

Republic of Kenya



**MINISTRY OF AGRICULTURE, LIVESTOCK & FISHERIES
STATE DEPARTMENT OF FISHERIES AND BLUE ECONOMY**

**KENYA MARINE FISHERIES AND SOCIO-ECONOMIC
DEVELOPMENT PROJECT (KEMFSED)**

TERMS OF REFERENCE
For an Individual Consultancy

**TO UNDERTAKE AN INSTITUTIONAL ASSESSMENT
FOR IMPLEMENTATION OF THE KENYA MARINE FISHERIES AND SOCIO-ECONOMIC
DEVELOPMENT PROJECT**

DECEMBER 2017

1. BACKGROUND

1.1 Commitment to Blue Economy

On May 2, 2016, and through the enactment of Executive Order No. 1/2016, the Government of Kenya (GoK) made a clear commitment towards a new approach towards a blue economy, fully recognizing the importance of the sector to fuel the country's economic growth, and created the State Department for Fisheries and the Blue Economy (SDF&BE). The coastal and marine space on which a blue economy is founded contains myriad different uses, some of which are currently destructive or unsustainable, while others are renewable, with some mutually exclusive while others are compatible. More broadly, a blue economy approach is understood as encompassing a better integrated approach to these sometimes-conflicting uses of marine resources, living and non-living (including shipping, fossil energy and mining), renewable and exhaustive.

Too often, priority tends to be given to activities that generate short-term benefits but also have destructive and counter-productive longer-term consequences. In contrast, a blue economy approach is more proactive and embodies the need to focus on longer term sustainability.

The Presidential Blue Economy Committee established in September 2016, while recognizing the many sectors in blue economy, prioritized fisheries and aquaculture; and maritime shipping and logistic services as priority sectors that can deliver socio-economic benefits to the communities in the coastal areas. In order to support sustainable utilization, enhanced revenues for the government and employment creation, fisheries governance must be strengthened, as called for in the Fisheries Management and Development Act 2016, enacted in September 2016. The Act established institutions designed to strengthen the governance of the fisheries and aquaculture industries, and enable investments along the fishery value chains to maximize socio-economic benefits. The institutions established under the Act include the Kenya Fisheries Service (KeFS), the Kenya Fish Marketing Authority and the Fish Levy Trust Fund.

1.2 KEMFSED Project

In line with the new legislative reform, and to attain maximum and sustainable economic benefits from coastal and marine resources, the GoK, through its SDF&BE and the Kenya Fisheries Service (KeFS), has requested support from the World Bank under the Kenya Marine Fisheries and Socio-Economic Development Project (KEMFSED).

The overall project development goal is to enhance economic benefits and coastal livelihoods from marine fisheries and coastal aquaculture while safeguarding associated ecosystems' integrity. The agencies implementing the Project will be the SDF&BE and KeFS. Five counties along the Kenyan coastal counties have been selected to benefit from the project, namely Kwale, Mombasa, Kilifi, Lamu, and Tana River Counties. The project will be implemented over five years, and the GoK has received Project Preparation Advance (PPA) funds from the World Bank towards the financing of preparation activities. This consultancy covers some of the activities called for and funded by the PPA funds.

The KEMFSED project comprises the following four components:

- a) **Component 1:** Governance and management of marine fisheries and aquatic resources, which aims to strengthen marine fisheries and coastal aquaculture governance in order to control over-fishing, maintain or improve stock productivity, and enhance associated ecosystem integrity. Under Component 1, Sub-component 1 will focus on coordination and institutional strengthening to

ensure fisheries and aquaculture resources are safeguarded as the blue economy framework is implemented. Sub-component 2 will focus on strengthening the existing Fisheries Information System (FIS) to ensure availability of integrated sectoral information to communicate the importance of the fisheries and aquaculture sector in broader coastal developments. Sub-component 3 will aim at improving management of inshore/small scale fisheries. Sub-component 4 will aim at improving management of offshore fisheries.

- b) **Component 2:** Promote investment in marine fisheries and coastal aquaculture, which aims to promote efficient utilization and value-addition of the resources by increasing investment in the marine fisheries and aquaculture sector. Sub-component 1 will focus on improving the business environment and private sector investment in the fishery and aquaculture sector, whereas sub-component 2 will focus on modernizing fisheries infrastructure to enhance value addition.
- c) **Component 3:** Strengthening marine fisheries and aquaculture-based livelihoods for coastal communities, which aims to enhance social and economic benefits that coastal communities derive from sustainable use of marine living resources. Sub-component 1 will be on strengthening capacity of coastal communities on entrepreneurial and organizational skills and sub-component 2 will aim at enhancing access to finance and grant support.
- d) **Component 4:** This Component will cover project management, including establishment and operationalization of a project secretariat, fiduciary, environmental and social safeguards, and monitoring and evaluation.

2. RATIONALE FOR THE ASSIGNMENT

Kenya's devolved government system, as enshrined in the Constitution of 2010, is defined by large-scale political, fiscal, and administrative decentralization. County governments now play the primary on-the-ground role in delivering services (in the agriculture, water, environment, urban, and health sectors), while the national government retains a policy-making, regulatory, and research role. Kenya's decentralization has been among the most rapid and ambitious processes globally, with new governance challenges and opportunities rising as the country builds a new set of county governments.

There have been several World Bank projects that have been prepared post devolution, that have taken into account the devolved sectors' responsibilities at the county and community levels, including those projects that have activities down to the community level. Some recent examples include: Kenya Climate Smart Agriculture project, National Agricultural and Rural Inclusive Growth project, Kenya Devolution Support project. The Kenya Coastal Development project and the South West Indian Ocean Fisheries project are others that would be need to be reviewed to assess lessons learned in terms of implementation arrangements.

This consultancy aims to analyze the institutional landscape in the marine fisheries and aquaculture sector in Kenya by specifically looking at the existing and required coordination structures and mechanisms between the national and county governments, and arrangements at the community level. In addition, it aims at assessing the operational capacity and eventual institutional strengthening needs of the implementing agencies for the KEMFSED project, to ultimately develop an implementation arrangement proposal that best leverages the existing structures.

3. OBJECTIVE OF THE ASSIGNMENT

The objectives of the consultancy are as follows:

- a) **Objective 1:** Conduct a capacity assessment of the national and county institutions to be involved in the implementation and execution of the KEMFSED project respectively, and provide specific recommendations on how these could be strengthened towards ensuring successful project implementation. Consultancy should consider implementation in a devolved setting by also identifying the roles and responsibilities at various levels, including at the community level.
- b) **Objective 2:** Develop an implementation arrangement proposal for the successful implementation of KEMFSED, including execution at county and community levels, drawing on recent experiences and lessons from comparable investment projects in other sectors in Kenya, and taking into account roles and responsibilities in a devolved sector.
- c) **Objective 3:** Prepare an inventory of policies, legislations and regulations (national and international) that are relevant to KEMFSED, including those that are currently under review/being prepared, and those developed at the county level as applicable.

It is important to make a clear distinction between Objective 1 and 2. Objective 1 is focused on determining the capacity of the institutions that will need to play a role in the project's implementation, irrespective of their specific role in the management of project funds. Objective 2, on the contrary, is focused on proposing an efficient implementation mechanism for KEMFSED. This mechanism should clearly indicate the institution(s) that will be responsible for executing each of the project components at various levels (national, county, community); and describe higher level oversight and accountability structures. Identify and elaborate on the required composition, structure and role of the project coordination unit (PCU), taking into consideration technical, fiduciary (procurement and financial management), safeguards (environmental and social), monitoring and evaluation, and other administrative responsibilities. In so doing, Objective 2 focuses on enhancing capacity building, promoting governance as well as identifying and addressing potential project risks relating to funds mismanagement, fraud and corruption. Provide draft TORs for the proposed higher level project oversight structures (e.g. steering committee, technical committee, etc.).

4. SCOPE OF WORK

The consultant is expected to conduct the following:

Objective 1

- a) Conduct an institutional assessment of all entities that are relevant towards the successful implementation of the KEMFSED project, particularly SDF-BE, KeFS, Kenya Marine Fisheries Research Institute (KMFRI), coastal county governments, Kenya Fish Marketing Authority (KFMA), relevant Beach Management Units (BMUs), coastal communities, and any other entity. Attention should be given to:
 - The role and mandate of each institution together with their institutional short- and long-term vision/plans and priorities, the legal, policy, and strategic frameworks for their operations line of command, budget lines and funding sources, and operational policies;
 - Coordination and partnership mechanisms for regional collaboration and cross-sectoral cooperation; and

- Cross-sectoral procedural requirements for the approval and commissioning of activities on the ground.
- b) Conduct a detailed assessment of the operational capacity of the institutions identified under a). Specifically:
- Assess availability of staff, representatives and facilities available within these institutions together with capacity for undertaking procurement, financial management, environmental and social safeguards, monitoring and evaluation, and reporting;
 - Assess the entity's experience in implementing own, or donor-funded programs (e.g., Kenya Coastal Development Project (KCDP), the South West Indian Ocean Fisheries (SWIOFP) by specifically looking at outcomes, successes, and shortcomings to capture lessons learned;
 - Identify challenges, restrictions, and risks that could affect the successful implementation of the project, and propose mitigation measures;
 - Based on the above:
 - i. Identify and prioritize capacity development activities for each of the institutions (including those that are in the process of being established) to address gaps and needs required for successful implementation of the KEMFSED project, by specifying the schedule and cost of the interventions; and
 - ii. Identify and prioritize institutional development activities for institutions that are in the process of being established (and critical for the successful implementation of the KEMFSED project), that could be undertaken during the implementation phase of the Project.

Objective 2

- c) Collect information on implementation arrangements of similar programs that are thematically related to the KEMFSED project components and activities (e.g. the recently closed Kenya Coastal Development Project – KCDP; Climate Smart Agriculture Project), and that involve national government entities and county governments as implementing agencies. Attention should be given to analyzing factors of success and lessons learnt, particularly regarding financial flows, management, monitoring and evaluation, provisions for adaptive management and learning, effective cooperation between national and county governments in a devolved setting for the sector.
- d) Based on and informed by a), b) and c), and following guidance from SDF-BE and the World Bank, draft a proposal laying out potential implementation arrangements for the KEMFSED project, to be put forward for discussion to SDF-BE and the World Bank. Provide recommendations including organograms of structures for oversight and reporting of the KEMFSED project at various levels - for example: national level project steering committee, national level project technical committee; including as required, county level and community level bodies.
- e) Following consultations and an agreement reached between SDF-BE and the World Bank, develop a detailed implementation arrangement proposal, describing:
- Institution that will be responsible for implementing the project and its various components; mechanisms for implementing each of the project components; identified risks (e.g., capacity, coordination, governance, fraud, corruption), and how they will be addressed;

- Financial and procurement arrangements together with the flow of funds and accountabilities for financial reporting;
- Coordination arrangements between implementing and supporting entities, describing procedures;
- Include organograms showing the implementing and reporting arrangements at various levels;
- Draft Terms of Reference (TORs) for the proposed higher level project oversight structures (including steering committee, technical committee, etc.); and
- Composition, structure and role of a project coordination unit (PMU).

Objective 3

- Prepare an inventory of policies, legislations and regulations (national and international) that are relevant to the KEMFSED project, including those that are currently under review/being prepared, and those developed at the county level as applicable.
- Ensure the inventory is considering/building on any reviews/inventories that have recently been carried out under the KCDP or similar projects/efforts.

5. EXPECTED DELIVERABLES AND TIMELINE

Key deliverables include the following:

<i>Deliverable</i>	<i>Timeline (weeks after contract signature)</i>
a) <i>Inception Report:</i> The consultant will prepare an inception report, which interprets the TOR. The report will clearly specify the approach and methodology of how the assignment will be undertaken, the road map/work plan envisaged to accomplish the assignment, and the proposed structure for the final report. The consultant will organize a meeting with relevant SDF-BE representatives to collect feedback and specific recommendations. The consultant will prepare detailed minutes of the meeting, and ensure that the work carried out thereafter, complies with the feedback received.	Within 1 week of contract signing
b) <i>Weekly Reporting:</i> The consultant will provide brief weekly updates on progress achieved and next steps.	At the end of each week
c) <i>Interim Report:</i> This report will contain reports of meetings, focus group discussions/stakeholder consultations, with a summary of activities undertaken so far. This will be made available to SDF-BE to ensure quality technical content and ascertain that the consultancy objectives are addressed.	Within 3 weeks of contract signing
d) <i>The Draft Final Report:</i> This report should be close to final in terms of content. The consultant will present the draft final	Within 6 weeks of contract signing

report to relevant SDF-BE representatives, and other key stakeholders for feedback and comments.	
e) Final Report: Five hard copies of the final report and a digital copy will be submitted within 2 weeks after validation of the draft final report, appropriately reflecting the feedback received from key stakeholders.	Within 8 weeks of contract signing

6. QUALIFICATIONS

The individual consultancy is expected to have the following qualifications and experience:

- a) Master's degree or equivalent at minimum, in aquatic sciences, fisheries science, environmental planning and management, or similar;
- b) At least 10 years of professional experience in (i) conducting institutional capacity assessments, preferably in the fisheries sector; and (ii) strategic planning, preferably for institutions in the fisheries and aquaculture sub-sectors;
- c) Profound understanding of the GoK's processes and procedures, with knowledge of relevant institutions and agencies;
- d) Understanding of the devolution in the context of the marine fisheries and aquaculture sub-sectors in Kenya;
- e) Proven experience with multilateral and bilateral investment projects, and specifically project management, financial management, procurement, safeguards, and monitoring and evaluation;
- f) Proven experience in the preparation and/or supervision of complex projects, preferably direct experience in implementing World Bank projects;
- g) Strong interpersonal skills - good mediation and negotiation skills, with experience at the local level with communities; at the national level with government agencies, donors, NGOs, academia and the private sector; at the international level through participation in regional, bilateral and international negotiations;
- h) Excellent spoken and written communication skills in English, with an ability to work in a diversity of situations and cultures in a sensitive and consultative manner.

7. PAYMENT SCHEDULE

Payment terms will be based on completion of agreed milestones as per contract agreement and shall be made as per the following schedule:

- a) Ten (10) percent of the contract price shall be paid upon submission and acceptance of the Inception Report
- b) Thirty (30) percent of the contract price shall be paid upon submission and acceptance of the Interim Report;
- c) Forty (20) percent of the contract price shall be paid upon submission and acceptance of the Draft Final Report; and

- d) Twenty (40) percent of the contract price shall be paid upon submission and acceptance of the Final Report (hard and soft copies)

8. REPORTING REQUIREMENTS

The consultant will report to the Acting Interim Director General of the KeFS on all matters pertaining to the assignment. The consultant will provide weekly updates on progress achieved.