

TERMS OF REFERENCE

Terms of Reference for Programme-level Environmental and Social Management Framework.

BACKGROUND.

KCB Group has over the last few years embedded sustainable practices throughout its operations. We have aligned our actions and business operations towards the UN Global Sustainable Development Goals (SDG) where the Bank has adopted 14 out of the 17 SDGs. With an increased focus on managing climate, environmental and social risks KCB Group aims to increase its green loans portfolio, creating a sustainable pipeline in the markets where we operate. We aim to forge partnerships with stakeholders who will help to achieve our targets in green lending and hence contribute towards the Bank 2050 Net Zero commitment, the Paris Climate Agreement, and the Sustainable Development Goals (SDGs).

KCB Bank is an accredited member to the Green Climate Fund (GCF) and as such we developed a concept note for SMEs focusing on Climate-Smart Technologies (CST) in Kenya. This concept note is set to become KCB's first approved project as a private sector direct access entity with the GCF, aiming to create tailored financial products for climate technologies that address climate change issues across various sectors, including agriculture, agro-processing, water, and waste management.

Following the Project Preparatory Proposal approval for the project, the Bank now aims to carry out various activities that will help to build the full funding proposal. This will help to build a strong foundation for the full funding proposal by addressing key aspects of project design, stakeholder engagement, and alignment with GCF objectives. This initiative is designed to enhance production efficiency, foster sustainable business practices, and address climate vulnerabilities in the sector. Given the scale and scope of the project, it is essential to develop a comprehensive Programme-Level Environmental and Social Management Framework (ESMF) to effectively manage and mitigate potential environmental and social impacts. This system will ensure that the project aligns with both national and international environmental and social standards, including GCF's safeguards.

AIMS AND OBJECTIVES.

The objective of this activity is to develop a comprehensive Programme-Level Environmental and Social Management Framework (ESMF) to ensure that the environmental, social, and gender impacts of the proposed interventions are effectively managed, mitigated, and reported.

SCOPE OF WORK.

The consultant will undertake the following sub-activities (but not limited to):

1. Undertake environmental and social baseline information at national and regional levels. This will include assessing biophysical, ecological, and socio-economic conditions in potential target area(s)
2. Review all requisite documents, which include but are not limited to:
 - a. KCB Corporate ESMS
 - b. GCF's Revised environmental and social policy
 - c. GCF's Gender policy and GCF's Gender action plan guide
 - d. GCF's Indigenous people's policy
 - e. GCF's Information disclosure policy
 - f. GCF's Sexual Exploitation, Abuse and Harassment (SEAH) risk assessment guideline
3. Undertake Policy, Legal, and Institutional Framework Analysis. This will include:
 - a. Examine national laws, regulations, and policies governing environmental and social safeguards, including biodiversity, land use, water resources, gender, and labor rights.
 - b. Assess international commitments relevant to the project (e.g., UN conventions, Sustainable Development Goals, International Labor Standards).
 - c. Compare GCF Environmental and Social Standards (ESS) with national policies and identify gaps or areas requiring additional measures.
 - d. Propose strategies to align the project with both GCF requirements and national frameworks.
4. Undertake Environmental and Social Risk and Impact Assessment

a. Risk Identification:

- i. Analyze potential environmental and social risks associated with each project component or activity.
- ii. Evaluate risks related to biodiversity, ecosystems, pollution, climate impacts, displacement, gender inequalities, labor practices, and community health and safety.

b. Risk Categorization:

- i. Classify project activities based on the level of risk (e.g., low, medium, or high) as per GCF ESS guidelines.
- ii. Highlight risks requiring targeted mitigation measures or additional studies (e.g., ESIA).

c. Mitigation Measures:

- i. Propose mitigation measures and good practices for managing identified risks.
- ii. Define monitoring indicators to track the effectiveness of mitigation measures.

5. Development of an Environmental and Social Management Plan (ESMP). The ESMP will include:

a. Mitigation Actions:

- i. Outline specific actions to prevent, minimize, or compensate for adverse environmental and social impacts.
- ii. Include guidelines for managing cross-cutting issues such as climate adaptation, biodiversity conservation, gender equity, and social inclusion.

b. Monitoring and Evaluation Framework:

- i. Develop a robust monitoring framework to ensure compliance with mitigation measures, including clear indicators, frequency of monitoring, and responsibilities.

- ii. Provide a mechanism to track and report the effectiveness of risk mitigation throughout the project lifecycle.

c. Roles and Responsibilities:

- ii. Define clear roles and responsibilities for implementing, monitoring, and updating the ESMP.
- ii. Include provisions for institutional strengthening and capacity-building to ensure effective ESMP implementation.

6. Develop elements of the ESMF required at the Full Funding Proposal stage to investigate, document, and strengthen:

- a. The capacity of KCB to implement the ESMF.
- b. Assess and address gaps between national policies and the Performance Standards/Targets of the program.
- c. Capacity needs for KCB in terms of ESS screening and implementation of the ESMF.
- d. Recommend key metrics to be incorporated into the overall program reporting to monitor compliance with ESS standards.
- e. Incorporate recommendations from stakeholders, KCB, and the GCF before finalizing and handing over the final ESS study.

7. Prepare a procedure for scoping of environmental and social issues and determining appropriate and required safeguards instruments for site-specific subprojects that will be identified during project implementation. This section outlines information on the type of management instrument (e.g., full ESIA, resettlement action plan, Indigenous peoples plan, audits, etc.) to be used depending on the subproject.

8. Outline the requirements for monitoring and subproject supervision to ensure that the management measures are satisfactorily implemented and that the agreed targets for environmental and social protection are achieved. A supervision plan should be prepared with guidance on thresholds or triggers for initiating corrective action and safeguard performance indicators to enable the Bank to evaluate compliance with safeguards and determine the need for corrective actions.

9. Develop a budget for the implementation of ESMF.
10. Develop standard tools including checklists and questionnaires for environmental screening, risk classification and risk monitoring for evaluating proposed sub-projects.
11. Undertake an E&S screening based on GCF ESS standards that are applicable for the program to determine the requisite documents to be prepared.
12. Undertake an analysis of Potential Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH) and Action Plan as per GCF's Sexual Exploitation, Abuse and Harassment (SEAH) risk assessment guideline.
13. Undertake a Livelihood Asset Vulnerability Assessment:
 - a. Examine ways to safeguard the interests of Project Affected Persons (PAPs), particularly pastoralists, ensuring their inclusion in the programme.
 - b. Conduct a participatory evaluation of the anticipated program impacts on Sylvo-pastoral zones, including community, environmental, and socio-economic safeguards to prevent externalities.
 - c. Develop a stakeholder list and program impact matrix on safeguard measures for pastoralists.
 - d. Create a Livelihood Asset Vulnerability Plan based on the assessments.
14. Where needed, prepare an Indigenous Peoples Planning Framework (IPPF) which includes the following: institutional framework, an implementation guide to conduct a Social Assessment, free, prior and informed consent (FPIC) process with affected IP communities, the preparation of site-specific Indigenous Peoples Plans (IP plans) or similar instruments (i.e.: Community Participation Plans), grievance and monitoring framework, budget, capacity development plan and other design features in-line with KCB and GCF Indigenous Peoples Policy requirements.
15. Where needed, prepare a Resettlement Policy Framework (RPF) to address potential land acquisition or related issues in line with KCB's requirements and those of the national laws and regulations of Senegal. The RPF should also include screening criteria, eligibility criteria, implementation procedures, institutional arrangements, valuation methods, generic entitlement matrix, grievance, and monitoring mechanisms, expected budget and capacity development plan (where necessary). The RPF should also include procedures

to develop a Resettlement Action Plan which includes a Livelihood Restoration Plan (if applicable). This will be informed by the results of the E&S screening and will be conducted as per GCF's Environmental and Social Safeguards.

16. Develop additional requisite documentation that may be required based on the findings of the E&S Screening.

17. Incorporate any comments that may be shared subsequently by KCB, the GCF Secretariat, CIC3 and ITAP during their review process.

METHODOLOGY.

To achieve the expectations of this exercise the consultant will be expected to provide a structured approach to identify, manage, and mitigate potential environmental and social (E&S) risks and impacts for the programme. The consultant will be required to establish processes, tools, and guidelines that align with regulatory requirements and international best practices-GCF. The approach will comprise the following phases:

- a) Inception phase: To establish a clear understanding of the assignment, scope, and expectations. In addition, conduct an **inception meeting** with key stakeholders, review existing documents, such as GCF frameworks, KCB Bank guidelines, and related CST models. Furthermore, develop and submit a detailed inception report that contains a clear methodology and the **work plan**, including timelines, deliverables, and preliminary analysis.
- b) Ensure alignment with relevant environmental and social regulations and standards. Review and integration of the international, national and local laws regulations related to environmental and social risk management.
- c) Establish an environmental and social baseline for the program area by identifying key environmental features (e.g., biodiversity, water resources, air quality). Assessing social factors, including demographics, livelihoods, and cultural heritage and mapping out vulnerable groups and ecologically sensitive areas.
- d) Identify potential environmental and social risks and impacts at the program level. Categorize risks based on activity types (e.g., construction, agriculture, energy). Define thresholds and criteria for risk categorization (e.g., low, moderate, substantial, high).

CONSULTANT'S DELIVERABLE/OUTPUT

Upon selection and contracting, the consultancy is expected to deliver at a minimum the following:

- I. A draft ESMF (in English) that includes:

- a summary of all findings from the stakeholder analysis, and the impact assessment of the subprojects in accordance with KCB and GCF's environmental and social safeguard standards.
 - recommendations of mitigation measures for adverse impacts.
 - summary of consultations undertaken.
 - screening procedures to be followed for sub projects.
 - ESMF monitoring plans.
 - SEAH assessment
 - Livelihood Asset Vulnerability Plan
 - Indigenous Peoples Planning Framework (IPPF)
 - Resettlement Action Framework (if required)
 - Tools such as checklists, risk matrices, screening tools and GIS mapping
 - Annexes, as applicable, and may include the following:
 - Exclusion list (list of activities that the programme will not finance)
 - Eligibility list (list of activities that the programme can finance)
 - Screening checklist: A matrix or table will be developed which outlines the severity of the potential impact, and how it should then be mitigated.
2. Final ESMF report (in English), having incorporated all comments from the Project Management Unit (Annex 6 of Funding Proposal Package)
 3. Swahili translation of the ESMF report.

CONSULTANCY TIMELINES/DOCUMENT OWNERSHIP

- I. The consultancy is expected to take a maximum of 1 month to complete the deliverables. The consultancy must support the KCB Group and the project management team during and after the GCF CIC3 (Investment Committee) and iTAP reviews, and enhance the deliverables to align with GCF and iTAP comments and requirements.
- II. There will be provision for discussion of the implementation plan and minimum requirements for this assignment/validation of findings with the KCB team and inclusion of comments where applicable.
- III. Any reports or other materials prepared by the consultant under this Agreement shall belong to and remain the property of the Bank.

RELEVANT QUALIFICATIONS

The consultancy is open to registered firms or teams of individuals. The consultancy assignment requires, at the very least, a team composed of experts who have at least 10 years of experience in;

- **Technical Expertise and Experience:**
 - Extensive experience in developing and implementing Environmental and Social Management Systems, especially in international donor-funded projects.

- Demonstrated experience in conducting environmental, social, and gender impact assessments.
- Proven track record supporting GCF PPF projects or similar international climate finance initiatives.
- Experience in developing monitoring, reporting, and audit mechanisms for impact assessments.
- **Knowledge of GCF Framework and Guidelines:**
 - Familiarity with GCF financial framework and guidelines.
 - Experience ensuring compliance with GCF environmental, social, and gender standards and optimizing program structures to align with these standards.
- **Analytical and Research Skills:**
 - Strong analytical skills for detailed environmental, social, and gender impact assessments.
 - Ability to analyze existing social, economic, and institutional frameworks relevant to the project and identify barriers to implementation or scaling.
 - Experience in developing detailed, actionable reports, including ESMS, vulnerability plans, and SEAH assessments.
- **Project Management and Coordination:**
 - Proven project management skills, including managing timelines, deliverables, and stakeholder engagement effectively.
 - Experience working with diverse stakeholders, including government agencies, private sector entities, financial institutions, and MSMEs.
- **Communication and Reporting:**
 - Excellent communication skills, both written and verbal, to effectively engage with stakeholders and present findings.
 - Ability to produce high-quality reports in a clear, concise, and actionable format.
- **Quality Assurance and Continuous Improvement:**
 - Experience implementing quality assurance measures to ensure accuracy and completeness of deliverables.
 - Ability to provide recommendations for continuous improvement of project structures and processes.

Overall Responsibility

- a) The Bidder is obliged to work closely with the aforementioned team, act within its own authority, and abide by directives issued by the KCB Bank that are consistent with the terms of the Contract.
- b) The Bidder will abide by the job safety measures and will indemnify KCB Bank and its related third parties from all demands or responsibilities arising from accidents or loss of life, the cause of which is the Bidder's negligence. The Bidder will pay all indemnities arising from such incidents and will not hold the Bank responsible or obligated.
- c) The Bidder is responsible for managing the activities of its personnel, or subcontracted personnel, and will hold itself responsible for any misdemeanors.

- d) The Bidder shall appoint an experienced counterpart resource to handle this requirement for the duration of the Contract. KCB Bank may also demand a replacement of the manager if it is not satisfied with the manager's work or for any other reason.
- e) The Bidder shall take the lead role and be jointly responsible with the project for producing a finalized project plan and schedule, including identification of all major milestones and specific resources that the Bank is required to provide.
- f) The Bidder will not disclose the information it has access to, during the Consultancy, to any other third parties without the prior written authorization of the Bank. This clause shall survive the expiry or earlier termination of the contract.

REPORTING

The consultant will report to the KCB Project Management Team and work closely with the technical experts of this exercise. Regular progress reports and updates should be provided as per the agreed timeline.

Pricing

The Costs should be in Kenya shillings inclusive of all taxes; clearly stating Man/Day rates where appropriate.

All taxes and VAT must be clearly stipulated and separated from the base costs and should be valid for a minimum of 90 days.

Delivery

Delivery and performance of the Services shall be made by the successful Bidder in accordance with the time schedule as per Proposal and subsequent Agreement.

Delayed Delivery by The Consultant

If at any time during the performance of the Contract, the Bidder should encounter conditions impeding timely delivery and performance of the Services, the Bidder shall promptly notify in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Bidder's notice, shall evaluate the situation and may at its discretion extend the Bidder's time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

Bid Effectiveness

It is a condition of the Bank that the supplier guarantees the sufficiency, and effectiveness of the consultancy proposed to meet the Bank requirements as outlined in this document. The Bank will hold the supplier solely responsible for the accuracy and completeness of information supplied in response to this tender. The Bank will hold the supplier responsible for the completeness of the consultancy proposed and that were the supplier to be awarded the tender, they would implement the consultancy without any additional requirements from the Bank.

Payment Terms

KCB Bank will NOT make any payments in advance. The Bank will issue an LPO for all the services ordered. The LPO will be paid within 45 days after successful delivery, and acceptance of the services being rendered.

KCB Bank will not accept partial deliveries, and neither will they make partial payments. Payment for services will only be made once the full scope of service has been successfully provided.

NOTE: KCB BANK SHALL ONLY MAKE PAYMENTS THROUGH A KCB ACCOUNT.

Responsibility as an Independent Contractor

The supplier agrees to take overall responsibility for any services rendered; regardless of whether third parties are engaged by the supplier or the supplier himself carries them out.

EVALUATION CRITERIA

The evaluation will be conducted in two stages.

- a. Stage I: The technical proposal is evaluated based on its responsiveness to the Terms of Reference
- b. Stage II: The financial proposal assessments are only applied to all bidders who have passed the technical presentation stage.

The short-listed bidding agencies may be asked for a presentation prior to the final selection. The contract will be awarded to the successful bidder following completion of all evaluations including negotiation (only in exceptional cases).

Requirements:

- I. Commitment for availability for the assignment, and capacity to undertake the assignment.
- II. 2 recommendations from referees/organizations worked for within the past years.
- III. Detailed statement on the study, stating study methodology and data collection methods.
- IV. Detailed financial proposal, specifying consultant fee rates.

Detailed work schedule for the exercise indicating activity timeline

1. Technical Evaluation Criteria

	Criteria, sub-criteria
Prequalification	<ul style="list-style-type: none"> ✓ Certificate of Incorporation/Registration; provided ✓ Valid Tax Compliance certificate ✓ PIN Certificate ✓ Positive/White CRB Report/Certificate for Company & Directors ✓ Audited Accounts for the last 2 years ✓ List of Directors/ shareholders CR12/CR13 for Kenyan Companies ✓ Valid Trade License/ Business permit
Demonstrated understanding, objective and completeness of the assignment	<ul style="list-style-type: none"> ✓ Experience in developing a comprehensive Programme-Level Environmental and Social Management Framework (ESMF) ✓ Experience in working with GCF projects ✓ Experience in undertaking environmental and Social Risk and Impact Assessment ✓ Experience in conducting a Livelihood Asset Vulnerability Assessment ✓ Experience in developing environmental and social policies and frameworks aligned to GCF practices
Methodology and implementation	<p>a) Details and quality (adequacy) of methodology proposed for the assignment.</p> <ul style="list-style-type: none"> -Demonstration of a structured approach to identify, manage, and mitigate potential environmental and social (E&S) risks and impacts for the programme -Experience in developing checklists to classify sub-projects by risk level and risks identification -Experience in development of policies such as environmental and social policy, Gender policy, Indigenous people’s policy, Information disclosure policy <p>b) Detailed implementation plan indicating time frame (1 month)</p> <ul style="list-style-type: none"> -Workplan within 1 month -Workplan less than a month
Staff certification and licenses	<p>Detailed description of the proposed team- proposed Team Leader and other key team members.</p> <p>Provide details of staff in your firm who are ESIA experts or any other relevant environmental and social management field (Provide copies of staff licenses)</p>
Staff Capacity; Relevant qualification and experience	<p>Provide profile and curriculum vitae of Key Personnel (Project Manager(s) and Technical Resources) with relevant training, experience, certifications and licenses. Indicate the projects they have successfully implemented and their role in the project.</p>



<p>Reference Clients</p>	<p>a) List reference clients/ consultation jobs where similar consultancy was provided; -Name of the clients and contact details (email address & telephone numbers) as well as high-level details of consultancy done. Provide the LPOs/Award Letters/Contracts & Recommendation Letters as supporting evidence.</p>
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