



**ADVERTISEMENT**

REQUEST FOR PROPOSAL

FOR

FEASIBILITY ASSESSMENT OF THE PAYMENTS FOR ENVIRONMENTAL SERVICES (PES) PROJECT AT LAKE NAIVASHA

**RFP NO. WWF K/ARL/006**

To be received on or before 12:00 noon.

On Friday 9<sup>th</sup> October 2020,

E mail [kenya.procurement@wwfkenya.org](mailto:kenya.procurement@wwfkenya.org)



## Letter of invitation

WWF Kenya is in the process of sourcing for proposals for a consultant to conduct a detailed feasibility/scoping study of the PES programme to determine the potential and extent of scalability.

Prices quoted should be net inclusive of all costs and taxes, must be expressed in Kenya shillings and shall remain valid for a period of 120 days from the closing date of the tender.

Interested eligible candidates should submit completed Proposal Documents marked with the Tender Name and Number addressed to the procurement officer and sent by email to [kenya.procurement@wwfkenya.org](mailto:kenya.procurement@wwfkenya.org) to be received on or before 9<sup>th</sup> October 2020 at noon (East African Time) No application will be accepted after the deadline.

## **1. Background**

### **1.1 World Wildlife Fund - Kenya (WWF - Kenya)**

WWF has operated in Kenya since 1962 with an initial focus on wildlife conservation, it has since expanded to encompass management of scarce water resources, conservation of disappearing forests, climate and energy work, management of marine resources and governance programmes, among others. WWF-Kenya initially operated as a programme office under WWF-International but in October 2016 was registered into a national organisation with a local board and is now firmly rooted in Kenya. WWF Kenya is strategically placed to address the ever-escalating environmental concerns amid important opportunities for national development.

In March 2018, WWF-Kenya undertook an internal mid-term review of its strategy and set the following six objectives:

1. Policy and governance: By 2023, key policy; legal and institutional frameworks are influenced to create an enabling environment for sustainable management of natural resources
2. Development pathways: By 2023 development pathways are influenced to integrate environmental and social safeguards
3. Freshwater: By 2023, freshwater ecosystems and their associated forest catchments in the Mara River and Lake Naivasha basins are secured
4. Marine ecosystems: By 2023 critical coastal ecosystems (marine and terrestrial) in Kwale, Kilifi, Tana, Mombasa and Lamu counties are secured for people, economy and nature
5. Wildlife Objective: By 2023, populations of priority species (Elephant, Rhino, Lion, Sable, Hirola) are stable or increasing and their critical habitats (Southern Kenya and all Rhino sites) are secured and connected
6. Transnational initiatives: By 2023 WWF-Kenya's transnational initiatives are positively influencing interdependent transboundary/regional environmental challenges

WWF – Kenya's vision is to have "a healthy natural environment supporting people and growth in Kenya."

### **1.2 Financial Sector Deepening Africa (FSD Africa)**

FSD Africa is a non-profit organization, which aims to increase prosperity, create jobs and reduce poverty by bringing about a transformation in financial markets in sub-Saharan Africa (SSA) and in the economies they serve. It provides know-how and capital to champions of change whose ideas, influence and actions will make finance more useful to African businesses and households.

Through access to finance initiatives, it seeks to build financial inclusion. Through capital market development, it looks to promote economic growth and increase investment. As a regional programme, it seeks to encourage collaboration, knowledge transfer and market-building activities.

Where there are opportunities to drive financial market transformation more quickly and intensively through capital investment, FSD Africa will deploy equity, loans or guarantees as the situation requires.

### **1.3 The Payment for Environmental Services (PES) Programme**

The PES programme is a market-based scheme that enables downstream beneficiaries of environmental services to provide incentives to upstream land owners for services resulting from voluntary conservation efforts. The scheme was introduced in 2006 by WWF and CARE in Kenya, who facilitated the process with donor support, in partnership with the private sector and the Water Resource Users Associations (WRUAs) in the basin. The PES programme aims at the provision of good quality and clean water in Lake Naivasha, whose health is threatened by sediment and associated nutrient input from its wider catchment.

The PES project is composed of 12 WRUAs and has +3200 members (including a total of about 15-20 corporate members). There also exists an umbrella WRUA to manage the different WRUAs. The members are divided into 6 categories:

- Irrigators – flower farms;
- Pastoralists;
- Individual users;
- Commercial users;
- Water service providers; and
- Operators – hotels

Each category has 2 members who are part of a management committee of Local Area Network WRUA. There are currently more than 4,000 farmers in this project from about 800 in 2013.

The long-term vision is to have improved water quality and quantity in the rivers that flow into Lake Naivasha, through the reduction in on-farm soil erosion and the reversal of forest cover loss, and the improvement of livelihoods through an increase in agricultural productivity.

The PES programme in Lake Naivasha has been implemented successfully and it has delivered some positive results. At the moment however, a number of challenges are impacting the area and demand a response, in particular:

- Climate change causes a fluctuation in Lake Naivasha water levels during drought periods
- Population growth in Naivasha is increasing pressure on the Lake ecosystem

As a response, WWF-Kenya and Financial Sector Deepening (FSD) Africa are studying a solution to scale up the PES program in Lake Naivasha to increase the ecosystem benefits and offset the above critical elements.

As a first step, the main project stakeholders have been engaged to probe their interest and from a preliminary assessment it has been found that a substantial number of farmers are willing to join the project, suggesting that scaling up the project is a viable option. In addition, some key potential partners operating in the area such as the large international flower off-takers have expressed their interest in supporting an expansion of the PES scheme. Expressions of interest to support the project have also been received from reputable financial services industry players.

## **2. Introduction**

The Payment for Environmental Services (PES) Cycle in the Lake Naivasha Basin (also referred to as the Naivasha- Malewa Sub-Catchment) is a market-based scheme resulting from voluntary conservation efforts. These efforts are expected to result in continued supply of the agreed environmental service, thereby balancing poverty reduction with watershed conservation.

Currently WWF-Kenya (through the Regional Sustainable Investments Programme) and Financial Sector Deepening (FSD) Africa seek to build on the success achieved, by scaling the PES project.

The two organizations have agreed to cooperate to address conservation and impact investment issues through the framework below:

- Joint scoping of the areas that are prioritized for improved conservation with the Lake Naivasha basin and Maasai Mara Landscape;
- Exploring, developing and piloting innovative financing approaches for conservation (for instance, impact development bonds) to drive sustainability;
- Collaborating as impact investment and conservation experts/subject specialist;
- Mobilising financial and technical resources and expertise to achieve mutually agreed objectives; and
- Knowledge sharing and network collaboration through institutional and partner platforms in mutual areas of interest.

Based on an initial scoping and preliminary assessment WWF-Kenya and FSD Africa are in the process of developing a funding structure to support the scale up of the PES programme and are seeking the services of a consultant to conduct a detailed scoping/feasibility study of the PES project to determine potential and extent of scalability.

### **3. Objectives and Scope**

#### **3.1 Objective**

The main objective of the consultancy is to conduct a detailed **feasibility/scoping study** of the PES programme to determine the potential and extent of scalability.

The results of the feasibility study will inform subsequent engagements with the project stakeholders and business partners and finalization of an optimal financial structure to support the expansion of the PES programme.

#### **3.2 Scope of work**

The consultant will be expected to:

- Review end of project reports/ any other relevant literature available and share lessons learnt from the pilot PES scheme, including the transaction cost of implementing the project and how the design can be improved going forward.
- Develop tools for data collection and continuous monitoring and evaluation of the PES scheme going forward.
- Propose activities to be supported, implementation period, appropriate targets/metrics to evaluate the environmental impact of the proposed scaled-up PES and the relevant evaluation metrics.
- Assess the ability and willingness of downstream farmers, hotels and/or businesses to contribute the funding of the proposed scaled-up PES scheme.
- Recommend options of reducing the transaction/administration costs of the scheme, to ensure value for money for the overall scheme.
- Assess the willingness/interest of upstream farmers to participate in PES scheme.
- Assess and test the capacity of the Water Service Providers; and
- Recommend the appropriate/ideal budget/funding size and geographical scope of the scaled-up PES programme.
- Propose a governance/ institutional arrangement for the proposed scaled-up PES programme.

### **4. Deliverables**

The deliverables under this contract are as follows:

- a) An inception report.
- b) Draft Feasibility Study report to be reviewed by WWF-Kenya and FSD Africa
- c) Final Feasibility Study report in word, PDF and PowerPoint format for presentation to WWF-Kenya and FSD Africa.

### **5. Timelines**

The consultant is expected to execute the tasks under this scope of work over a period of eighteen (18) weeks

Inception Report	Within 4 weeks
Draft Feasibility Study report	Within 10 weeks
Final Feasibility Study report	Within 4 weeks

### **6. Invitation to Tender**

WWF-Kenya is inviting proposals from suitably qualified consultant(s).

Your proposal should contain:

- CV of the consultant not exceeding 3 pages.
- A summary of your experience in providing the kind of technical support called for in these Terms of Reference

- A description of your understanding of the role of the selected consultant(s) as outlined in the Terms of Reference and a workplan highlighting how you intend to fulfil the services within the suggested timeline.
- Samples of other work to demonstrate capacity to carry out the assignment.
- An estimated budget for both professional fees and reimbursable expenses

Submitted proposals should not exceed 10 pages (excluding annexures). The review will be based on the main proposal. This should be sent by email to [WWF-Kenya \[kenya.procurement@wwfkenya.org\]\(mailto:kenya.procurement@wwfkenya.org\)](mailto:kenya.procurement@wwfkenya.org) by **12:00 noon (EAT) on Friday 9 October 2020** under a subject line reading **‘Invitation to tender: Feasibility Assessment of the Payments for Environmental Services (PES) Project at Lake Naivasha’**

**Applications received after the deadline will not be considered.**

### **7. Basis of award**

A contract will be awarded to the most economically advantageous tender based on the following criteria

#### **Mandatory requirements**

The consultant must demonstrate experience in undertaking similar assignments. They should therefore provide proof of having undertaken at least two similar assignments within the last seven (7) years.

The consultant must have the capacity to engage intensively with this assignment, with a view to concluding the work within the prescribed timelines.

Selection will be made based on the following criteria:

<b>Assessment criteria</b>	<b>Weighting (%)</b>
Relevant, demonstrated experience and capacity in this area	40%
Understanding/interpretation of the task set out in the TORs	10%
Content, quality and originality of proposal	30%
Fee basis and total costs	20%
<b>Total</b>	<b>100%</b>

### **8. Contact**

Questions or comments in respect of these terms of reference should be directed by email to: [kenya.procurement@wwfkenya.org](mailto:kenya.procurement@wwfkenya.org)