if any*

4. Support from UDD requested / required (if any) *[one or two paragraphs]*

- *Mention here if any specific support from UDD is expected or required*

5. Concluding remarks *[half a page max]*

- *Mention anything the County would like to raise (in the context of UDG)*

[41] In the case of Dadaab and Kakuma, estimated host community population and refugee population as at the reporting year.

Annexes to the Half yearly UDG Report:

Annex 1: Summary UDG physical progress, ...Municipality, as at (*insert end of reporting period*)

S/No	Activity (as per plan/budget)	Planned timings		Assessment of progress (delayed, on schedule or ahead of schedule)	Estimated physical completion (%)	Comments
		Start date (dd/mm/yy)	End date (dd/mm/yy)			
FY xx/xx (1st UDG disbursement)						
FY xx/xx (2nd UDG disbursement)						

Note: *Data in the 2nd & 3rd columns to be taken straight from the annual UDG plans, respectively*

Annex 2: UDG budget expenditure overview, ………………. Municipality, as at (*insert end of reporting period)*

S/No	Activity	UDG Budget Execution				Counterpart funding (If any)	Comments
		Budget (Kshs) (A)	Actual Contract Amount (Kshs) (B)	Cumulative Actual Expenditure to date (Kshs) (C)	Budget execution (%) (C/A*100)		
		FY XX/XX (1st UDG disbursement)					
		FY XX/XX (2nd UDG disbursement)					
Total by reporting date							

Note:

i). *Data in columns 2 and 3 to be taken straight from the annual UDG plans*

ii). *In the counterpart funding section, indicate how much counterpart funding used for the activities if any, and give details in the comments sections.*

Annex 3: UDG Investments Summary Table

FY	Project name	Start – End date *[Actual]*	Contract sum (Kshs)	Amount paid to date (Kshs)	Physical Completion status (%)	Operational status		Estimated No. of Beneficiaries			Estimated Annual Revenue generated (Kshs)	Jobs created (Number)	
						Fully or partially operational	Not operational (give reason)	Total	Male	Female		During	After
FY XX/XX													
FY XX/XX													
Totals													

NB: *If project is complete and not operation kindly give the reasons for it not operational.*

Annex 4: UDG Investment Results Framework

FY	Municipality	Storm water Drainage (Km)		NMT facilities (footpaths, bicycle lanes & bridges)-Km		Waste Management (Sewer lines)-Km		Street lights (No.)		High mast lights (No.)		Markets (No.)		Public parks and Urban green spaces (No.)		Roads Constructed (Km)		Fire Stations Constructed (No.)	
		Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed	Planned	Completed
FY XX/XX																					
FY XX/XX																					
Totals																					

FY	Socio-economic infrastructure		Solid waste management (infrastructure & equipment)	
	Planned	Completed	Planned	Completed
FY XX/XX				
FY XX/XX				
Totals				

NB/ Kindly add any other achieved investment not captured in the **matrix above**

Annex 5: Captioned Project Photos

UIG Half yearly progress reports

Submitted by :

[County seal]

Half yearly progress report on use of the Urban Institutional Grant
(for period ending (dd/mm/yy))

Contents

(NOTE: *All text in Italics are guides and should be replaced when preparing the reports.)*

*[**Note1:** Start with filling the tables in the Annex (see next page) that are linked to the annual plan then write the text along the lines as suggested below.*
***Note2:** Although counties are free to elaborate more, the total length of the half yearly UIG report is not expected to exceed 3-4 pages maximum]*

1. Introduction *[half a page]*

- *Provide a 'flavor' of the situation*
- *Highlight one or two main achievements to-date*
- *Describe how the activities align with the activities proscribed in the CUIDS.*

2. Overview of activities undertaken *[1 page max]*

- *Briefly describe activities undertaken to date*
- *Describe any major problems and bottlenecks and how these were overcome*
- *Describe the outcomes for each activity - what was achieved*

3. Overall assessment of progress and Outlook for next 6 months *[half a page]*

- *Assess progress overall: is implementation on track or behind schedule?*
- *If behind schedule, what will be done to rectify the situation?*
- *Describe the priorities for UIG implementation over the next 6 months*

4. Support from UDD requested / required (if any) *[one or two paragraphs]*

- *Mention here if any specific support from UDD is expected or required*

5. Concluding remarks *[half a page max]*

- *Mention anything the county would like to raise (in the context of UIG)*

NOTE: *For counties receiving WHR UIG, there shall be two (2) separate reports, (UIG and WHR UIG)*

Annexes to the half yearly UIG report:

Annex 1: Summary UIG physical progress, ……………………………county, as at (dd/mm/yy)

S/no	Activity (as per plan/budget)	Planned timings from – to/ months	Assessment of progress (delayed, on schedule or ahead of schedule)	Beneficiary municipality	Category of investment (as per the investment menu)	Estimated % completion rate	Comments
Overall estimated % of UIG annual plan completion by reporting date:							

Annex 2: UIG budget expenditure overview, ………………………………county, as at (dd/mm/yy)

S/No	Activity	Budget execution			Beneficiary municipality	Category of investment (as per the investment menu)	Comments
		Budget (in KES)	Expenditure by end of 6 months period	% budget execution			
Total for the FY by reporting date							

Note: *Data in the first three columns of both Annex 1 and Annex 2 above, to be taken straight from the annual UIG plans, respectively (see POM Annexes 4 and 5)*

Annex 3: UIG activities Summary table

No.	Municipality	Municipal Manager in place			Board in place						UIG utilized - %	Status of Spatial Plan	Municipal Charter		Public participation meetings			Status of IDeP	Challenge faced	Request
		Date of appointment	Number Municipal Staff	Name the municipal professional staff	Date	Gazette notice	Number of Board Members	Transfer of function – gazette notice	Number of board sittings	Name of groups represented			Date	Gazette notice	Number	Name of the PP Meeting	Date of PP meeting			

Annex 4: Activities progress

FY	Municipality	Activity Name	Status	Contract amount	Amount paid
Activities for FYxx/xx					
Activities for FYxx/xx					

Annex 5: Municipal Administration Status

County	**Municipality**	**Establishment of Board**		**Municipal Charter (Include Notice on Conferment Alone)**		**Municipal Manager**		**Transfer of Functions**	
		Gazette notice no.	**Date**	**Gazette notice no.**	**Date**	**Gazette notice no.**	**Date**	**Gazette notice no.**	**Date**

ANNEX 9: TERMS OF REFERENCE FOR KUSP II PROGRAM STEERING COMMITTEE (PSC)

1. Background and Overall Objectives

The KUSP II Steering Committee is the highest decision-making organ for the program. It is in charge of policy setting and overall strategic guidance on the implementation. The Steering Committee is especially important in confirming the annual assessment results which assures the integrity of the assessment system. This is through safeguarding lower levels of the administration from undue pressure with regards to the independently established assessment results that have a direct bearing on the funds to be received by each municipality/city. The Steering committee deliberates and takes decisions on the basis of recommendations made by the KUSP II technical committee.

2. Specific Tasks of the Steering Committee

- Provide the overall policy guidelines for the Program in terms of management, planning and execution of activities, and review and modify if/when needed.
- Deliberate and endorse, on the basis of recommendations by the technical committee, the annual performance assessment (APA) results, and officially confirm the ensuing allocation of funds for each participating municipality and city in alignment with the POM and the Finance Agreement.
- Ensure coordination between all parties involved in the implementation of the program, and recommend action if the collaboration is sub-optimal.
- Deliberate and make decisions on any issue raised by the technical committee.
- Approval of the AWPB for the IPF Component

3. Members of the Steering Committee

The Steering Committee is chaired by the Principal Secretary.

Other members of the steering committee will include:

- Chair Lands, Housing and Urban Committee at CoG (co-Chair)
- The Principal Secretary of the National Treasury
- The Principal Secretary Lands and Physical Planning
- The Principal Secretary Immigration and Citizen Services
- Chief Executive Officer CoG

The Director UDD, being the chair of the KUSP II technical committee, serves as secretary to the steering committee, with the UDD providing the services of a secretariat, if / when needed.

The committee may (by majority decision) co-opt any other person as member.

The World Bank task team leader for KUSP II will be invited to meetings of the steering committee as observer and resource person.

4. Meetings of the Steering Committee

Meetings of the KUSP II steering committee will be convened on the suggestion of its secretary, by the Principal Secretary in charge of urban development and/or the chair Council of Governors.

The committee's secretary will propose a draft agenda for each meeting, after consultation with the chair. Prior to each meeting, or at the beginning of the meeting, members can propose amendments and additions to the proposed agenda.

The secretariat of the committee will be provided by the PTC supported by the NPCT and will be in charge of keeping records of the committee and financing of the cost of the committee meetings from the secretariat operation funds. Minutes will be shared with the World Bank.

The committee will meet at least bi-annually or on request by any of the members through the secretariat or at the request of the KUSP II Technical Committee.

ANNEX 10: TERMS OF REFERENCE FOR KUSP II PROGRAM TECHNICAL COMMITTEE (PTC)

Background and Overall Objectives

The KUSP II technical committee is the advisory and technical review body of the Program that prepares proposals for decision-making by the KUSP II steering committee, which is the decision-making body (and the ToRs for which are found in Annex 9).

A most important task of the KUSP II technical committee is to provide oversight on the management of the Annual Performance Assessment (APA) process, from the establishment of the ToR and procurement of the APA consultant up to the final draft of the assessment report, that is to be confirmed as 'final' by the steering committee.

Another important role of the technical committee is to provide a platform for coordination, and if needed resolution of issues, between government partners involved in the Program.

Finally, the technical committee may deliberate on any technical matter related to the implementation of the Program and make subsequent proposals for improvements of Program performance to the steering committee.

Specific Tasks of the Technical Committee

- Review the IPF program activities including the AWPB and progress reports and advise the PSC.
- Review the report of the APA consultant as well as the results of the assessment of the minimum conditions and performance assessment. The Technical Committee is to verify and ascertain the assessment process and not supposed to change the results as presented by the APA consultant. It may, however, formulate a request for clarification after which the consultant may modify the report and correct obvious errors, on condition that it remains an independently established assessment report.
- Review any complaints regarding the APA process as lodged at the secretariat of the technical committee or with any of its members. The committee may either dismiss the complaints, if it finds it has no merit, or recommend action to the steering committee.
- Establish the calculated allocation of funds for each participating Municipalities on the basis of the assessment results.
- Technically review the past APA and provide advice on any changes, adjustments and modifications for the next cycle. Such changes, however, should be limited to absolutely necessary modifications.
- Review and approve the terms of reference for the next annual performance assessment
- Review the report on procurement of the APA consultant.
- Make recommendations to the steering committee with regards to overall policy guidelines for the program to enhance management, planning and execution of activities.
- Encourage coordination between all parties involved in the implementation of the project and recommend action if the collaboration is sub optimal.

- Deliberate and make recommendations on any other technical matter related to program implementation.

Members of the Technical Committee

The Secretary Urban and Metropolitan Directorate will serve as the chair of the Technical Committee.

Members of the technical committee include:

- Secretary Urban and Metropolitan Development (Chair)
- Chair of CECM Land, Housing and Urban Development caucus (co-Chair)
- Vice-chair of CECM Land, Housing and Urban Development caucus,
- Director Urban Development (Coordinator, Secretary),
- Secretary of the Lands, Housing and Urban Committee at CoG
- Chair of CECM Finance caucus,
- Sector champion, urban development (CECM)
- Commissioner DRS/a representative from DRS.
- representative from TNT&EP
- representative from Ministry of Devolution & ASALS

Representatives from other MDAs will participate as needed, as will UNHCR on WHR components and the committee may (by majority decision) co-opt any other person as member

The KUSP II coordinator will serve as secretary to the technical committee.

Meetings of the Technical Committee

The KUSP II technical committee will meet at least quarterly to deliberate on issues and prepare motions for decision-making by the PSC, review implementation progress and financial accountability reports, review and verify APA reports, identify, and address any emerging technical issues and challenges in implementation of the operation. Apart from this the committee can meet if and when required.

Meetings of the KUSP technical committee will be convened by the Secretary Urban and Metropolitan Directorate (being the chair of the Technical committee), on the suggestion of the committee's secretary (the head of the UDD).

The committee's secretary will propose a draft agenda for each meeting, after consultation with the chair. Prior to each meeting, and/or at the beginning of the meeting, members can propose amendments and additions to the proposed agenda. Through the secretary, the UDD will act as the committee's secretariat, if/when needed.

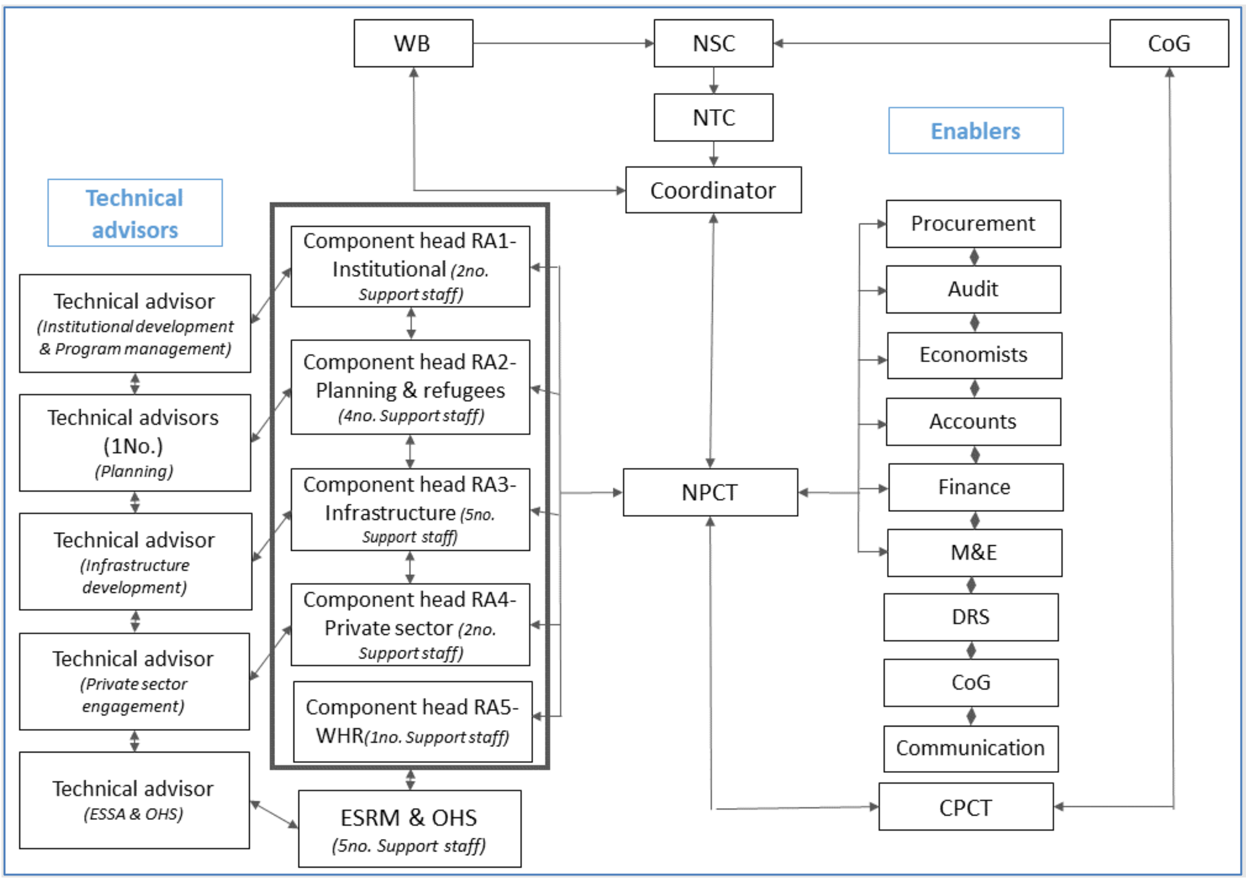
The recommendations made by the technical committee will, in principle, be based on consensus. In case this fails, decision-making on the recommendations to the steering committee will be by voting and simple majority of those present at the meeting. However, the committee may then also decide to present different options to the steering committee for the latter to make a decision.

ANNEX 11: STRUCTURE AND TASKS FOR THE NATIONAL PROGRAM COORDINATION TEAM (NPCT)

This annex presents the structure, key functions, team compositions and basic tasks for the National Program Coordination Program (NPCT) that will implement Window 1 of KUSP II.

Structure of the NPCT

The following diagram represents the structure of the NPCT



Functions of the NPCT members:

1. Program Coordinator

- Overall coordination and reporting
- Secretary to the Technical & Steering Committees
- Prepare an annual work plan and budget for Component 1, in consultation with CoG, DRS and MDAs supporting program implementation to include their program support activities, that will be sent to the WB for approval.
- Liaison with World Bank, The National Treasury and other stakeholders
- CTAT recruitment and deployment.
- Establish and operationalize Program Steering and Technical Committees

2. RA 1 - Strengthened Institutions for Urban Service Delivery

- Develop guidelines relevant to the result area
- Manage and supervise the procurement and conduct of the APA.
- Coordinate Supply and demand driven Capacity building
- Liaison with County coordinators
- Conduct Annual Program Reviews (including technical audit of infrastructure delivery)
- Develop UDD communications and disclosure (for example, website, dialogue with counties, publication and dissemination of KenUP guidelines and manuals and the like)
- Conduct program M&E and reporting (DLIs, narrative, and financial)
- Undertake continuous professional development of UDD staff
- Operational budget preparation and management

3. **RA 2 - Integrated Planning for Inclusive and Resilient Urban Areas**
    - Provide capacity building support for integrated development planning (5-year urban IDePs – refer to supporting handbook)
    - Provide capacity building support for spatial urban planning (10-20-year town plans)
    - Provide practical guidelines and technical capacity building on development control processes
    - Provide capacity building support for establishing municipalities and urban boards (supply & demand driven)
    - Prepare capacity building support for urban board management
    - Prepare guidelines for establishing municipalities and urban boards
    - Orientation for establishing municipalities and urban boards
    - Update guidelines on operating modalities for executive, legislative, and urban boards of county governments
    - Prepare guidelines on the demarcation of urban areas (counties have responsibility for actual demarcation)
4. **RA 3 - More inclusive and Resilient Urban Infrastructure and Services.**
    - Provide guidance on the technical standards for urban infrastructure designs (roads, pavements, drainage, green spaces, etc.)
    - Provide guidance on procurement (tender documents, procedures, etc.) and contract management tailored to urban infrastructure
    - Conduct annual technical audit on urban infrastructure projects (from 3rd year of KUSP)
    - Provide guidance on urban infrastructure operations and maintenance issues (including cost recovery and user charges)
    - Provide guidelines on solid waste management (SWM).

5. **RA 4 - Improved Private Sector Engagement**
    - Support the review of the urban planning regulatory framework to identify barriers to private sector growth.
    - Support the development of the private sector engagement framework in urban areas
    - Provide participating urban boards with guidance for up-to-date business enterprise database.

- Provide guidance on the promotion of public private dialogues to participating urban boards operating within the county government's private sector engagement framework.
- Provide participating urban boards with guidance to undertake local economic diagnostic to inform IDePs .
- Provide capacity building support for the adoption of the private sector engagement framework in urban areas.

6. **RA5 – WHR Component**

1) Coordination of activities of RA 5 (WHR) implemented by UNHABITAT as per the attached ToR in POM Vol. III (including coordination in the below activities as applicable)
2) Technical Assistance to counties and participating urban boards in conducting baseline surveys and guidance in the implementation of Integrated Urban Development Plans (IUDPs) and Spatial Development Frameworks (SDFs), in coordination with UN Habitat. Further, provide technical support on fiduciary and ESS support for program implementation, APA and Grant Management and monitoring and evaluation in participating Refugee Hosting areas
3) Provide capacity building for WHR support for integrated development planning (5-year urban IDePs – refer to supporting handbook) and Provide capacity building support for integrated spatial urban planning (10-20-year town plans) in coordination with UN Habitat.
4) Review national level policy and regulatory frameworks to support regulations and policies following the Refugee Act of 2021, and as aligned to the overall project KUSP II PDO and result areas and as related to overall inclusion/harmonization of support to refugee hosting municipalities. Activities would be in coordination with DRS.
5) Provide practical guidelines and technical capacity building for policy and legal harmonization on matters refugee settlements, urbanization, and urban development. This will be to DRS and UDD on outlining aspects of harmonization of provisions of The Refugees Act of 2021 and the Shirika Plan with Urban Areas and Cities Act (UACA), the Physical and Land Use Act, County Government Act.
6) Provide County and urban level technical assistance and capacity building support for Turkana and Garissa counties and urban institutions on issues related to, inter alia, HRM, urban governance, urban financing, urban planning, development control, climate resilience, infrastructure design, procurement, financial management, in coordination with UN Habitat. We will tailor this to the specific characteristics of participating Refugee Hosting areas (currently Kakuma-Kalobeyei and Dadaab).
7) Support DRS in coordinating the Shirika Plan working group activities related to Housing, Settlement planning and development and infrastructure.
8) ~~Provide Technical support on fiduciary and ESS support for program implementation, APA and Grant Management and monitoring and evaluation in participating Refugee Hosting areas (currently Kakuma-Kalobeyei and Dadaab).~~
9) Provide demand driven guidance in structuring Planning and Programming in Refugee Hosting Municipalities, considering the roles of the Municipal Board, DRS and UNHCR, Other state agencies and work of Humanitarian and Development Aid Organizations.

10) Provide technical Assistance to CPCTs and municipalities (Kakuma-Kalobeyei and Dadaab) and in design and implementation of UDG and UIG projects and activities in coordination with UN Habitat.
11) Provide Technical Assistance to County Project Teams on project implementation management-Annual Planning in coordination with UN Habitat.
12) Technical Assistance to DRS and UNHCR on alignment of KISEDP-II with Kakuma Municipality IUDP.
13) Documentation of Lessons Learnt & Policy Notes (topics to be agreed and linked to KUSPII PDO), and conduct dissemination locally and internationally.

7. ESHSM & OHS

Environmental Specialist

The Environmental specialist will oversee execution of the NPCT's Environmental risk management duties under the program. These include but are not limited to mainstreaming environmental safeguards in the urban infrastructure investments, capacity building of county/municipal environmental safeguards personnel, review of sub-projects environmental reports, provision of technical advice and backstopping to counties and municipalities as well as liaison with the relevant regulatory agencies such as NEMA as may be necessary.

The specialist will ensure the Program activities are implemented as per the relevant national laws and regulations, specifically the Environmental Management and Coordination Act (EMCA 1999; amended 2015) for the PforR component and the World Bank ESF for the IPF component. He/she will also oversee preparation of the environmental safeguards reports for submission to the Bank.

Specific Tasks

a) Mainstream the Environmental Management and Coordination Act (EMCA 1999; amended 2015) and other relevant national laws and regulations requirements into the Program
b) Review the Program Operational Manual (POM) including the Environmental, Social, Health and Safety Risk Management (ESHSRM) manual and prepare a technical advice note, extracting all aspects of Environmental safeguards requirements, procedures and responsibilities from the POM and submit the paper for adoption by the NPCT leadership.
c) Keep the paper under periodic review in light of emerging challenges and experience, submitting quarterly updates and annual reports to the NPCT.
d) Prepare or review tools/guidelines and checklist for environmental safeguards compliance assessment
e) Advice and ensure all environmental risk management requirements as provided in the KUSP2 ESHSM manual and the Environmental Management and Coordination Act, 1999 (amended in 2015) are adhered to at (i) the National government level/UDD, and (ii) County governments/municipalities sub-projects level.
f) Prepare and maintain a database of the environmental safeguards compliance status of all applicable activities under the program
g) Participate in field visits to assess and monitor the environmental safeguards compliance where construction activities are ongoing as described in the sub-project site-specific ESMP's and the contractors' ESMPs.

h) Participate in review of the Annual Performance Appraisal (APA) reports, and submit opinion on environmental compliance to the NPCT for consideration and action.
i) Review county/municipal half-yearly environmental safeguards reports, prepare a consolidated analysis and provide recommendations to improve environmental safeguards performance for submission to the World Bank.
j) Provide technical assistance to any county/municipality in need, subject to NPCT approval.
k) Provide general and targeted capacity-building and trainings on environmental risk management to both UDD and KUSP2's participating counties/municipalities.
l) Be available for two significant phases of technical inputs concerning tasks 'g' and 'h' as well as an introductory contribution to task 'b'.
m) Advice the NPCT Grievance Redress Committee on resolution of complaints registered at or escalated to the NPCT and related to environmental matters.
n) As required, undertake environmental safeguards audit for selected sub-projects
o) Perform any other duties as reasonably requested by the Program Coordinator.

8. Social Specialist

The Social specialist will oversee execution of the NPCT's Social risk management duties under the program. These include but are not limited to mainstreaming social safeguards in the urban infrastructure investments, capacity building of county/municipal social safeguards personnel, review of sub-projects social safeguards reports, provision of technical advice and backstopping to counties and municipalities as well as liaison with other relevant government departments and agencies as may be necessary.

The specialist will ensure the Program activities are implemented as per the relevant national laws and regulations, amongst them the Labour, Children rights, PLWDs, Gender laws etc, and the World Bank ESF. He/she will also oversee preparation of the social safeguards reports for submission to the Bank.

Specific Tasks

a) Review the Program Operational Manual (POM) and prepare a technical advice note, extracting all aspects of Social safeguards requirements, procedures and responsibilities from the POM and submit for adoption by the NPCT leadership.
b) Keep the paper under periodic review in light of emerging challenges and experience, submitting quarterly updates and annual reports to the NPCT.
c) Prepare or review tools/guidelines and checklist for social safeguards compliance assessment
d) Advice and ensure all social safeguards requirements are adhered to at (i) the National government level/UDD, and (ii) County governments/sub-projects level
e) Prepare and maintain a database of social safeguards compliance status of all applicable activities under the program
f) Participate in field visits to assess and monitor the social safeguards compliance where construction activities are ongoing as described in the sub-project site-specific ESMP's and the contractors' ESMPs.
g) Participate in review of the Annual Performance Appraisal (APA) reports, and submit opinion on social safeguards compliance to the NPCT for consideration and action.

h) Review county/municipal half-yearly social safeguards reports and prepare a consolidated analysis for submission to the World Bank.
i) Provide technical assistance to any county/municipality in need, subject to NPCT approval.
j) Offer initiatives on capacity-building on social safeguards to both UDD and KUSP2's county partners.
k) Be available for two significant phases of technical inputs concerning tasks 'f' and 'g' as well as an introductory contribution to task 'a'.
l) Support the NPCT Grievance Redress Committee on resolution of complaints registered to the NPCT, keep data base and review statuses and advise NPCT on progress
m) Perform any other duties as reasonably requested by the Program Coordinator.

9. Health & Safety Specialist

The Health and Safety specialist will oversee execution of the NPCT's Occupational Safety and Health (OSH) aspects of the program. These include but are not limited to mainstreaming OSH in the urban infrastructure investments, capacity building of county/municipal Health & Safety personnel, review of sub-projects health & safety reports, provision of technical advice and backstopping to counties and municipalities as well as liaison with other relevant government regulatory agencies (such as DOSHS, NCA) as may be necessary.

The specialist will ensure the Program activities are implemented as per the relevant national laws and regulations, specifically the Occupational Safety & Health Act (OSHA) 2007, and the World Bank ESF. He/she will also oversee preparation of the Health & safety reports for submission to the Bank.

Specific tasks

a) Mainstream health and safety aspects in the program activities as per the Occupational Safety & Health Act (OSHA), 2007.
b) Review the Program Operational Manual (POM) including the Environmental, Social, Health and Safety Risk Management (ESHSRM) manual and prepare a technical advice note, extracting all aspects of Occupational Safety & Health requirements, procedures, and responsibilities from the POM and submit the paper for adoption by the NPCT leadership.
c) Keep the paper under periodic review in light of emerging challenges and experience, submitting quarterly updates, semi-annual and annual reports to the NPCT.
d) Undertake review of the counties' contract and bidding documents to strengthen the existing clauses such as OSH and community health and safety.
e) Prepare or review tools/guidelines and checklist for OSH compliance assessment
f) Advice and ensure all OSH requirements are adhered to at (i) the National government level/UDD, and (ii) County governments/cities/municipalities sub-projects level.
g) Prepare and maintain a database of the OSH compliance status of all applicable activities under the program
h) Participate in field visits to assess and monitor the health and safety compliance where construction activities are ongoing as described in the sub-project site-specific ESMP's and the contractors' ESMPs.
i) Participate in review of the Annual Performance Appraisal (APA) reports, and submit opinion on OSH compliance to the NPCT for consideration and action.

j) Review county/municipal quarterly and half-yearly OSH reports and prepare a consolidated analysis of OSH issues including accidents and incidents report for submission to the World Bank.
k) Provide technical assistance on OSH to any county/municipality in need, subject to NPCT approval.
l) Offer initiatives on capacity-building on OSH to both SDHUD and KUSP2's participating counties/municipalities.
m) Be available for two significant phases of technical inputs concerning tasks 'h' and 'i' as well as an introductory contribution to task 'b'.
n) Advice the NPCT Grievance Redress Committee on the resolution of complaints registered at or escalated to the NPCT and related to OSH matters.
o) Perform any other duties as reasonably requested by the Programme Coordinator.

10. Program accountant

- Provide timely, accurate and quality accounting services.
- Preparing withdrawal applications and their supporting documents according to the World Bank procedures and submission to the NT.
- Timely disbursement of both UDG and UIG funds to the participating municipalities.
- Timely processing of payments to staff, contractors and service providers and ensuring compliance with the PFM ACT and regulations and Maintaining contracts signed under the project.
- Receive and consolidate all SOEs from participating municipalities.
- Preparation and submission of quarterly Interim Financial Reports (IFRs) as per World Bank timelines.
- Facilitating the training of municipal FM staff members and other stakeholders on World Bank policies and procedures;
- Preparation of Annual financial statement in adherence to format provided by PSASB.
- Timely submission of Financial Statements to the Office of Auditor General on or before 30th September.
- Provide accurate responses to the audit queries raised by OAG.
- Ensure cashbook is maintained on daily basis.
- Monthly bank reconciliation.
- Ensuring a proper management and disbursement of projects funds following a sound accounting, budgeting, financial control and audit procedures acceptable to the World Bank Group and the Government of Kenya;
- Managing and maintaining designated and operation accounts and their reimbursements;
- Ensuring that all project transactions are booked timely and accurately;
- Preparing all request for payments;
- Reconciling World Bank Disbursements and SOE records to projects accounting records;
- Carrying out control and filing of all payment documents, invoices and other financial documents relating to project transactions;
- Ensuring that all documents are kept in safe custody and are readily made available to the independent auditor and World Bank Supervision Missions for examination;
- Facilitating the audit of project accounts by independent auditors

- Taking prompt remedial action in respect to irregularities detected by the Auditor or World Bank;
- Ensuring implementation and compliance with the provisions of the legal agreements between the GoK and WB and with the Project Implementation Manual;
- Cooperating with World Bank, Government and other partners to improve project financial management, particularly in terms of following up the action points agreed in the project legal documents, during the World Bank supervision missions and the recommendations of external auditors; and
- Providing the Auditor with access to copies of all the necessary documentation, information and supporting materials.

11. Procurement

The Procurement Specialist will assist KUSP II in the overall planning, managing, coordinating, and reporting of the procurement activities. He/she will be required to manage the procurement activities of goods, works and services by the procurement rules and procedures as defined in the POM. The Procurement Specialist shall have the following specific duties and responsibilities.

- Update the Procurement Plan for the Project as necessary, and upload process procurement documents in the Systematic Tracking of Exchanges in Procurement (STEP) for review and approval;
- Obtain Clearance through STEP, where applicable for the Procurement Plan; ToRs, etc. and for all prior review contracts;
- Prepare the General Procurement Notice (GPN), Specific Procurement Notices (SPNs) and other solicitation documents whenever required;
- Ensure all tender/ notices are as per the Standard Bidding Document (SBD) adhering to the Procurement Regulations and procedures and norms; and ensure their publication in recognized and widely circulated international and local newspapers as needed;
- Consolidate quarterly, semi-annual and annual procurement progress/performance reports of the KUSP II , for submission to the WB;
- Work closely with the Procurement Committee to ensure proper follow-ups and approvals of the bidding documents, shortlists, and evaluation reports;
- Make necessary arrangements for undertaking short-list, technical and financial evaluations of bids/proposals; and ensure that best procurement practices are followed in preparing Bid Evaluation Reports;
- Establish and maintain a central procurement filing system exclusively for RIFF, and ensure all related documents are maintained in the respective files, for ease of retrieval of information and the ease of following the paper trail of procurement by independent external auditors, authorized Kenya Urban Support Program II procurement specialist and staff during post-procurement reviews;
- Properly close the contract if there is no dispute. Support KUSP II management in the conduct of negotiations for an amicable settlement with the contractor/supplier/consultants, if there are any disagreements or disputes;

- Make sure that sufficient training is given to staff involved in the procurement approval process.

12. Communication

- Design and implement communication and engagement strategy for the program;
- Coordinate a wide array of communication of materials such as websites, social media, blogs, and publications to promote visibility of the Program's activities;
- Stakeholder engagement;
- Documentation of the program's impact stories and lessons learned;
- Participate in internal and external meetings and events as directed by the program coordinator;
- Reporting to the Program coordinator.

13. Monitoring and evaluation

The overall role of the M&E officer will be ensuring effective program implementation and assessing progress towards Program's PDO. The specific task will include:

- Collection, collation and analysis of data as provided by counties and municipalities in the prescribed timelines;
- Check on the submitted report quality and accuracy;
- Maintain and administer the M&E results framework and aggregate findings;
- Monitor overall project activities, particularly in the areas of performance indicators, their measurements and expenditure;
- Update program's workplan in accordance with activities and timeframes as relevant;
- Documentation of challenges, lessons learned and propose enhancement measures for inspection and evaluation procedures.
- Assist in documentation and reporting on the Program's progress.

ANNEX 12: ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY MANAGEMENT (ESHSM) MANUAL

["Document annexed separately"]

ANNEX 13: CHECKLIST FOR RESILIENT URBAN INFRASTRUCTURE DURING PLANNING, DESIGN AND BEFORE COMMENCEMENT STAGE

PROJECT PLANNING, DESIGN AND BEFORE COMMENCEMENT STAGES			
Questions to be answered at planning, design stages and before commencement of construction		**YES**	**NO**
1	Is the Project included in the CountyIntegrated Development Plan (CIDP)?		
2	Is the Project included in the Urban Integrated Development Plan (IDeP)?		
3	Has a site-specific Project Report been completed, describing site specific environmental and social impact assessment, NEMA approval and license is obtained before commencement of works?		
4	Was the Public consulted during project planning and design?		
5	Were environmentally sensitive areas identified and included inthe Project Report and any potential impacts detailed and mitigated?		
6	Is the project located outside of riparian zones (as per Water Act 2016), or, when unavoidable, measures are included to enhance riparian corridors or is a crossing?		
7	Has the Environmental Impact Assessment (EIA) or Project Report been prepared bya registered expert?		
8	Were the following climate change projections integrated into the project design? • All roof/site/road/storm drainage calculations have applied an appropriate climate change factor, based on regional rainfall intensity projections and project lifetime.		
	• Maximum temperatures for material specification have incorporated climate change projections. This is most relevant for roads, in the specification of pavement materials. Other materialsspecified (incl. plastics) should consider extreme surface temperatures in their specification.		
	• Maximum temperatures for structural design have incorporated climate change projections. Structures could include buildings under urban economic and social infrastructure and disaster risk management.		
	• Sea-level rise – all infrastructure is above the sea-level with climate change or protection has been designed		
	Does the EIA (Project Report) highlight these climate change risks and details relevant to climate projections within the ‘climate change vulnerability assessment’?		
9	Were the relevant design codes and guidelines for Kenya applied in the design of the project (or where not available Euro codes or other international guidelines), including other relevant design codes for structural resilience and included in project design report?		

10	Is the ultimate discharge point of all roof/site/road/storm drainage to an existing watercourse or drain as identified in project report and design?		
11	Do the designs and drawings illustrate incorporation of universal access elements in line with existing design guidelines and standards?		
12	Doe the designs and drawings illustrate incorporation of Green Infrastructure elements in line with existing design guidelines and standards.		
13	Is there evidence of gender and inclusion considerations in project as well as mitigation measures in the social impact assessment in the Project Report?		
14	Were the project designs and drawings prepared and signed off by a Registered Professional Engineer/Registered Architect?		
15	Is the project fully costed, including contingency and budget is available before commencement of construction?		
16	Is the project integrated into strategic sectoral plans?		
17	Was a location hazard assessment included in the Project Report including any mitigation measures?		
18	Do the designs and drawings illustrate inclusion of Green Infrastructure in storm water design?		
	• If any of the questions 1 to 15 above is answered with a "NO", the project can NOT be funded under UDG. • Issues raised in questions 16 to 17 highly recommended for relevant projects.		
	Filled by: Name: ______________________________ Municipal Engineer Date: ________/______/______________	Signature:	
	Verified by: Name: ______________________________ Municipal Manager Date: ________/______/______________	Signature:	

ANNEX 14: RESILIENT URBAN INFRASTRUCTURE – PROJECT COMPLETION STAGE CHECKLIST

<table>
<tr><th colspan="4">PROJECT COMPLETION STAGE</th></tr>
<tr><th colspan="2">Questions to be asked after completion of project</th><th>YES</th><th>NO</th></tr>
<tr><td>1</td><td>Is there a project completion report (or similar)?</td><td></td><td></td></tr>
<tr><td>2</td><td>Does the project completion report outline quality assurance tests and any design variations?</td><td></td><td></td></tr>
<tr><td>3</td><td>Were As built drawings (hard and soft copy) prepared for completed project and form part of the completion report?</td><td></td><td></td></tr>
<tr><td>4</td><td>Has an operation and maintenance plan, responsibility and budget for operationand maintenance of infrastructure and services been prepared or Whereasset is part of existing system the existing plan, responsibilities and budget updated?</td><td></td><td></td></tr>
<tr><td>5</td><td>Were at least two stakeholder's consultations with Project Affected Persons (PAPs) undertaken during construction?</td><td></td><td></td></tr>
<tr><td></td><td colspan="3">If any of the questions 1 to 4 above is answered with a “NO”, the Municipality will lose score under PS7.
Stakeholder consultations as indicated in question 5 is highly recommended for all projects.</td></tr>
<tr><td></td><td colspan="3"></td></tr>
<tr><td></td><td>Filled by:
Name: ______________________________
Municipal Engineer
Date: ________/______/______________</td><td colspan="2">Signature:</td></tr>
<tr><td></td><td>Verified by:
Name: ______________________________
Municipal Manager
Date: ________/______/______________</td><td colspan="2">Signature:</td></tr>
</table>

ANNEX 15: SCORING GUIDELINES AND SCORING TABLE FOR MINIMUM CONDITIONS (MCS) AND PERFORMANCE STANDARDS (PSS) (UDG, UIG, WHR UDG & WHR UIG)

Introduction

This annex gives detailed scoring guidelines are provided for each of the Minimum conditions (MCs) and the performance standards (PSs), to be assessed by the external and independent consultant during the Annual Performance Assessment (APA). The scoring guidelines sheets **shall be filled for each county and each eligible urban area**. Remarks shall be made regarding the 'judgement' made as well as the date the MC or PS was assessed (as not all need to be assessed at the same time) in the last column of the sheet.

All MCs and PSs are binary and can only be answered with 'met' or 'not met' (yes or no). The allocation of the UDG for an eligible urban board will be a formula-based allocation determined by the scores in the performance framework and the number of urban residents according to the 2019 population census. 70 percent of UDG resources allocated using a linear formula based on the points obtained in the PS with a maximum allocation of US$12.50 per resident per year and 30 percent of the allocation distributed on APA 2 and 3 (with a pool of US$23,962,500 for each year) as a bonus allocation to those urban boards that score above the average, following an exponential formula.

Once completed each form shall be signed by the concerned staff of the APA consultant who conducted (or was in the lead for) the assessment. Additionally, a debriefing meeting will be held between the consultant and the CEC in-charge of Urban and the minutes will be signed by both parties.

The information on the sheets attached for individual counties and municipalities is summarized in the tables as presented below.

Urban Institutional Grant (UIG) Minimum Conditions (MCs) Scorecard

County Name: .... Municipality: ....

SCORE CARD: URBAN INSTITUTIONAL GRANTS (UIG) MINIMUM CONDITIONS					
Minimum Condition	**Start Date**	**Indicator/Scoring Guide**	**Met**	**Not Met**	**Date/Comment**
MC1: County government has committed itself to participate in KUSP2	APA 1	The County Governor has signed a KUSP II Participation Agreement stating that the county will participate in KUSP II and adhere to its POM.	✓	x	
MC2: County government has drawn up (and is implementing) its County Urban Institutional Development Strategy (CUIDS)[42] that integrates aspects of climate resilience and disaster risk management	APA 1 APA 2	County government has prepared a CUIDS approved by the county executive committee. □ County government has included the proposed UIG activities in the County Annual Development Plan and Budget.			
MC3: Use of previous year's UIG has been as per approved CUIDS and is consistent with eligibility and guidelines in the POM	APA 2	Annual county expenditure statement shows that the county has followed approved annual County Annual Development Plan and UIG expenditure guidelines and POM.			
MC4: County government has utilized at least 50 percent of the UIG towards activities benefiting eligible urban boards participating in KUSP2	APA 2	Annual County Annual Development Plan shows at least 50 percent of funds is allocated towards activities benefiting eligible urban boards participating in KUSP2. Expenditure statement validates the actual use of the funds accordingly.			
MC5: County government has utilized at least 30 percent of funds for climate change related activities within the eligible expenditure menu in categories	APA 2	Annual County Annual Development Plan shows at least 30 percent of funds is allocated for climate related activities. Expenditure statement validates the actual use			

[42] The CUIDS will outline the county's overall approach to the management of urban areas within its jurisdiction, define the process the county will follow to integrate urban development into county-wide planning that incorporates climate resilience and inclusivity considerations and prepare an annual action plan and budget for achieving its objectives. The template for preparation of CUIDS has been provided in POM Vol.II, Annex 5

SCORE CARD: URBAN INSTITUTIONAL GRANTS (UIG) MINIMUM CONDITIONS					
Minimum Condition	**Start Date**	**Indicator/Scoring Guide**	**Met**	**Not Met**	**Date/Comment**
(1) Policy/regulatory, (2) Urban Planning, (4) Urban Resilience, (5) Asset Management, (8) Capacity Building		of the funds accordingly.			

The county has met all applicable UIG minimum conditions (circle) : YES / NO

Date : ______ / ______/______ Signature APA personnel: __________________

<u>Note:</u> on the comment's column, the consultant needs to describe clearly how the specific MC is met or not met and the specific documents that were reviewed

<u>Urban Development Grants (UDG) Minimum Conditions (MCs) Scorecard</u>

County Name: ………………………………………………………………………… Municipality: ……………………………………………………

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
RA1	**MC1:** The participating urban board has the appropriate institutional setup (including adequate gender representation).	• Urban Board membership: a) appointed and approved as per provisions of UACA. b) not more than two thirds of the same gender. c) includes private sector representation. • Urban administration: a) city/municipal manager appointed as head of Urban Administration. b) City/municipal manager designated as city/municipal accounting officer.	APA1 APA1	• Obtain approved list of members of urban board. • Verify: a) that membership (number, qualifications etc.) is consistent with UACA provisions. b) gender of all board members and that less than two thirds of members are of the same gender. c) that private sector is represented by at least one board member. • Obtain letter of appointment of city/municipal manager. • Obtain signed CEC letter designating the city/ municipal manager as the accounting officer for the participating urban area.	✓	X	
	MC2: The participating urban area has core staff available.	• Full-time staff appointed to following positions: a) registered engineer. b) registered planner. c) environment officer. d) social development officer. e) accountant / finance officer. f) procurement officer. • Full-time or shared (with other urban areas or county departments) staff appointed to following positions: a) human resources officer.	APA1 APA1	• Obtain: a) urban area staff list (indicating full-time and shared positions). b) urban area staff appointment letters/transfer of service document for listed staff to establish that they are filled. • Verify that: a) full-time staffing profiles			

[43] This is a scoring template for the UDG MCs and in case of any inconsistencies with table 7 in the main document, table 7 prevails, otherwise NPCT will give the correct position.

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
				and appointments are as required. b) staffing profiles and appointments of shared positions are as required.			
	MC3: The participating urban board has a budget vote which is reported on accordingly.	Either: • Urban area budget: a) is included in county budget as a sub-vote under the Urban Development Department's full county government budget vote. b) spending is reported on by the county government to the Controller of Budget. c) is publicly available. Or: • Urban area budget: a) is included as a full department-level budget vote. b) in counties with ONE OR MORE eligible urban area, urban area budgets can be included together in a full department-level budget vote. *Options enable counties that have already established department-level urban area budget votes to maintain them and provides flexibility for other cases.*	APA1	• Obtain: a) urban area budget (as developed by board), as a sub-set of the county Urban Development Department's full budget vote. b) county government spending reports submitted to and received by Controller of Budget. c) EITHER: COB quarterly and annual reports on county budget execution, showing urban area sub-vote execution. d) AND/OR: county government report (submitted to and received by COB) on urban area budget execution. e) evidence of public disclosure of urban area budget and budget execution (as part of COB reports or independently). • Verify that: a) urban area budget is a sub-vote [or sub-program] of Urban Development Department's budget vote.			

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
				b) financial reporting on urban area budget is provided by county government. c) urban area budget and budget reporting has been disclosed. • Obtain: a) urban area budget vote in county budget (COB reports) b) COB reports on county urban area budget vote expenditure • Verify that: a) in counties with only ONE eligible urban area, the urban area's budget is included in county budget as a department-level vote. b) in the case of counties with more than one eligible urban area, their budgets are included together in a single department-level budget vote ("urban areas"). c) County government reports urban area budget vote spending to the Controller of Budget accordingly.			
	MC4: The participating urban board's budget includes financing from	• The county government has: a) officially established and adopted (by law) criteria (formula) for the allocation of county funds to urban areas on the basis of PFM Act provisions. b) made publicly available the above criteria (formula) in a gazette notice.	APA2	• Allocation criteria (formula): a) Obtain official county government law concerning criteria to be used in allocating funds to urban boards. b) Verify that criteria used are			

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
	the County Government.	• In subsequent years: a) the county government has allocated funds to the participating urban area on the basis of agreed criteria (formula).	APA3	consistent with PFM Act. c) Verify that above county government formula is adopted and gazetted/published. • Actual allocation of funds: a) Obtain information on urban area budget vote [or sub-vote] in county budget. b) Verify that county allocation to urban area budget vote is consistent with allocation criteria (formula).			
	MC5: The participating urban area engages with local citizens, has a framework for participation and gender inclusion, has a grievance redress mechanism, and publicly discloses key documents.	• Citizen engagement: the urban board has: a) publicly announced its annual calendar of citizen fora meetings. b) has held at least quarterly urban fora. c) made publicly available its official framework for gender inclusion and participation. d) publicly disclosed its reports on each citizen forum. • Municipal GRM system developed and functional. • Disclosure: urban board has publicly disclosed key documents: a) municipal charter. b) contact information. c) board and staff members. d) highlights of Board meeting deliberations. e) urban board budget. f) urban board annual investment plan. g) urban board annual financial report. h) up-to-date urban IDeP and spatial/land	APA1 APA1 APA1	• Review local media reports and website to confirm that the annual calendar of citizens' fora was published and announced. • Review minutes of urban fora to confirm that urban fora were held at least once every quarter, as per the schedule announced at the beginning of the year. • Verify that minutes/reports of the fora meetings are publicly available. • Verify that the urban area website and/or county website provides guidance on the submission of grievances. • Verify that the log/record of grievances received from all uptake channels and its			

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
		use plans.		resolution status is maintained in the Municipality office. • Verify that the municipality has an official gender inclusion and participation framework. • Verify that the gender inclusion and participation framework is publicly available. • Verify that all the listed information is available on the website of the county and/or urban board.			
RA2	**MC6:** The participating urban area has an up-to-date and comprehensive Integrated Development Plan (IDeP) and Physical and Land Use Plan.	• Urban IDeP: a) prepared b) reviewed annually. c) includes key elements, as per UACA section 38, Schedule 3. d) includes principal findings and proposals of private sector dialogues and diagnostic (from APA3). • Urban physical and land use plan developed in accordance with PLUPA and CGA.	APA1 APA2	IDeP: • Obtain online or physical copies of most recent IDeP from planning department/municipality. • Verify that IDeP: a) has been approved. b) has been reviewed in previous year. c) includes all key elements (as per UACA 2011, CGA 2012 and other regulations). I d) includes principal findings and proposals of private sector needs diagnostic (from APA3) e) Includes Environmental and social impact assessment and management chapter. Physical and land use plan: • Obtain online or physical copies of most recent urban physical and land use plan from planning department/municipality.			

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
				• Verify that physical and land use plan: a) has been approved. b) is consistent with provisions of PLUPA 2019 and CGA, 2012. c) Is consistent with NEMA regulations			
RA3	**MC7:** Infrastructure designed under the program adheres to minimum technical, climate resilience and ESS requirements.	• Infrastructure designs developed in the previous year comply with standards to ensure they are climate change resilient and inclusive (following checklist in annex 13). • Environmental and Social assessments conducted for preparation of UDG investments and compliance with Environment and Social Safeguards (ESS) minimum requirements: a) all subproject feasibility reports to include E&S screening reports as per POM guidelines. b) Site-specific environmental and social impact assessment's prepared and obtain NEMA license before the start of civil works. c) all contract documents include NEMA license/approval conditions and ESMP with budget allocation. d) all subprojects involving temporary physical or economic displacement and relocation to include consulted ARAP/Reinstatement-/Restoration/Reposition Plan before award of contracts. e) At least two stakeholder consultations with Project Affected Persons (PAPs) were undertaken at the preparation stage.	APA2 APA2	• Project design specifications. • Checklist in POM incorporating climate change and universal design standards. • Checklists in Environmental and Social, health and safety management manual			

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
RA4	**MC8:** The participating urban area operates within the county government's private sector engagement framework to promote public private dialogue in urban areas.	• The county government has developed an engagement framework[44] to promote public private dialogue in urban areas.	APA2	• Obtain copy of county private sector engagement framework.			
Program	**MC9:** County government has committed itself to participation in KUSP2 and adheres to all program conditions.	• An intergovernmental agreement is signed by the County Government and the National Treasury. • The annual urban board investment plan (or annual strategic plan) for next FY is available and provides the budget for UDG-financed investments, with feasibility (or pre-feasibility) studies as per the POM, for the proposed investments completed and attached to the document. • UDG for the previous FY has been used in accordance with the eligible investment menu (as described in POM). • Procurement methods used and contracts issued for UDG funded investment project(s) were consistent with prescribed budget thresholds and contracting procedures.	APA1 APA 2 APA 2 APA 2 APA2	• Obtain copy of intergovernmental agreement. • Annual urban board investment plan (or strategic plan): d) obtain copy of annual investment plan (or annual strategic plan). e) verify that plan provides budget for UDG-financed investments. f) Verify that annual investment plan includes (pre-)feasibility studies. • Use of UDG in previous FY: c) obtain urban board reports and financial statements. d) verify that investments financed out of UDG allocation are consistent with positive/negative investment			

[44] The framework will identify private sector needs and priority interventions building on the Competitive Counties Toolkit, and based on the public-private forum discussion.

SCORECARD: MINIMUM CONDITIONS – URBAN DEVELOPMENT GRANT (UDG)[43]							
Results Area	**Minimum Condition**	**Indicator(s)**	**Start Date**	**Assessment Procedure & Means of Verification**	**Met**	**Not met**	**Date/ Remarks**
		• Following disbursement of UDG grant by NT and confirmation of urban board budget provision, release of UDG funds from the County Revenue Fund to the Special Purpose Account took not more than 30 working days from the day the SDHUD issues the confirmation of disbursement letters to the county.		menu. • Procurement: c) obtain urban board reports, procurement notices and contracts. d) verify that procurement methods used were consistent with budget thresholds and procedures. • Release of UDG funds: e) obtain information on date of release of UDG funds by NT to CRF. f) obtain information on urban board budget provision. g) obtain information on date of transfer of UDG funds from CRF to SPA. h) verify that period between NT release and CRF/SPA transfer is not more than 30 working days.			

The Municipality has met all applicable UDG minimum conditions (circle) : **YES / NO**

Date : _____ / _____/_____ Signature APA personnel: ____________________

Note: On the remarks' column, the consultant needs to describe clearly how the specific MC is met or not met and the specific documents that were reviewed

Urban Development Grant (UDG) Performance Standards (PSs) Scorecard

County name: .... **Municipality name: ....**

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
RA1	**PS1:** Urban service delivery functions transferred.	• Steps taken to transfer and undertake functions to the participating urban board: a) county government and urban board undertake a functional analysis of the delegated functions of municipal infrastructure and service delivery and identify/review functions (and resources including assets) to be transferred. **[SCORE = 3]** b) county gazette notification of transfer of functions **[SCORE = 1]** c) urban board budget developed in line with transferred service delivery functions. **[SCORE = 3]** d) urban board budget execution reflects implementation of transferred service delivery functions. **[SCORE = 3]** **TOTAL SCORE = 10**	APA1 APA1 APA2 APA2	• Obtain: a) report on analysis of municipal service delivery functions. b) gazette notifications. c) urban board budgets. d) urban board financial reports. • Verify that: a) county and urban board undertook analysis of municipal service delivery functions. b) functions officially transferred to urban board by gazette notice. c) urban board budget indicates that funds allocated to transferred functions. d) urban board expenditure reflects spending on transferred functions.	Municipal reports. Gazette notices. Urban board budgets and financial reports. Municipal charters.	✓	X	

[45] This is a scoring template for the UDG PSs and in case of any inconsistencies with table 8 in the main document, table 8 prevails, otherwise NPCT will give the correct position

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
	PS2: Effective human resource and performance management.	• Municipal organizational structure (with job specifications) and staff establishment of the urban administration is: a) Prepared in alignment with model structures, with all technical and administrative positions identified. b) prepared with priority positions identified. c) approved by the County Executive Committee. d) authorized by the County Public Service Board. e) Implemented through appointment of all priority positions and at least 50% of approved technical positions. **[SCORE = 3]** • Performance contracts are in place: a) between (i) Board chair and CECM; (ii) Municipal Manager and Board (APA1) b) for all municipal administration staff and are evaluated/reviewed annually (as of APA2) **[SCORE = 2]**	APA2 APA1	Organizational structure & staffing • Obtain: a) approved organizational structure (and job descriptions) and staff establishment for the participating urban board. b) approved staff appointments. • Verify that: a) organizational structure and staffing establishment have been approved. b) job descriptions for staff are in place. c) staffing appointments have been made for all priority positions and at least 50% of technical level positions as per approved establishments. Performance contracts: • Obtain: annual performance contracts, targets and evaluation reports. • Verify that: a) performance contracts for the Board Chair with CECM; Manager with	Approved organogram (with job specifications) Minutes of county public service board meetings (showing approvals). Minutes of County Executive Committee meetings (showing approvals). Annual performance contracts, targets and			

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
		TOTAL SCORE = 5		the Board; and Manager with Heads of Departments are in place. b) performance contracts have been reviewed/evaluated on an annual basis. c) staff performance appraisal system exists for technical level staff working under the Heads of Departments.	evaluation reports.			
	PS3: Quality/scope of participation/accountability.	• Urban board has a functioning committee mandated with addressing Gender Mainstreaming (including ToR) **[SCORE = 2]** • All grievances during past year submitted to urban area administration are responded to within 14 working days. **[SCORE = 2]** • Annual review of IDeP for current FY includes consultation session with citizens and private sector representatives and diagnostics.	APA1 APA1 APA1	Gender Mainstreaming Committee: • Obtain: a) ToRs b) minutes of committee meetings. • Verify that: a) Committee is meeting regularly and reporting adequately. Grievances: • Obtain: a) documentation (all grievance submissions during past year, response to grievances). • Verify that: a) all grievances during the past year were responded to within 10 working days.	Minutes of gender committee Urban area grievance management documentation. Minutes and attendance list of IDeP annual review consultations.			

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
		[SCORE = 1] **TOTAL SCORE = 5**		IDeP annual review: • Obtain: a) minutes of IDeP annual review consultations. b) attendance list of IDeP review consultations. • Verify that: a) consultations took place. b) private sector was consulted.				
RA2	**PS4:** Technical quality/comprehensiveness of spatial/physical and land use plans.	• Updated urban spatial/physical and land use plan is prepared according to principles stated in PLUPA, CGA, and UACA and is: a) GIS-based. b) provides clear depiction of connectivity networks and areas of strategic urban infrastructure investments. c) spatially indicates housing areas and housing requirements. d) provides for any Special Planning Areas and/or urban renewal/ redevelopment areas. e) spatially indicates environmental protection and conservation areas, **[FOR EACH OF THE ABOVE SCORE = 2]**	APA1	• Obtain urban spatial/physical and Land use plan from Municipal Manager/Planning Dept. • Using a spatial plan checklist, verify that plan: - is GIS-based (using either urban board or county government GIS). - provides clear depiction of connectivity networks. - indicates housing areas and housing requirements. - provides basis for prioritization of strategic urban investments. - provides for any Special Planning Areas and/or urban renewal/redevelopment areas.	Spatial/physical and land use plans.			

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	Performance Standard	Indicator(s) and Scoring	Start Date	Assessment Procedure	Means of Verification	Met	Not met	Date/ remarks
		TOTAL SCORE = 10		- Indicates areas of environmental protection and conservation				
	PS5: Climate risk informed planning.	• Climate risk profile for the urban area: a) is developed and published. b) informs updated/revised urban IDeP and physical/spatial/land use plan. **[SCORE = 5 for each requirement]** **TOTAL SCORE = 10**	APA2 APA3	• Obtain: a) urban area climate risk profile. b) urban area IDeP. c) urban area physical/spatial/land use plan. • Verify that: a) urban area climate risk profile has been developed in line with guidelines in POM. [46] b) urban area climate risk profile has been published online. c) revisions of urban area IDeP and physical/spatial/land use plan are informed by climate risk profile.	Urban area climate risk profile. Urban area IDeP. LPLUDP.			
	PS6: Development control.	• Development control instruments (zoning regulations for the participating urban board): - prepared according to applicable laws (PLUPA, UACA, CGA). - approved by County Assembly.	APA1	• Obtain development control instruments from county planning director/municipal manager. • Verify that development control instruments: a) are in accordance with PLUPA, UACA and CGA. b) have been approved by	Zoning tools; Zoning regulations, development permission application and approval			

[46] See also: AECOM guidelines.

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
		[SCORE = 5] • Building/construction inspections of adherence to zoning and building regulations are: - undertaken. - compiled/recorded in monthly reports. **[SCORE = 5]** **TOTAL SCORE = 10**	APA1	County Assembly • Obtain reports/summaries of development permission applications and building inspection reports from the Planning Director/Municipal manager. • Verify that these reports have been compiled on a monthly basis.	process software, building inspection flow charts. Development permission applications and approvals/permits reports. Building inspection reports (annually).			
RA3	**PS7:** Climate resilient and inclusive infrastructure.[47]	• Infrastructure sub-projects <u>completed</u> under the Program during the previous fiscal year: a) comply with design standards (following checklist in annex 13) to ensure they are climate resilient and inclusive. **[SCORE = 4]** b) have been handed over on time. **[SCORE = 2]** c) are already in use. **[SCORE = 2]**	APA2	• Obtain: a) sub-project contract documents (specifications etc.). b) sub-project completion/handover reports. • Verify that sub-projects: a) have been completed in accordance with initial design specifications. b) were completed on time (as per contract).	Sub-project implementation monitoring reports. Sub-project contract documentation.			

[47] "Inclusive infrastructure" means universally accessible through the application of universal design to infrastructure and service delivery and/or prioritization and implementation of subprojects through a participatory, inclusive process (i.e., inclusive design).

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
		d) All ESMP requirements and NEMA license conditions have been completed. **[SCORE = 2]** **TOTAL SCORE = 10**		c) Were completed as per ESMP closure report. • Verify (physically) that sub-projects are either ready to be used or are in use.				
	PS8: Operationalization of urban solid waste management policies.	• Urban area SWM policy implementation is monitored and reported on annually (in POM-defined format). **[SCORE = 6]** • Urban area SWM policy implementation: a) maintains/increases coverage (geographical, % of households and other service users) of municipal waste collection. **[SCORE = 4]** **TOTAL SCORE = 10**	APA1 APA2	Overall policy implementation • Obtain: a) urban area SWM monitoring system/plan. b) annual SWM policy implementation report. • Verify that: a) SWM monitoring system/plan exists and provides meaningful quantitative data. b) annual SWM policy implementation report has been delivered on time and in prescribed format. Scope/quality of service delivery • Obtain: a) annual SWM policy implementation report. b) SWM monitoring reports. • Verify that: a) geographical/household coverage of waste collection services has	Bi-annual SWM policy implementation report. Municipal SWM monitoring reports. Urban area budget and financial reports.			

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
				been maintained/increased.				
	PS9: Asset management and O&M.	• The participating urban board actively manages its fixed infrastructure assets through: a) asset inventories that are updated on an annual basis. **[SCORE = 3]** b) annual asset maintenance plans (for all assets in inventory) are drawn up and plan implementation reviewed at the end of the year. **[SCORE = 2]** **TOTAL SCORE = 5**	APA1 APA2	• Obtain: a) asset inventories. b) asset maintenance plans. c) annual reviews of maintenance plan implementation. d) documentation on assets. • Verify that: a) asset inventories have been annually updated. b) assets in the asset inventory have an annual maintenance plan. c) Implementation of annual maintenance plan has been reviewed.	Asset inventories. Asset maintenance plans. Documentation on assets.			
	PS10: Implementation of UDG financed investments.	• All completed investment projects financed out of UDG funds fulfil the following: a) all ARAP actions undertaken before completion of respective subproject, where applicable. **[SCORE = 3]** b) regular supervision of ESMP implementation conducted and quarterly progress reports on environment, social, health and safety aspects	APA2	c) Obtain: a) ESMP, ARAP where applicable and NEMA license conditions (for sub-projects). b) Obtain ESHS progress and completion report. c) Obtain stakeholder consultation documentation d) Verify physically that: a) .all ESMP requirements are completed	Documents maintained by Urban administration and physical verification at site.			

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
		as per POM, were prepared. **[SCORE = 3]** c) stakeholder consultations with project affected persons during start and end of construction stage undertaken. **[SCORE = 2]** d) no pending ESMP/ARAP actions before closing of the specific sub-project **[SCORE = 2]** **TOTAL SCORE = 10**		b) All NEMA license requirements are completed c) All ARAP actions are completed Additional concerns raised during stakeholder consultations are addressed				
RA4	**PS11:** Implementation of the county government's private sector engagement framework.	• The participating urban board has: a) developed a database of local businesses. b) updated the database on an annual basis. **[SCORE = 6]** • The participating urban board has held at least two public-private dialogue (PPD) meetings during the past 12 months. **[SCORE = 4]** • Private sector needs diagnostic: the participating urban board has: a) completed a comprehensive private sector needs diagnostic. b) publicly disclosed the	APA2 APA2 APA3	**Up-to-date business enterprise database.** Obtain a database of businesses for each participating board and review whether the database is clustered by economic activity, contains basic business information (name of the business, business code per sector/industry, time in operation, nature of business, contact address including geo-location), is publicly available (in accordance with Data Protection Act of 2019) and has been updated (annual verification). This includes adding or removing businesses and	Up-to-date business enterprise database. Online database of businesses for each participating board *(updated annually)* PPD meetings/consultations. Reports on meeting's deliberations and private			

SCORECARD: PERFORMANCE STANDARDS – URBAN DEVELOPMENT GRANT (UDG)[45]								
Results Area	**Performance Standard**	**Indicator(s) and Scoring**	**Start Date**	**Assessment Procedure**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
		private sector needs diagnostic. **[SCORE = 5]** **TOTAL SCORE = 15**		updating their information (change in activity, etc.) **PPD meetings/consultations.** Records and minutes of the meetings that include a list of participants, a summary of deliberations, including private sector input to urban development plans. Minimum of two meetings per year (annual verification). **Private sector diagnostic**. Review that the private sector diagnostic has been completed and follows the guidance of the private sector engagement framework (MC8)	sector input to inform urban development plans *(minimum 2 engagements per year)* **Private sector diagnostic.** Record of the private sector diagnostic following the guidance of the private sector engagement framework (MC8)			

The Municipality scored a 'met' on _____ performance standards

Date : ______ / ______/______ Signature APA personnel: _____________________

Note: On the remarks' column, the consultant needs to describe clearly how the specific MC is met or not met and the specific documents that were reviewed

For the WHR component, the following templates will be used:

WHR Urban Institutional Grant (UIG) Minimum Conditions (MCs) Scorecard

County name: ……………………………………………………… **Municipality name: ………………………………………………………**

Score Card: MINIMUM CONDITIONS - WHR URBAN INSTITUTIONAL GRANT (UIG)					
Minimum Condition	**Start date**	**Indicator**	**Met**	**Not met**	**Date/ remarks**
MC1: County government has committed itself to participation in KUSP2	APA 1	The County Governor has signed a Participation Agreement with the SDHUD stating that the county government will participate in KUSP2 and adhere to its POM. Participation Agreement is required once at the beginning and will remain effective throughout the Program.	✓	X	
MC2: County government has drawn up (and is implementing) its County Urban Institutional Development Strategy (CUIDS) that integrate aspects of climate resilience and disaster risk management, and sustainable development of refugee hosting areas.	APA 1 APA 2	• County government has prepared a CUIDS (that is reflected in the County Integrated Development Plan) approved by the County Executive. • County government has included proposed UIG activities in the County Annual Development Plan & Budget.			

MC3: Use of previous year's UIG has been as per approved CUIDS and is consistent with eligibility and guidelines in the POM*	APA 2	Annual county expenditure statement shows that the county has followed approved annual County Urban Institutional Development Plan and UIG expenditure guidelines and POM.			
MC4: County government has utilized least 30% of funds for climate change related activities within the UIG eligible expenditure menu in categories 1. Policy/regulatory, 2. Urban Planning, 4. Urban Resilience, 5. Asset Management	APA 2	Annual County Urban Institutional Development Plan shows at least 30 percent of funds is allocated for climate related activities. Expenditure statement validate the actual use of the funds accordingly.			

The Municipality scored a 'met' on _____ performance standards

Date : ______ / ______/______ Signature APA personnel: ____________________

<u>Note:</u> On the remarks' column, the consultant needs to describe clearly how the specific MC is met or not met and the specific documents that were reviewed

WHR Urban Development Grant (UDG) Minimum Conditions (MCs) Scorecard

County name: .... **Municipality name: ....**

SCORE CARD: MINIMUM CONDITIONS - WHR URBAN DEVELOPMENT GRANT (UDG)					
Minimum Condition	**Start date**	**Indicator**	**Met**	**Not met**	**Date/ remarks**
MC1: Municipal status has been granted	APA 1	County Governor, upon resolution of the county assembly, has granted municipal charter	✓	X	
MC2: Municipal Board is appointed	APA 1	Urban board has been appointed by County Governor upon approval by county assembly in accordance with the UACA (amendments of 2019) (Camp Manager is at minimum a co-opted member of the Urban Board).			
MC3: Urban board has core staff available.	APA 1	A municipal manager and core municipal staff (Procurement Officer, Environmental safeguards Officer and Social Safeguards Officer,			

		Accountant, registered engineer, and registered planner) has been appointed.			
MC4: County government has committed itself to participate in KUSP2	APA 1	The County Governor has signed the Participation Agreement stating that the county government will participate in KUSP2 and adhere to its POM.			
MC5: Annual Urban Area Investment Plan is available	APA 1	Annual Urban Area Investment Plan is available for the Fiscal Year and provides the budget for UDG investments.			
MC6: Use of previous annual WHR UDG is in compliance with eligibility criteria*	APA 2	UDG for the previous FY has been used in accordance with the eligible [positive] investment menus (as described in POM)			
MC7: Environmental and Social assessments conducted for WHR UDG investments and compliance with Environment and Social Safeguards (ESS) minimum requirements*	APA 2	a. All subproject feasibility reports to include E&S screening reports as per POM guidelines b. Site specific environmental and social impact assessment's prepared and obtain NEMA license before start of civil works. c. All Contract documents include NEMA license/approval conditions and ESMP with budget allocation. d. All subprojects involving temporary physical or economic displacement and relocation to include consulted ARAP/Reinstatement/Restoration Plan before award of contracts. e. GRM constituted and grievances records being maintained at Municipality level. At least two stakeholder's consultations with Project Affected Persons were undertaken at preparation stage and two at implementation stage.			

The Municipality scored a 'met' on _____ performance standards

Date : ______ / ______/______ Signature APA personnel: _____________________

<u>Note:</u> On the remarks' column, the consultant needs to describe clearly how the specific MC is met or not met and the specific documents that were reviewed

WHR Urban Development Grant (UDG) Performance Standards (PSs) Scorecard

County name: …………………………………………………… **Municipality name: ……………………………………………………**

SCORE CARD: PERFORMANCE STANDARDS - WHR URBAN DEVELOPMENT GRANT (UDG)						
Performance Area	**Performance Standard and Indicator**	**Score**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
1. Municipal board functionality and citizen engagement	**PS1:** Urban board meetings have been held at least once every three months	10	• Review minutes of board meetings to verify that the meetings have been held at least quarterly	✓	X	
	PS2: Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once every quarter, with representatives from refugee communities forming 50% of the participating stakeholders.	10	• Review local media reports and website to confirm that the annual calendar of citizens' fora was published and announced. • Review minutes of urban fora to confirm that urban fora were held at least once every quarter, as per the schedule announced at the beginning of the year,			

SCORE CARD: PERFORMANCE STANDARDS - WHR URBAN DEVELOPMENT GRANT (UDG)						
Performance Area	**Performance Standard and Indicator**	**Score**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
			and included 50% participants from refugee communities. • Verify that minutes/reports of the fora meetings are publicly available.			
2. Public disclosure and transparency	**PS3:** Urban board has made key documents publicly available: municipal charter, contact information for board and key officials, urban IDeP (and other plans, as relevant), budget vote proposal (including appropriate annexes), and final budget statement.	10	Obtain • Evidence of public disclosure of the listed key documents Verify that the listed key documents are publicly available			
3. Municipal budgeting	**PS4:** Urban board budget is included in county government budget as a full vote or as a sub-vote.	15	• Obtain: a) urban area budget (as developed by board), as a sub-set of the county Urban Development Department's full budget vote or as a sub-vote b) county government spending reports submitted to and received by Controller of Budget. EITHER: COB quarterly and annual reports on county budget execution, showing urban area sub-vote execution. AND/OR: county government report (submitted to and received by COB) on urban area budget execution. c) evidence of public disclosure of urban area budget and budget execution (as part of COB reports or independently). Verify that • urban area budget is a sub-vote [or sub-			

SCORE CARD: PERFORMANCE STANDARDS - WHR URBAN DEVELOPMENT GRANT (UDG)						
Performance Area	**Performance Standard and Indicator**	**Score**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
			program] of Urban Development Department's budget vote. • financial reporting on urban area budget is provided by county government. urban area budget and budget reporting has been disclosed.			
4. Climate resilient municipal planning	**PS5:** Urban IDeP submitted by the municipal administrator, and reviewed and approved by the municipal board, including municipal level climate change profiles, and integration of investments that achieve higher climate co-benefit and improve mitigation and adaption	15	• Obtain online or physical copies of most recent IDeP from planning department/municipality. • Verify that: a) has been reviewed. b) has been approved. c) includes all key elements (as per UACA 2011, CGA 2012 and other regulations) d) Includes climate change profiles, and integration of investments that achieve higher climate co-benefit, improve mitigation and adaption e) includes principal findings and proposals of private sector needs diagnostic (from APA3) f) Includes Environmental and social impact assessment and management chapter			
	PS6: Urban spatial plan completed or under review for the area delineated as the municipal area, including refugee hosting areas ,	20	• Obtain online or physical copies of most recent urban spatial/physical and land use plan from planning department/municipality.	•	•	•

SCORE CARD: PERFORMANCE STANDARDS - WHR URBAN DEVELOPMENT GRANT (UDG)						
Performance Area	**Performance Standard and Indicator**	**Score**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
	integrating urban resilience and climate change issues		• Verify that: o has been completed or under reviewed. o has been approved, if completed. o Integrates urban resilience and climate change issues. o is consistent with provisions of PLUPA 2019 and CGA, 2012. o Is consistent with NEMA regulations			
5. Municipal services	**PS7:** An operational waste collection and disposal plan has been drawn up and adopted/endorsed by the municipal board, with an implementation plan and costings of priority investments in place.	10	• Obtain o Waste collection and disposal plan o Implementation report of the plan o SWM Monitoring Plan • Verify that: o It has been adopted/endorsed by the municipal board o It has an implementation plan with costing o urban area SWM monitoring system/plan is in place to monitor the implementation of the plan in accordance to the standardized templates	•	•	•

SCORE CARD: PERFORMANCE STANDARDS - WHR URBAN DEVELOPMENT GRANT (UDG)						
Performance Area	**Performance Standard and Indicator**	**Score**	**Means of Verification**	**Met**	**Not met**	**Date/ remarks**
6. Municipal infrastructure delivery	**PS8:** Infrastructure designs developed_on the previous year complies with standards to ensure they are climate change resilient and inclusive (following checklist in the POM Vol. II annex 13)	10	• Obtain: a) Sub-project contract documents (specifications etc.). b) sub-project completion/handover reports, if completed. • Verify that sub-projects: a) have been implemented/completed in accordance with initial design specifications.	•	•	•

The Municipality scored a 'met' on ____ performance standards

Date : _____ / _____/_____ Signature APA personnel: ___________________

<u>Note:</u> On the remarks' column, the consultant needs to describe clearly how the specific MC is met or not met and the specific documents that were reviewed

ANNEX 16: FINANCIAL MANAGEMENT MANUAL

["Document annexed separately"]

ANNEX 17: EXCLUSION CRITERIA FOR INVESTMENTS UNDER THE PforR

Consistent with the requirements of the World Bank PforR Policy, the proposed Program operation will not finance activities that pose high ESHS risks. In the PforR context exclusion means that an activity is not included in the identified investment menu. Also, an activity is not included if it requires the completion of the non-eligible activity to achieve its contribution to the Project Development Objective (PDO) and/or Disbursement linked indicator (DLI). More specifically, the Program shall exclude sub-projects likely to involve:

) Activities that would
   a) Have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;
   b) Cause the relocation of marginalized communities/indigenous peoples from land and natural resources that are subject to traditional ownership or under customary use or occupation; or
   c) Have significant impacts on marginalized communities'/indigenous peoples' cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected communities.

i) Any activities that trigger displacement of more than 200 persons economically, and 10 physical displacements.
ii) Activities that warrant land acquisition and/or resettlements of a scale or nature likely to have significant adverse impacts on affected people or use of forced evictions.
iii) Air, water, or soil contamination leading to significant adverse impacts on health and safety of individuals, communities, and ecosystems.
iv) Significant conversion or degradation of critical natural habitats or critical cultural heritage sites.
v) Workplace conditions that expose workers to significant health and personal safety risks.
vi) Activities that involve the use of forced or child labor.
vii) Marginalization of, or conflict within or among social groups.
viii) Activities with high risks of GBV and SEA-SH.
ix) Any investments that trigger high risk under the World Bank Policy for Program-for-Results.
x) New investments or expansion of; i) power plants; Dams; Highways; Urban metro systems; Railways and ports; (ii) Engineered sanitary landfills; (iii) Construction and installation of incinerators; (iv) Activities related to the management of solid waste dumpsites; (vi) decommissioning of dumpsites (vii) Office buildings; (viii) Land acquisition; (ix) projects with potentially significant risks to protected areas or national parks; and (x) Manufacturing or industrial processing facilities; (xi) Investments which may be considered temporary in nature, e.g. murram/gravel roads, temporary relocation sites; (viii) construction of wastewater treatment facility; (xii) Construction of any water storage, water treatment facility and private water connections.

ANNEX 18: ENVIRONMENTAL AND SOCIAL COMPLIANCE VERIFICATION TOOL FOR PforR ACTIVITIES

Stage	**Key Issues**
Planning	Key E&S risks and impacts are considered as part of Planning
	Budgeting reflects ESHS requirements, including monitoring and reporting
	Counties and Municipalities provide adequate documentation including: i. Design and feasibility reports ii. E&S screening reports as per POM (ESHSM manual) guidelines iii. Site-specific environmental and social impact assessment reports and associated NEMA licenses before the start of civil works iv. Grievance Redress mechanism
	GRM constituted and grievances records being maintained at National and Municipality level.
Staffing	**Key Considerations**
	Municipalities/Contractors have core staff available – including an environmental specialist with knowledge in climate change to ensure compliance with climate-resilience requirements in urban plans and infrastructure as well as a social development officer with the capacity to conduct social assessment, grievance management, monitoring and reporting on ESMP implementation.
Contracting	**Key Considerations**
	Key E&S considerations are part of the project contracts
	Key E&S indicators linked to performance indicators and disbursements
	All Contract documents include NEMA license/approval conditions and ESMP with budget allocation
	All subprojects involving temporary physical or economic displacement and relocation to include consulted ARAP/Reinstatement/Restoration Plan before award of contracts.
Content	**Key Considerations**
Climate Change	Integration of Climate Change Adaptation in Plans
	Proposals are climate resilient

	Standards and Manuals reflect E&S concerns
	Standards and Manuals integrate Climate resilience
Participation	Adequate consultation and documentation with all key stakeholders
	Provision for a functional Grievance Redress Mechanism (GRM)
	ARAPs prepared and implemented
Implementation	**Key Considerations**
Monitoring	Provision for regular and reporting monitoring on ESHS
	Monitoring incorporates indicators for climate resilience
	Monitoring incorporates indicators for inclusivity
	Logging and timely response to grievances
	At least two stakeholder consultations with Project Affected Persons were undertaken at the preparation stage and two implementation stage

ANNEX 19: GUIDANCE FOR AN URBAN CLIMATE RISK PROFILE

The table below includes criteria of an Urban Climate Risk Profile that can inform the plan and policy-making process for municipalities, aligned with KUSP 2 performance standards.

Criteria are classified as 'Mandatory' (consisting of minimum requirements for a plan compliant with KUSP 2 performance standards) and 'Recommended' (additional criteria that may support enhancing resilient urban development).

No.	Requirements	Mandatory / Recommended
GENERAL		
1	Municipality has set up a **GIS database providing an accurate and up-to-date picture of roads, streets, and key physical features, as well as administrative boundaries such as wards**, to form an effective base map for municipal analysis of risks and vulnerabilities.	Mandatory
2	Municipality has **obtained relevant data and evidence on risk and resilience from national agencies** such as Kenya Meteorological Department, National Construction Authority, National Drought Management Authority, National Disaster Management Unit, Kenya Red Cross Society, and National Land Commission.	Mandatory
3	Municipality has **engaged with a range of non-governmental actors to secure further relevant data and evidence on local disaster and climate-related hazards** and to verify existing data – these could include universities, private sector businesses, community/voluntary sector, and residents.	Recommended
HAZARDS		
4	Data on current climate and disaster hazards relevant to the municipality have been reviewed and analysed, and key hazards applicable to the municipality have been identified.	Mandatory
5	Locations/impact areas, frequency of occurrence and expected severity of climate and disaster hazards relevant to the municipality are mapped on the GIS database – at least in an approximate manner, if precise information is not available.	Mandatory
6	Locations/impact areas and severity of past geophysical, hydro-meteorological, and environmental hazards that have impacted the municipality over the last decade have been mapped on the GIS database – at least in an approximate manner, if precise information is not available.	Recommended
CLIMATE CHANGE PROJECTIONS		
7	Projected changes in temperature, rainfall and their impacts on frequency or severity of climate and disaster risks have been determined.	Mandatory

No.	Requirements	Mandatory / Recommended
8	Areas projected to be at increased risk due to climate change as identified through climate projections are identified and mapped on a GIS database	Mandatory
9	Global or national-level climate change projection models up to the year 2100 have been reviewed using at least the RCP 8.5 (i.e., high physical risk) scenario, with projected changes in temperature, rainfall and impacts on frequency or severity of climate and disaster risks determined.	Recommended
VULNERABILITY AND EXPOSURE		
10	Key environmental assets or geographic characteristics relevant to urban resilience (e.g., locations/extents of flood plains and wetlands, areas with unstable soil) and any relevant factors that increase or reduce their vulnerability to hazards are mapped.	Mandatory
11	Key natural assets (e.g., wetlands, forested areas) and urban infrastructure (e.g., open spaces, schools, hospitals) that enhance or have potential to enhance resilience to climate risk and disasters are identified.	Mandatory
12	Key infrastructure or built environment assets with a significant impact on vulnerability or with significant vulnerability to hazards (e.g., utility and social infrastructure assets, transport infrastructure) are identified.	Mandatory
13	Up-to-date and detailed population data (at least from the most recent census) is linked to shapefiles in the GIS database, enabling ward-by-ward analysis of age, gender, income, and other population characteristics that inform hazard vulnerability assessment.	Mandatory

Source: AECOM, 2023.

Template for Rapid Climate Risk Assessment

Based on a similar Assessment carried out as part of this Assignment (and included as Appendix A under Deliverable 2), the following table outlines the typical sections included in a rapid climate risk assessment and may be used as a reference for municipalities engaged in similar processes.

No.	Section	Contents of this Section
1	Hazard Assessment	**Key Hazards** Overview of relevant geophysical, hydro-meteorological, and environmental hazards for the municipality Identification of the most significant hazards for the municipality (at least at the district level if available data is not precise for a municipal-scale assessment). **Hazard Impact Areas:** Mapping of locations/impact areas, frequency of occurrence and expected severity of the key hazards for the municipality are mapped (at least in an approximate manner, if precise information is not available). Neighbourhoods or areas within the municipality at high risk from key hazards identified i.e., areas that are exposed to multiple hazards. **Past Hazard Impacts (not mandatory):** Mapping of locations/impact areas and severity of geophysical, hydro-meteorological, and environmental hazards that have impacted the municipality over the last decade.
2	Climate Change Projections	**1. Impacts of Climate Change:** Overview of projected changes in temperature and rainfall for the urban area in question have been analysed. Impacts of projected changes in temperature and rainfall on frequency or severity of climate and disaster risks have been analysed. **Future Hazard Impact Areas:** Based on the projected impacts of climate change, mapping of locations/impact areas, frequency of occurrence and expected severity of the key hazards for the municipality are mapped (at least in an approximate manner, if precise information is not available). Neighbourhoods or areas within the municipality at high risk from key hazards in the future identified i.e. areas that are exposed to multiple hazards or areas exposed to more severe or frequent occurrence of hazards.

No.	Section	Contents of this Section
3	Vulnerability and Exposure Assessment	**1. Utility and Critical Infrastructure** Key utility networks and assets such as electricity, natural gas, transport, water supply, drainage and sewerage are assessed for exposure and vulnerability to hazards Assets/networks that are particularly exposed (e.g., located in a hazard impact area) or vulnerable (e.g. aging infrastructure) to hazards identified Measures to address exposure or vulnerability outlined. **2. Vulnerable Populations** Communities within the municipality particularly vulnerable to hazards are identified (e.g., due to their location, income levels, access to services, age, gender, disability etc.) The specific impact of key hazards on these vulnerable populations is assessed and articulated. [If required] Areas within the municipality that see high concentrations of vulnerable populations are mapped (at least in an approximate manner, if precise information is not available). Measures to address vulnerability outlined. **3. Natural Assets** Key natural assets (e.g., wetlands, forested areas) with potential to enhance resilience to climate risk and disasters are identified and located within the municipality. Current condition and potential threats to these assets identified. Measures to protect and enhance assets identified.

Source: AECOM, 2023.

KUSP 2 Performance Criteria – Integrated Development Plan (IDeP)

The table below includes a list of outcome-based criteria to assess if the Integrated Development Plan (IDeP) produced by a county to guide urban development in the urban area under question is meeting requirements for incorporating resilience under KUSP 2 performance standards. Criteria are classified as 'Mandatory' (consisting of minimum requirements for a plan compliant with KUSP 2 performance standards) and 'Recommended' (additional criteria that may support enhancing resilient urban development).

No.	Criterion	Mandatory / Recommended
1	IDeP is compliant with **requirements under Schedule 3 of Urban Areas and Cities Act, 2011** (amended 2019).	Mandatory
2	IDeP explicitly demonstrates **consistency with Third National Climate Change Action Plan** (2023-2028).	Mandatory
3	IDeP clearly **captures and includes an assessment of climate and environmental risks** relevant to the urban area under question.	Mandatory
4	IDeP explicitly **identifies climate resilience issues and measures to address** them.	Mandatory
5	IDeP demonstrates **effective stakeholder engagement and public comment processes** have been carried out.	Mandatory
6	IDeP includes **short, medium, and long-term measures for disaster risk management and improving resilience for existing developments** in high-risk areas.	Recommended
7	IDeP clearly articulates **relevant spatial and related regulatory measures** that need to be included within municipal spatial or land use plans.	Recommended

Source: AECOM, 2023.

Embedding Resilience at All Stages of the Planning System

The table below includes criteria and two sets of indicators ('Minimum' and 'Aspirational') to help municipalities in Kenya assess their performance in embedding resilience at the four stages of the planning system.

No.	Criterion	Indicators
CROSS-CUTTING		
1	Decision-making in governance institutions demonstrates importance of planning for resilience	**MINIMUM** Municipal and/or county budgets **secure funds for implementation of land-use plans and policies** over multiple financial years **Roles and responsibilities** between national, county, and municipal governments at each step of the land-use planning and implementation process are clearly demarcated, assisted by new, simplified legislative landscape (retaining 2010 Constitution as valid starting point and considering the constitution of relevant planning institutions) Municipal planning departments are able to **access data and information held by national agencies** necessary to build resilience at all stages of the planning process. **Municipal plan process engages the national disaster management unit** as a consultee on all draft land use plans and policies. **ASPIRATIONAL** Municipal government is part of a **national programme** and/or **peer-to-peer city network** to facilitate the access and sharing of knowledge and experience of all kinds of resilient planning at municipality level. Municipal government is **consulted on the feasibility and suitability of new legislation** related to building resilience through land use planning at the county or national level ahead of implementation.
2	Planning department in municipality has sufficient qualified staff and appropriate equipment/software to plan for resilience	**MINIMUM** The municipal planning department employs **sufficient staff at a range of levels of experience/seniority, with expertise relevant to planning for resilience** including in land use and transport planning, environmental sustainability, risk assessment, policy issues and urban design, to carry out all activities for development and updates to municipal plans and policies. The Second Schedule of the Physical and Land Use Planning Act 2019 can be thought of as a minimum starting point for the expertise required. Staff within the planning department have **secured, multi-year access to software and equipment** required for their work, including any essential software for data collection and storage, spatial analysis, and scenario planning, as well as vehicles for site visits. **ASPIRATIONAL** The **efficient and robust processing of planning permits and monitoring of development** is carried out by a proportionate number of adequately qualified staff**.** The Third Schedule of the Physical and Land Use Planning

No.	Criterion	Indicators
		Act 2019 can be thought of as a minimum starting point for the expertise required. **Training programmes are regularly available** for planning department staff to upskill on technical software and new methodologies. **Municipal government** works in partnership with stakeholders such as **universities and** to build the overall capacity of the sector, i.e. to **boost the number of qualified municipal planners.**
3	The planning process involves robust and appropriate engagement with stakeholders from public and private sectors, academia, civil society, and the general public.	**MINIMUM** The plan-making and policy development process involves **data, feedback, and comments from other departments** involved in urban service delivery within the municipality. The plan-making and policy development process incorporates suitable opportunities for **data, feedback, and advice from county and national government entities** in line with the Intergovernmental Relations Act 2012 The **plan-making and policy development process engages key city stakeholders** representing relevant academic institutions (e.g., department of planning within a local university), private sector (e.g., chamber of commerce or association of engineers/architects), and civil society organisations representing key demographic groups (e.g., groups representing informal settlements) and **secures their buy-in at critical points of the process.** **Public comment is sought through multiple channels** (e.g., exhibitions, workshops, websites) on draft municipal plans and policies, and comments are at least collated and responded to in a public forum in line with relevant legislation such as the Urban Areas and Cities Act 2011. Relevant comments are integrated within the final plan, which makes it clear to plan users how public engagement has informed policies/outcomes. **ASPIRATIONAL** **Regular updates on progress of the plan and policy development process** are published across a range of online and offline channels designed to reach as many sections of the population as possible.
EVIDENCE BASE		
1	Municipality has access to robust data and evidence on local	**MINIMUM** The municipality reviews **free online tools developed by the World Bank and others**, such as ThinkHazard, or relevant climate projections for Kenya or at a sub-national level and **summarised results of the climate risk profile**

No.	Criterion	Indicators
	disaster and climate-related hazards	**in municipal plan evidence base and/or the plan itself,** with the evidence directly informing relevant land use policies. The municipality is able to **obtain relevant data and evidence** rapidly and without unnecessary or excessive costs, **from national agencies** such as Kenya Meteorological Department, National Construction Authority, National Drought Management Authority, National Disaster Risk Management Authority, National Emergency Management Agency, and National Land Commission, that is reflected and captured within municipal plans. The municipality **engages with an appropriate range of non-governmental actors** to secure further relevant data and evidence on local disaster and climate-related hazards and to **verify existing data**- these could include universities, private sector businesses, community/voluntary sector and local residents. **ASPIRATIONAL** **All disaster and hazard data and evidence,** no matter which level of the planning system it is held at or generated by, and even if historic, is digitised for ease of sharing and access rather than being in hard copy. **All relevant and non-classified disaster and hazard data and evidence** held by relevant national agencies, such as detailed flood mapping across the country, seismic risk maps and so on is made freely and permanently available online.
2	Up-to-date GIS-based risk and vulnerability maps are readily available to planning department	**MINIMUM** Municipality holds up-to-date **GIS base mapping**, giving an accurate picture of roads, streets and key physical features, as well as political boundaries such as wards and municipalities, to form an **effective basis for municipal analysis of risks and vulnerabilities**. Key **environmental assets or geographic characteristics** relevant to urban resilience are mapped (e.g., locations/extents of flood plains and wetlands, areas with unstable soil). Key **infrastructure or built environment assets** with a significant impact on vulnerability or exposure to hazards are mapped (e.g., utility and social infrastructure assets, land use patterns, transport infrastructure). **Up-to-date and detailed population data** (at least from the most recent census**) is linked to shapefiles,** enabling ward-by-ward analysis of age, gender, income, and other population characteristics that inform hazard vulnerability assessment. **Geophysical, hydro-meteorological, and environmental hazards** that have impacted the municipality and surrounding regions in last decade have

No.	Criterion	Indicators
		locations and impact areas digitally mapped (e.g., areas affected by flash flooding or landslides). An integrated **spatial risk and vulnerability analysis (at least to ward level)** has been carried out and captured within the GIS database. **ASPIRATIONAL** Areas **projected to be at increased risk due to climate change** as identified through climate projections are identified and mapped. Location and impact of key hazards **occurring over last fifty years** are mapped.
3	Relevant elements within disaster management plans and processes are integrated within land use plans and policies	**MINIMUM** **Areas at high risk from disasters and climate hazards** are identified within municipal plans and addressed through relevant policies. Planning codes or zoning regulations to **restrict or resist development in high-risk areas** are outlined. Areas that may be suitable as **evacuation zones or could be used during emergency response activities** are identified. **Key natural (e.g., wetlands, forested areas) or built environment (e.g., open spaces, schools, hospitals) assets that enhance or have potential to enhance resilience** to climate risk and disasters are identified. **ASPIRATIONAL** Locations of **existing and planned open and green spaces** that may be suitable for use as evacuation zones or for disaster relief have been identified.
4	Findings from risk scenario analyses and climate projections have been analysed and key implications for the planning process recorded	**MINIMUM** **Data from global or national-level climate change projection models** up to the year 2100 have been reviewed, using at least the RCP 8.5 (i.e. high physical risk) scenario, and used to inform municipal plan policies. Projected changes in **temperature, rainfall and their impacts on frequency or severity of climate and disaster risks** are determined (with the support of technical experts as appropriate) **Implications of climate change projection models for plan and policy development** are revisited at the appropriate time to inform the next round of planning. **ASPIRATIONAL** Municipality is part of a **best practice knowledge-sharing network** to benchmark and improve the ability of the urban planning evidence base to build in climate projections and risk scenario analyses; network includes technical experts and stakeholders from central and County governments to maximise benefit.

No.	Criterion	Indicators
PLAN-MAKING AND POLICY		
1	Municipal plans and policies are consistent with higher-level (i.e. national and county) plans, policies, strategies, and legislation around climate action	**MINIMUM** Land-use plans and policies explicitly **demonstrate consistency with relevant national strategies and plans with relevance for spatial planning and climate action**, (e.g., Kenya's Nationally Determined Contributions, National Adaptation Plan, and National Climate Change Action Plan) Land-use plans and policies **demonstrate regulatory alignment with national policies and legislation** on stakeholder engagement and public comment processes, and climate action targets- quoting relevant legislation in policy supporting text for the avoidance of doubt. **ASPIRATIONAL** Municipal plans include a summary of qualitative or quantitative **contributions to national level climate ambitions and targets.**
2	Designation of special planning or policy areas to drive resilience or address risk	**MINIMUM** Planning codes or zoning regulations to **disallow or suitably restrict development in clearly defined high-risk areas** have been developed within municipal plans and policies. **Evacuation zones or areas to support emergency response services** are identified in land-use plans and protected through planning regulation. **Natural assets that enhance resilience** to climate risk and disasters are protected from alternative use through municipal plan policy. **Suitable penalties for unauthorised development in protected** and/or **high-risk areas** apply and are fairly and consistently enforced. Short, medium, and long-term measures to mitigate and minimize risk and to improve resilience for **existing development in high-risk areas** have been developed and integrated within land-use plans and policies. Evidence-based planning codes or zoning regulations **directing new development to lower-risk areas** appear within municipal plans. **ASPIRATIONAL** Municipality **works in partnership with their county to declare statutory special planning areas under the** Physical and Land Use Planning Act 2019
3	Plans and policies direct or encourage resilient and sustainable urban development	**MINIMUM** **Densification at public transport nodes in low-risk areas is encouraged** through planning policies, development bonuses or incentives. **Landscaping and public realm policies** encourage use of permeable materials and 'soft' surfacing to encourage percolation and groundwater absorption. Policies and plans **maximise tree planting and greening** and **include adequate measures for maintenance**.

No.	Criterion	Indicators
		Land use plans and policies encourage **protection and enhancement of natural coastal and riverine flood defences** (e.g., floodplains, wetlands, mangrove forests). In central business districts or city centres, **use of private vehicles is disincentivised** through instruments such as high parking fees, parking restrictions and congestion charges. **ASPIRATIONAL** Funded measures for **restoration of brownfield and environmentally degraded sites** are incorporated within land-use plans and policies. For large developments and industrial units**, use of renewable energy and passive heating/cooling systems** is incentivised through planning policies, development bonuses or other process incentives. **Household and industrial waste** management infrastructure such as landfills are directed to low-risk areas; recycling and circular economy initiatives are encouraged to reduce overall demand for landfill space. **Mixed-use, mixed-income residential development** is encouraged in low-risk areas through planning policies, development bonuses or other process incentives
4	Utility infrastructure networks and assets are located and designed considering disaster and hazard risk	**MINIMUM** **Locations and design of infrastructure systems and assets** have been determined to minimise disruptions in service during disaster or hazard events. The impact of frequently occurring and/or high-impact hazards on access and functioning of infrastructure systems has been **analysed using a scenario planning approach,** and mitigation measures are integrated within land-use plans and policies. Plans and policies demonstrate how **public facilities and critical infrastructure assets** are to be protected from disasters and that proposed new critical public facilities are located in low-risk areas. **Social infrastructure assets (e.g., schools, community centres)** are designed to be able to serve a disaster management function should the need arise.
DEVELOPMENT MANAGEMENT AND CONTROL		
1	Planning permissions are granted with resilience as a fundamental consideration	**MINIMUM** Planning applications are not granted without **confirmation that proposed developments can be adequately serviced within the existing capacity** of energy, stormwater, transport, and water supply infrastructure. Planning applications are accompanied by supporting information such as, impact assessments and/or Environmental Management Plans in line with

No.	Criterion	Indicators
		Kenya's EIA Regulations as appropriate, to **ascertain the impact of the proposed development on hazard risks** in the vicinity. Planning applications with **potential to hamper future disaster response**, for example development constraining emergency access or increasing hazard risk in its vicinity, are refused and the reason is clearly stated in the decision notice. **Publicly available log of planning decisions is maintained** and regularly referred to by development managers so that resilience precedents (or lack of) in specific locations or for specific types of development are clear and more likely to be used as learning points to improve future similar applications. **ASPIRATIONAL** **Publicly available log of planning decisions is fully digitised and available online**, linked to GIS mapping of application boundaries; each decision links to all relevant documents (e.g. original application, decision notice, EIA and so on), scanned and uploaded. For large developments, planning applications not granted unless **development enhances resilience** of surrounding area through planning gain/planning fees, either through on- or off-site infrastructure or through financial contributions.
2	Existing and future opportunities and risks for resilient development are considered at application determination stage	**MINIMUM** Planning applications are **determined in line with the policies of an adopted or an emerging municipal plan**, including those that seek resilience enhancements. Where applications would conflict with relevant policy, they are refused, with **full reasons provided in the decision notice**. Where necessary, planning applications are determined on the basis of **site visit and appraisal by adequately qualified development manager(s)** and findings from the site visit inform the final decision. **Representative cross-section of internal and external stakeholders** are invited and encouraged to submit timely comments on all planning applications at municipal level, with information on the application provided alongside the invitation. Internal stakeholders may include fire, health, architecture and engineering departments; external stakeholders may include national government agencies, County planners, local residents and businesses, and any other affected or interested person. All **stakeholder comments reviewed and taken fully into account** in final decision. Municipality regularly engages with central and County government bodies (for example, NEMA, NDRMA, NDMA, County planners) as **consultees in the determination of applications meeting certain criteria** (normally,

No.	Criterion	Indicators
		above a certain scale of development, or within areas where development is normally resisted), and their comments drive resilience improvements. **ASPIRATIONAL** Planning applicants and municipal planners able to consider resilience impacts of applications more easily through **clear and comprehensive text in publicly available municipal plans** explaining **which policies and/or regulations** (including, but not limited to, those enhancing resilience) **an application must conform with to be granted.**
MONITORING AND IMPLEMENTATION		
1	Planning department uses quantitative, time-bound monitoring indicators	**MINIMUM** **Monitoring indicators are defined for each relevant plan policy** or regulation designed to enhance resilience so that its implementation can be tracked over time and any unintended effects highlighted. Monitoring activity **maximises the use of SMART (specific, measurable, achievable, relevant and time-bound) indicators.** Monitoring activity is **consistent and fair across the plan area**- different developments are held to the same standards and the monitoring approach is transparent and replicable across the policies and decisions being monitored. **ASPIRATIONAL** Monitoring activity is enhanced by a formal institutional framework seeking **regular, timely and relevant date from a range of third parties** carrying out their own monitoring programmes or on the basis of general observation- these might include national agencies or County planners, academia, the private sector, and community organisations or local residents.
2	Monitoring reports are publicly available	**MINIMUM** Details of all monitoring activity carried out, and the potential role of external stakeholders/third parties in implementing each policy or regulation being monitored are **clearly set out in the Implementation chapter of municipal plans.** **Annual Monitoring Reports are produced for internal use** but are available to the public on request. **ASPIRATIONAL** **Digital Annual Monitoring Reports are freely accessible** on the Municipal website and/or a public platform.
3	Planning departments have the ability to enforce plan policies	**MINIMUM** Monitoring of development management and control decisions **informs/triggers enforcement activity as appropriate** where it is found

No.	Criterion	Indicators
	and development management and control decisions	that development is being built out contrary to the terms and conditions of the decision notice. Ad-hoc red flags from members of the public or other external stakeholders on **potential breaches of development management and control** are regularly and consistently acted upon by enforcement team. Planning enforcement officers have **access to vehicles for site visits.** **Unauthorised development can be stopped** via notices, demolitions authorised and transgressors prosecuted. **ASPIRATIONAL** **Enforcement action is publicised widely** (for example on the municipality website or in the local media) so future transgressions less likely. **Municipality defines clear roles and responsibilities with county and national government** in terms of enforcement action, to ensure that they are able to act independently and quickly when required without having to clear bureaucratic hurdles/seek permission from higher levels. These would need to build on/clarify the Physical and Land Use Planning Act 2019.
4	Data from monitoring and implementation is used to inform the next plan-making cycle	**MINIMUM** **Yearly reviews of monitoring reports and enforcement actions** are carried out by the planning department, focusing on lessons learnt and any insights to inform the next round of plan and policy making. Municipal plans or evidence base documents supporting the plan clearly set out **how the planning evidence base has been informed** by monitoring and implementation activity associated with the previous plan or set of policies. Municipal planning departments can demonstrate how they have **built on/learnt from reasons for refusal** of historic planning applications reviewed through the monitoring process. **ASPIRATIONAL** Outputs from ongoing monitoring and implementation activity are **assessed on a quarterly basis** to flag any urgent corrective actions needed before the next plan-making cycle begins.

Source: AECOM, 2023.