Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 17-Dec-2019 | Report No:

BASIC INFORMATION

A. Basic Program Data

Country	Project ID	Parent Project ID (if any)	Program Name
Kenya	P173065		Financing Locally-Led Climate Action Program
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Does this operation have an IPF component?**
AFRICA	30-Sep-2020	26-Feb-2021	Yes
Financing Instrument	**Borrower(s)**	**Implementing Agency**	**Practice Area (Lead)**
Program-for-Results Financing	The National Treasury	The National Treasury, National Treasury and Planning - Climate Finance and Green Economy Unit	Social

Proposed Program Development Objective(s)

To strengthen county governments' capacity to plan, implement and monitor resilience investments in partnership with communities.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	300.00
Total Operation Cost	300.00
Total Program Cost	270.00
IPF Component	30.00
Total Financing	300.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	300.00
World Bank Lending	300.00

Concept Review Decision

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

Kenya is highly exposed to the potential impacts of climate change. Current projections suggest that average temperatures will rise up to 2.5ºC between 2000 and 2050, while rainfall will become more intense and less predictable. Even the slightest increase in frequency of droughts will present major challenges for food security and water availability, especially in Kenya's Arid and Semi-Arid Lands (ASALs) in the north and east. Other parts of the country, most notably in the Rift Valley province, are also vulnerable to climate change impacts due to increasing extreme events (droughts and floods, combined with landslides) while glacier melt will further reduce future water availability. Coastal areas will suffer from rising sea levels and associated floods and salt water intrusion.

All 47 counties in Kenya are highly exposed to the potential impacts of climate change. The projected impacts have grave implications for poverty reduction efforts, water availability, food security, and health, among other challenges. Extreme events are already having serious impacts on poor communities and the country's development. Over the past 10 years, droughts have brought suffering and losses amounting to over US$12 billion. Kenya is chronically water scarce with one of the most degraded areas in the region; about 70% of the population lives in the small share (about 12%) of Kenya's total land area that has agricultural potential.

In response, Kenya has prioritized addressing climate change as a critical challenge to sustainable development. The country has made specific commitments to reduce Greenhouse Gases (GHGs) under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. Through Kenya's Nationally Determined Contribution (NDC) submitted to UNFCC in July 2015, the country commits to abate its GHG emissions by 30% by 2030 relative to the business as usual (BAU) scenario of 143 MtCO2eq. On adaptation, Kenya laid out plans to, among other goals, integrate climate change adaptation into national and county level development planning and enhance resilience of vulnerable populations to climate shocks and natural hazard events.

For the past decade, Kenya has been increasingly strengthening its policy and legal frameworks on climate change and climate resilience development. In 2010, the country took a major step to promote a dual-track approach aimed at addressing both climate change adaptation and mitigation measures by developing a National Climate Change Response Strategy (NCCRS). The Strategy provided the foundation upon which to strengthen nationwide action towards climate change adaptation and mitigation. This was followed by the launch of the Kenya National Climate Change Action Plan (NCCAP) in March 2013 (covering 2013-2018). In addition, Kenya launched the Vision 2030 as its key national development planning instrument in 2008. As the national long-term development blue-print, Vision 2030 aims to transform Kenya into a newly industrializing, middle-income country by 2030. While climate change was hardly mentioned in the first Kenya's Vision 2030 Medium Term Plan (2008-2012), an inter-ministerial and cross-sectoral process during the development of subsequent NCCAPs have ensured that climate change is now incorporated in development planning and in the wider implementation of Vision 2030. In 2016, Kenya enacted a Climate Change Act 2016, and it is implementing its second National Climate Change Action Plan (NCCAP) 2018-2023.

Sectoral (or multi-sectoral) and Institutional Context of the Program

With robust legal and policy frameworks on climate change, Kenya has also been striving to develop coordination and implementation mechanisms to advance progress at the ground level. The country's Climate Change Directorate (CCD) is the coordinating agency for climate change plans and actions. The CCD serves as the national center for coordinating actors, capacity building, and collating, verifying, refining, and disseminating knowledge and information on climate change.

Within the National Treasury (NT), Kenya has established a Climate Finance Unit to mobilize and manage climate change financing. Functions of the NT are core to the climate financing requirements and management at both international, national and sub-national levels. The NT is responsible for funds and instruments with ties to climate change adaptation, such as the National Drought Contingency Fund, Arid and Semi-Arid Lands Drought Contingency Fund, Africa Risk Capacity, Kenya Livestock Insurance Program, and the Kenya Crop Insurance Program. NT is the National Designated Authority for the Green Climate Fund, and the 2014 Climate Change Bill created a national level Climate Change Fund, which is vested in the Treasury. The creation of the NT's Climate Finance Unit is key to ensuring transparency and accountability of climate funds drawn from various sources by providing systems for mobilizing, allocating and tracking climate funds. Despite these key strategic strengths of the NT, establishing strong ties with other technical and policy arms of the state as well as with non-state actors could help develop a more coordinated and integrated climate finance management system.

Other key players at the national level include the National Drought Management Authority (NDMA), which sits within the Ministry of Devolution and Planning. With drought being a key risk in Kenya, the NDMA coordinates and supervises drought management efforts throughout the country and is increasingly taking an active role in the implementation of adaptation actions, particularly in the ASALs.

While responsibility for overall development policy formulation and planning sits at the national level, both the NCCAP and Climate Change Act place substantial responsibility on county governments to implement climate action on the ground. Kenya's Nationally Determined Contribution (NDC) emphasizes a focus on adaptation to climate change, and lists devolution and mainstreaming climate change into County Integrated Development Plans (CIDPs) as a priority climate action. The NCCAP calls for systematic local actions coordinated between the national and county governments, as identified in the CIDPs.

This approach aligns with global good practice on disaster and climate risk management (and broader governance) related to the principle of subsidiarity, meaning that decisions should be dealt with at the most immediate level that is consistent with their resolution. As the impacts of climate extremes and natural hazards are felt at the local level, decision-making and resources should be at the local level as well. Moreover, local level planning and decision making can draw from local experience and traditional knowledge, institutions and innovations. Effective collaboration between local communities and county governments in climate resilient, low carbon development planning and implementation can also strengthen democracy and encourage diffusion of appropriate local climate technologies, innovations and good practices across counties.

The Constitution of Kenya 2010 gives county governments the legal mandate to make critical governance and development planning decisions on natural resources to meet local, national and global sustainable development goals. The Constitution envisages that counties would not only rely on resource allocation from the National Government, but also raise substantial resources from within to strive towards self-sufficiency.

While Kenya has robust legal and policy frameworks at the national level, county governments are largely unable to systematically translate national climate targets into local actions through the CIDPs. Innovative efforts have been undertaken in a few counties to strengthen county capacity for climate risk assessment and climate action in partnership with communities. These pilot efforts, supported by the World Bank under the Kenya Accountable Devolution Program and the Ada Consortium, have been successful and generated great demand from other counties for similar support. Climate action on the ground remains overall sparse, as most counties lack the knowledge, technical and financial resources for effective cooperative planning, implementation and monitoring of climate action. With very few exceptions, counties also lack the appropriate policy, legal and institutional architecture necessary to achieve this objective.

Efforts by the National Treasury through the Climate Finance Unit, and by the Climate Change Directorate to build capacity of line ministries, agencies, CSOs, private sector and counties are indications of good progress, but need to go beyond promoting general awareness to deeper, applied capability building. Moreover, coordination and collaboration between local and national level, and across agencies at the national level could be greatly strengthened.

Overall, Kenya has demonstrated pioneering leadership on climate change, both in its commitments at the global level, and in establishing national level legal and policy frameworks and institutions. Given the complex and dynamic nature of climate change, its impacts at the local level, there is a huge opportunity to support strategic coordination among local and national climate stakeholders, and to support local climate action that promotes collaborative partnerships between communities and their local and county governments. Locally-led climate action can inform traditional knowledge with the latest climate science to develop innovation solutions that are inclusive, sustainable, and respond directly to the needs and priorities of local communities.

Relationship to CAS/CPF

The Kenya Country Partnership Strategy (FY14- FY18) clearly identifies climate change as a key issue under Outcome 6, entitled, Improved Capacity to Manage Risks from Climate Change. The CPS states that the poor must be protected from the impact of disasters and climate-related changes to their environments. Climate variability and hydro-climatic shocks (droughts and floods) impact disproportionately on the poor. It is estimated that as many as half of the population lacks access to adequate and nutritious food. Climate change is projected to exacerbate existing climate risks and water resource constraints. The CPS also envisaged the development of community action plans with concrete climate risk management activities. The proposed program is also consistent with the Africa Climate Business Plan, particularly related to the strategic direction on Disaster Preparedness, Social Cohesion and Resilience.

Moreover, support to devolution is a key pillar of the CPS, with the Bank providing support to strengthening national and county level institutions through two main programs: the Kenya Accountable Devolution Program (KADP) and the Kenya Devolution Support Program (KDSP). KADP is a Bank-managed multi-donor trust fund that has mobilized financial, technical and partnership support for initiatives to develop stronger institutions, enhance service delivery and increase citizen engagement in governance. Through KADP, the Bank has supported activities on devolved climate finance and participatory climate risk management through county governments.

Rationale for Bank Engagement and Choice of Financing Instrument

KADP started in 2012 to support the devolution process in Kenya. In 2015, climate change was incorporated into KADP a cross-cutting issue. The activity on Devolution and Locally-Led Climate and Disaster Risk Management was initiated in 2017 under KADP II to strengthen county capacity to address climate and disaster risk management with a focus on integrating climate into local development planning and facilitating partnerships between communities and local/county governments to collaborate on strengthening resilience in a socially inclusive and sustainable manner.

The initiative targeted 4 counties (Kwale, Makueni, Narok and Siaya) and worked with a broad set of government and non-governmental partners at national and local levels, including the National Treasury, the Climate Change Directorate, the Council of Governors, Kenya Red Cross, Ada Consortium (IIED), Kenya School of Government, Maarifa Center, etc. While the project had a short implementation timeframe (less than one year), important milestones were achieved in the 4 pilot counties, including:

- Buy-in from county leadership and establishment of technical teams
- Capacity building and draft Integrated Climate Risk Management (ICRM) action plans developed in the target counties to help identify gaps and key actions to be taken
- Introduction of the County Climate Change Fund mechanism
- Engagement with National Treasury and gap analysis completed to support the Council of Governors for accreditation to Green Climate Fund
- Linkage of county technical officers with KMD partners and development of Climate Information Services (CIS) plans for Kwale, Narok and Makueni.
- Launch of mobile-based early warning system for recurrent flash floods in Narok County with Kenya Red Cross Society, KMD, the Communication Authority and telecommunication companies.

The activities undertaken under KADPII were shared with a larger set of counties and have generated large demand for similar types of support. Bank support under KADP II was key to convening a broad set of actors and to promoting productive dialogue across government agencies to collaborate on advancing the climate change adaptation agenda. This proposed program will build on the learning and momentum gained under KAPD II. The Bank is uniquely placed to support technical, financial, and governance aspects of the climate change agenda in Kenya. The program will build on existing structures, data and institutions. Under KADP II, a substantial amount of information and data was collected, and productive dialogue/coordination among relevant stakeholders was initiated. The program will therefore build upon the momentum gained under KADP II.

This program is proposed to be implemented under the Program for Results lending instrument. It will support the local action and coordination aspects of Kenya's program for addressing climate change, which is rooted in the following key policy and legal frameworks. These include:

- The **National Adaptation Plan** (NAP, 2015-2030) establishes the country's adaptation objectives and identifies priority actions in 19 planning sectors for the national and county governments (including devolution).
- The **Climate Change Act** (2016) provides an overarching framework and calls for a climate change mainstreaming approach that includes the integration of climate change considerations into development planning, budgeting and implementation in all sectors and at all levels of government. The Act requires county governments to integrate and mainstream climate change actions, interventions and duties, including mainstreaming the NCCAP into County Integrated Development Plans. The Act also establishes the National Climate Change Fund (National and County) as the mechanisms for funding priority climate change actions and interventions. The Fund is intended to be the key mechanism by which international and domestic resources will be managed and channeled towards the country's climate change priorities.
- Kenya's **Nationally Determined Contribution** (NDC) establishes adaptation as Kenya's priority response to climate change and sets a goal of mainstreaming adaptation actions in the five-year development plans of Kenya Vision 2030, the country's long-term development strategy.
- **National Climate Change Action Plan** (NCCAP) sets out priority actions for each five-year period. The current NCCAP (2018-2022) describes the short, medium and long-term actions for counties to take to support adaptation:

Short-term actions	• Conduct participatory county level climate risk and vulnerability assessments • Increase awareness of climate change impacts to communities in counties • Build the capacity of county governments on climate change adaptation
Medium-term actions	• Develop county adaptation plans • Develop county climate financing mechanisms for adaptation. • Develop appropriate climate adaptation financing tracking systems
Long-term actions	• Implement county adaptation plans • Upscale successful adaptation actions

The programs to achieve the NCCAP are laid out in the Kenya's Third Medium-Term Plan (MTP III) 2018-2022, which is the second MTP to be prepared under the devolved system of governance. The MTP III is aligned with the Constitution, Kenya's Vision 2030, and includes a focus on delivering the "Big Four" initiative. It provides a financing framework to deliver the Government's Programs and Projects.

Given that Kenya has robust legal and policy frameworks and institutions, and a number of ongoing programs in place to address climate change, the PforR instrument has been deemed more appropriate than an IPF or DPF. Kenya continues to demonstrate strong commitment to integrating climate change into national development planning and investment programs, and is seeking support to strengthen the institutions, coordination mechanisms, and to build capacity at the local level where the impacts of climate change are being felt. Moreover, GoK is experienced in implementing PforRs in support of the devolution program, and the Bank has seen positive results with these programs, including the Kenya Devolution Support Program (KDSP) and the Kenya Urban Support Program (KUSP).

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

Program Development Objective(s)

To strengthen county governments' capacity to plan, implement and monitor resilience investments in partnership with communities.

PDO Level Results Indicators

The proposed program aims to achieve the following results: (i) increase capacity at the county level for participatory climate risk assessment and management planning; (ii) strengthen local level climate and disaster resilience through local action and adaptation investments; and, (iii) improve monitoring, reporting and verification and coordination of climate change activities and results from local to national level.

These will be measured by the following indicators:

1. Number of counties with laws, funding mechanisms, and capacity for climate resilience planning.
2. Number of Integrated Climate Risk Management Action Plans approved and implemented.
3. Number of ward committees reporting increased resilience to climate and disaster risk.
4. Number of counties reporting on climate resilience activities.
5. Number of intergovernmental committee coordination meetings held.

D. Program Description

PforR Program Boundary

While Kenya has mainstreamed climate change considerations across relevant sectors of development, they have also outlined a suite of programs directly aimed at strengthening climate change governance and coordination, climate change monitoring, reporting and verification, capacity building and public awareness, formulation and implementation of a Green Economy Strategy and implementation of the National Climate Change Action Plan.

Programs in the Medium-Term Plan III that are relevant to the proposed operation include:

Ending Drought Emergencies (EDE), which has been recognized as one of the key foundations for national development. To enhance food and nutrition security under the "Big Four" initiatives, NDMA will implement programs and projects to address the twin challenges of climate change and drought.

Climate Finance and Disaster Risk Financing: Key initiatives will include developing a strategy for climate finance to operationalize the Climate Change Fund (CCF), piloting the issuance of green bonds, implementation of the National Policy on Climate Finance, increasing the provision and uptake of climate financing and increasing the level of climate financing available for priority sectors (transport, agriculture and energy), implementation of the disaster risk financing strategy.

Climate Change Governance and Coordination: The Program aims at enhancing governance, coordination and financing of climate change related activities in all sectors of the economy. It will be implemented through: operationalization of the National Climate Change Council; development of subsidiary legislations; operationalization and resource mobilization for the Climate Change Fund and Partnering for the Green Growth & Global Goals 2030 (P4G). P4G is a global initiative to accelerate delivery on the Global Goals through green growth to be achieved by harnessing the strengths of the public and private sectors and supporting partnerships. The program also aims to strengthen the Climate Change Directorate and operationalize climate change units in the Ministries, Counties, Departments and Agencies (MCDAs); formulate and implement national gender and inter-generational responsive public education and awareness on climate change; mainstream climate change actions into the National and County Governments' policies and plans; and operationalize the National Climate Change Resource Centre.

Second National Climate Change Action Plan (NCCAP) 2018-2022, which entails the development of adaptation actions to reduce vulnerability to avoid or cushion the impacts of climate change, and to enable people to respond to climate risks by moving towards a climate resilient society.

In relation to the above programs, the proposed operation aims to support the financing, governance, national and local coordination and capacity building aspects that focus on strengthening local level resilience and county level capacity for climate risk management.

	Government program(s)	**Program supported by the PforR (PforR Program)**	**Reasons for non-alignment**
Objective: To enhance governance, coordination and financing of climate change related activities in all sectors	1. Third Medium Term Plan (MTP III); 2018 – 2022; 2. *Kenya National Adaptation Plan (NAP): 2015-2030*, government of Kenya, July 2016 3. Government of Kenya (2018). *National Climate Change Action Plan NCCAP, (Kenya): 2018-2022*. Nairobi: Ministry of Environment and Forestry.	Support to the climate change, climate finance, and disaster risk management thematic areas.	The program will only support activities that meet PforR requirements and not supported by other financing sources up to 2022. However, support could continue in the Fourth MTP.
Duration	MTP III – 2018 – 2022 NAP – 2015-2030 NCCAP – 2018 - 2022	*2021-2026*	*Supporting ongoing phases of MTP III and NCCPA, and the initial phases of NAP.*

Geographic coverage	*National and County Level*	*Based on equity and performance*	*Priority engagement for the Bank*
Results areas	Under NCCAP, MTPIII the priority area to be supported is the operationalization of the Climate Change Funds, including establishment of the management and oversight of the funds; annual budgeting and reporting; development of policies, guidelines and procedures; and capitalizing the fund through various sources.		
Overall Financing	The estimated total cost of implementing Kenya's NAP till the year 2030 is US$ **38,255,496,051.** The cost of implementing Climate Change aspects under the Kenya's MTP III up to 2022 **US$ 147,000,000.**		

The proposed program aims to strengthen local resilience to the impacts of climate change, natural hazards, and other shocks/stressors by building counties' capacity to plan, implement and monitor resilience investments in partnership with communities. It would emphasize the governance, social inclusion and citizen participation aspects of climate and disaster risk management, and support resilience investments identified by counties in partnership with communities. The program will be national in scale, linking local level action to national level coordination and planning, and would be designed to build the capacities and systems for understanding, planning, administering climate resilience investments while at the same time funding the investments themselves.

The program funds would be provided through Disbursement Linked Indicators (DLIs) aligned to the expenditure areas as follows:

1. **County readiness for supporting locally-led climate action (USD20 million)**: This area will cover activities to put in place the mechanisms, policies, regulations, and capacities at the county level for participatory climate risk planning, implementation and monitoring. The capacities, policies and institutions of county governments to understand, address and support climate action at the local level varies greatly. A few counties are more advanced, having passed laws on climate and disaster risk management and established County Climate Change Funds (CCCFs). Others, however, have extremely low capacity – many of these also have very high vulnerability to the impacts of climate change, and are also facing risks of conflict and violence. Agreement will be made to identify minimum conditions to access readiness grants (e.g., establishment of CCCF, establishment of Climate Change Unit), and priority will be given to capacity building of those counties to build capacity on integrating climate change considerations into County Integrated Development Plans and annual work plans; participatory approaches to assessing risk and developing Integrative Climate Risk Management action plans, establishing or strengthening the necessary policies, procedures, and capacities for climate risk management.

Possible DLIs linked to this component: The proposed DLI for this area would be for county governments to meet a bare minimum standard to receive a readiness grant. More detailed results and indicators will be identified to monitors year-to-year capacity (e.g., maintenance of county climate change teams, inclusion of climate resilience activities in annual work plans, etc.)

2. **Locally-led climate action grants (USD 230.0 million):** The bulk of the funding would be channeled through this expenditure area to support local actions and adaptation activities in the counties as prioritized by communities and counties. The establishment of County Climate Change Funds (CCCFs) is one of the priorities of the National Climate Change Action Plan (2018–2022). Thus far, only five counties had established CCCFs: Makueni (2015), Wajir (2016), and Garissa, Isiolo and Kitui (2018).

The CCCFs will finance investments that reduce climate and disaster risk while supporting communities to adapt to future climate scenarios. Communities will work with their local authorities through ward-level planning committees to identify risk reduction and adaptation needs. The CCCFs will be set up in a way to support citizen engagement in the management of the funds. CCCF investments could be used, for example, to support resilience focused on livelihoods, livestock, water, natural resource governance, climate information services, etc. They will be structured to work through the government's established planning and budgeting systems and will be able to blend resources from international climate finance development partners and the private sector as well as the national and county government budgets.

Possible DLIs linked to this component: The proposed DLI for this area would be that counties have prepared an Integrated Climate Risk Management (ICRM) action plans based on participatory methodologies. Grants can be provided on an annual basis to support updated plans.

3. **Building cross-government team to support local climate action and capacity for coordination and reporting (USD 20 million):** Support would be provided to strengthen linkages between the Climate Change Directorate (CCD), the Council of Governors, the National Disaster Management Authority (NDMA), KMD, KSG, and other actors who play key roles in coordinating, monitoring, and reporting on climate change and disaster risk management activities in the country.

As the Climate Change Directorate (CCD) serves as the national knowledge and information management center for collating, verifying, refining, and disseminating knowledge and information on climate change, they will play a key role. The CCD will establish an intergovernmental committee comprised of members of CCD, CoG, NDMA and chaired by the CECM Natural Resource Management to oversee the functioning and reporting from established county climate change implementation committees and units; provide guidance and technical support on climate change interventions as needed; monitor progress of implementation of National Climate Change Action Plan and Climate Change Act; promote resource mobilize for meeting and activities; and facilitate networking and knowledge sharing across counties and agencies.

The Council of Governors will also be supported in their function to consult County Governments, share information, facilitate capacity building, and coordinate reporting on climate action from counties. They will establish a dedicated team on Climate Change that can liaise with the county governments, and with national partners.

Possible DLIs linked to this component: The proposed DLIs for this area include: (i) for CCD, the establishment of the intergovernmental committee for climate change, and strengthened capacity to work with partners on climate change planning, action, and learning; and, (ii) for the CoG, strengthened capacity for supporting counties in the area of climate change and liaising with national stakeholders.
would be for county governments to meet a bare minimum standard to receive a readiness grant. More detailed results and indicators will be identified to monitors year-to-year capacity (e.g., maintenance of county climate change teams, inclusion of climate resilience activities in annual work plans, etc.)

4. ***Effective climate finance management and program coordination (USD 30.0 million):*** This area of expenditure would support the costs of the Project Implementation Unit within the National Treasury to carry out all fiduciary aspects of implementation of the program, including financial management, procurement, environmental and social safeguards, M&E, sector coordination of investment targeting and policy harmonization, and donor coordination.

Possible DLIs linked to this component: The proposed DLI for this area would be that National Treasury has provided effective coordination and management of climate finance. Annual results and indicators will be agreed upon with GOK.

Table 1. Summary of proposed DLIs

County level	**Expenditure Area 1: County government readiness for supporting local climate action**	DLI 1: County governments meet minimum access conditions for readiness grants
	Expenditure Area 2: Locally-led climate action grants	DLI 2: Counties have prepared Integrated Climate Risk Management (ICRM) action plans based on participatory methodologies.
National level	**Expenditure Area 3: Building cross-government team to support local climate action and capacity for coordination and reporting**	DLI 3: CCD has established mechanism and strengthened capacity for intergovernmental coordination of climate change planning, action, and learning.
		DLI 4: Council of Governors has strengthened capacity for supporting counties in the area of climate change and liaising with national stakeholders.
	Expenditure Area 4: Effective climate finance management and program coordination	DLI 5: National Treasury has provided effective coordination and management of climate finance.

E. Initial Environmental and Social Screening

An Environmental and Social System Assessment (ESSA) will be carried out for the proposed PforR operation prior to appraisal. The ESSA will review systems for managing environmental and social risks of the Climate Finance Unit at the

National Treasury and the counties' capacity and systems to manage risks associated with the program investment menu. Key measures identified by the assessment will be incorporated into the overall Program Action Plan, and will may also be reflected in DLIs or program conditions/measures, insofar as they contribute to the creation and/or strengthening of county-level risk management systems.

Eligible investments that will could be financed by the program could possibly include a range of small infrastructure items, which are not likely to have significant environmental and social impacts. There will not be category A projects financed under the Program. Certain types of infrastructure will be considered ineligible and placed put on a "negative" (or proscribed) investment menu/list – these will include infrastructure items that are very likely to have a significant negative social or environmental impact (s), such as investments considered to be Cat. A (under safeguards) or substantial/high risk under the ESF.

Recent Environmental and Social Systems Assessments (ESSAs) carried out for the preparation of the Kenya Devolution Support Program (KSDP) and the Kenya Urban Support Program (KUSP) indicated that the existing environmental and social management procedures of county governments were inadequate while those of devolved offices of the National Environment Management Authority (NEMA) are adequate for use by the program for the regulation of environmental risks, though not so for social risks. Also, the KDSP and KUSP ESSAs found that the county-level capacities to manage social and environmental risks are nascent. In addition, it concluded that while staff at post tend to possess adequate or basic qualifications, both NEMA and county governments are currently under-staffed and under-funded to support the proper preparation and supervision of projects.

Since the ESSAs for the current PforR programs, capacity building efforts to develop and strengthen social risk management practice are currently being supported through KDSP, with an aim to assist counties to reach the minimum conditions of having functional risk management systems to manage risks on KDSP and KUSP investments and beyond, as value added to counties' longer term institutional capacity regardless of the source of funding. Moreover, the WB is engaging with the GoK to provide technical assistance in the development of an institutional, regulatory framework (including policy and standards) at the national level to address the regulation of social risk, however it is not yet functional. These issues will need to be further examined and, if necessary, will be addressed in the design of the proposed P-for-R operation.

Legal Operational Policies	**Triggered?**
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

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

IPF components 3 and 4 have been screened for potential environmental and social risks and impacts. The proposed TA for capacity building both at national and sub-national level will result in negligible risks and impacts to the human population and environment. Downstream risks of policies and legislation developed will integrate environmental and social dimensions and have only process-related risks of not achieving desired effectiveness.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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