Eldoret-Iten Water Fund for Tropical Water Tower Conservation

Part I: Project Information

GEF ID
10209

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Eldoret-Iten Water Fund for Tropical Water Tower Conservation

Countries
Kenya

Agency(ies)
IFAD

Other Executing Partner(s)
The Nature Conservancy (TNC), Co-executing agencies: Kenya Water Towers Agency (KWTA), kenya Forest Service (KFS)

Executing Partner Type
Others

GEF Focal Area
Multi Focal Area

Taxonomy

Influencing models, Deploy innovative financial instruments, Strengthen institutional capacity and decision-making, Demonstrate innovative approache, Transform policy and regulatory environments, Convene multi-stakeholder alliances, Focal Areas, Biodiversity, Mainstreaming, Forestry - Including HCVF and REDD+, Tourism, Agriculture and agrobiodiversity, Infrastructure, Biomes, Wetlands, Tropical Rain Forests, Rivers, Protected Areas and Landscapes, Community Based Natural Resource Mngt, Terrestrial Protected Areas, Productive Landscapes, Financial and Accounting, Natural Capital Assessment and Accounting, Conservation Trust Funds, Payment for Ecosystem Services, Species, Wildlife for Sustainable Development, Invasive Alien Species, Land Degradation, Food Security, Land Degradation Neutrality, Land Cover and Land cover change, Land Productivity, Carbon stocks above or below ground, Sustainable Land Management, Income Generating Activities, Sustainable Agriculture, Restoration and Rehabilitation of Degraded Lands, Community-Based Natural Resource Management, Sustainable Forest, Integrated and Cross-sectoral approach, Ecosystem Approach, Improved Soil and Water Management Techniques, Sustainable Livelihoods, Stakeholders, Indigenous Peoples, Private Sector, Capital providers, Non-Grant Pilot, Individuals/Entrepreneurs, Large corporations, Local Communities, Communications, Education, Public Campaigns, Awareness Raising, Type of Engagement, Consultation, Information Dissemination, Partnership, Participation, Beneficiaries, Civil Society, Non-Governmental Organization, Community Based Organization, Academia, Trade Unions and Workers Unions, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Women groups, Gender results areas, Access and control over natural resources, Capacity Development, Access to benefits and services, Participation and leadership, Knowledge Generation and Exchange, Capacity, Knowledge and Research, Knowledge Exchange, Knowledge Generation, Innovation, Enabling Activities, Targeted Research, Learning, Theory of change, Indicators to measure change, Adaptive management

Sector
Mixed & Others

Rio Markers
Climate Change Mitigation
Climate Change Mitigation 0

Climate Change Adaptation
Climate Change Adaptation 0

Submission Date
6/2/2022

Expected Implementation Start
7/1/2022

Expected Completion Date
6/30/2025

Duration

36In Months

Agency Fee($)

249,861.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-1-1	Mainstream biodiversity across sectors as well as landscapes through biodiversity mainstreaming in priority sectors	GET	979,684.00	5,483,000.00
LD-1-1	Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods through Sustainable Land Management (SLM)	GET	640,000.00	5,815,000.00
LD-1-3	Maintain or improve flow of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR)	GET	501,455.00	5,950,000.00
LD-2-5	Create enabling environments to support scaling up and mainstreaming of SLM and LDN	GET	509,000.00	7,600,000.00
		Total Project Cost($)	**2,630,139.00**	**24,848,000.00**

B. Project description summary

Project Objective

Conserve globally significant biodiversity and protect the integrity and resilience of critical ecosystems and their services in the targeted water towers

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 1: Establishment of a public-private partnership platform and enabling policies for sustainable management of the targeted water tower (catchments)	Technical Assistance	1.1: A Water Fund (WF) platform provides resources for sustainable and financially viable integrated catchment management that conserves biodiversity and ecosystem functions Targets: Payments and incentives are delivered, based on local priorities to 5,000 local smallholder farmers within the three critical water towers covering 19,000ha of land ? 4 policies and strategies developed at county/ national levels 1.2: Policy development and enhanced institutional collaboration enable upscaling of integrated natural resource management (INRM) in the water towers	1.1.1 Assessment of enabling conditions for scaling up WF 1.1.2 Tools to scale up the WF model developed 1.1.3 Sustainable finance secured from water-reliant entities in the public and private sectors 1.1.4: One WF facility established 1.2.1: Enabling by-laws/regulations enacted in 2 target counties (Uasin Gishu & Elgeyo-Marakwet 1.2.2 Guidelines for linking and harmonizing WF management with climate-smart agricultural production and gazetted forest reserves and PA management drafted and adopted	GET	229,139.00	2,008,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2: Restoration of degraded catchment and wetland ecosystems and improved production practices and food value chains with the WF areas	Technical Assistance	2.1: Community-based land use planning and implementation results in healthier and more resilient ecosystems that support improved food production and downstream water flows Target: 120,000 ha of land under improved land-use planning as follows: 85,138ha of terrestrial protected areas created or under improved management for conservation and sustainable use; 19,000ha of land restored; and 15,862 ha of landscapes under improved practices (excluding protected areas) in hectares 2.2: Improved smallholder agricultural and forestry	2.1.1 Enhanced awareness and skills of local communities to engage in participatory land-use planning in support of LDN 2.1.2: A participatory catchment management plan for the EIWF is established and adopted for implementation, in line with existing management plans at catchment and sub-catchment levels covering 120,000 ha 2.2.1 Agroforestry and SWC implemented on 3.500 ha of degraded land 2.2.2 Sustainable forest management implemented on 15,000 ha of degraded forest land 2.2.3 Wetlands restored through implementation of green infrastructure on 500 ha 2.2.4: Pro-poor and climate-	GET	1,878,000.00	21,770,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 3: Capacity development and knowledge management support a paradigm shift toward INRM in important water towers	Technical Assistance	3.1: Monitoring and evaluation (M&E) tools and approaches enable tracking of local and global environmental benefits as well as LDN and support adaptive management and scaling up of the WF model	3.1.1 M&E system for and with local stakeholders and county decision makers developed and adopted in 2 counties for monitoring of INRM and contribution to Kenya?s LDN targets. 3.1.2 Assessment and knowledge management tools developed and adopted that facilitate the incorporation of INRM approaches into policy making to enable scaling beyond the targeted water towers	GET	432,000.00	178,000.00
				Sub Total ($)	**2,539,139.00**	**23,956,000.00**

Project Management Cost (PMC)		
GET	91,000.00	892,000.00
Sub Total($)	**91,000.00**	**892,000.00**
Total Project Cost($)	**2,630,139.00**	**24,848,000.00**

Please provide justification

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
GEF Agency	IFAD	In-kind	Recurrent expenditures	1,606,000.00
Other	The Nature Conservancy (TNC)	In-kind	Recurrent expenditures	380,000.00
Recipient Country Government	Uasin Gishu County	In-kind	Recurrent expenditures	7,500,000.00
Recipient Country Government	Elgeyo-Marakwet County	In-kind	Recurrent expenditures	7,100,000.00
Recipient Country Government	Government of Kenya (taxes and duties)	In-kind	Recurrent expenditures	3,979,000.00
Recipient Country Government	Government of Kenya	In-kind	Recurrent expenditures	2,350,000.00
Private Sector	Local corporate partners, e.g. Coca Cola, Water utility companies (water tariffs)	Grant	Investment mobilized	1,610,000.00
Beneficiaries	Local resource users	In-kind	Recurrent expenditures	308,000.00
Beneficiaries	Local resource users	Grant	Investment mobilized	15,000.00
			Total Co-Financing($)	**24,848,000.00**

Describe how any "Investment Mobilized" was identified

The proposed project will contribute to and benefit from a parallel IFAD-led investment that was recently approved, the Kenya Livestock Commercialization Project (KELCoP). KELCoP will cover 10 counties in the Northern, Western and Rift Valley regions, including Elgeyo-Marakwet, aiming at three livestock value chains - small ruminants, poultry and honey - predominantly carried out by women and the relatively poor among small-scale farmers. Contributions from both the private and public sectors are fully confirmed (see

also the co-financing letters); the public sector will contribute through the Uasin Gishu and Elgeyo Marakwet county governments. Private sector contributions led by the Eldoret Water and Sanitation Company (ELDOWAS) will provide funds based on water tariffs including a dedicated WF contribution. This is based on similar experiences with the first African Water Fund in Kenya as well as others like Lima water fund in Peru within the Latin America region.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
IFAD	GET	Kenya	Biodiversity	BD STAR Allocation	979,684	93,068	1,072,752.00
IFAD	GET	Kenya	Land Degradation	LD STAR Allocation	1,650,455	156,793	1,807,248.00
				Total Grant Resources($)	**2,630,139.00**	**249,861.00**	**2,880,000.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount ($)

91,325

PPG Agency Fee ($)

8,675

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
IFAD	GET	Kenya	Biodiversity	BD STAR Allocation	34,016	3,231	**37,247.00**
IFAD	GET	Kenya	Land Degradation	LD STAR Allocation	57,309	5,444	**62,753.00**
				Total Project Costs($)	**91,325.00**	**8,675.00**	**100,000.00**

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management for conservation and sustainable use

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
85,138.00	85,138.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	
Akula National Park	125689	Select					
Akula National Park	125689	Select					

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
85,138.00	85,138.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Forest Reserves Cheboit Chemurukoi Kaisungor Kaptagat Kerrerr Kipkabus (U. Gishu) Kipkabus (Elg-Mara) Kipkunurr Northern Tinderet Sogotio Toropket	**125689** Incl. 7546, 7548, 7567, 7577, 7587, 7610, 7611, 7612, 7693, 7713, 7729.	**SelectSelect**Others	85,138.00	85,138.00			50.00		

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
19000.00	19000.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
3,500.00	3,500.00		

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
15,000.00	15,000.00		

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
500.00	500.00		

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
15862.00	15862.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
5,862.00	5,862.00		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
10,000.00	10,000.00		

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	400000	6414261	0	0
Expected metric tons of CO?e (indirect)	254500	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	400,000.00	6,414,261		
Expected metric tons of CO?e (indirect)	254,500			
Anticipated start year of accounting		2022		
Duration of accounting		20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	65,000	11,250		
Male	65,000	11,250		
Total	130000	22500	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

As also outlined under national priorities, Kenya?s draft LDN strategy refers to "reforesting and rehabilitating the main water towers and water catchment areas as a priority for Kenya due to the livelihood and biodiversity improvements", within both the LDN concept and the National Climate Change Action Plan. Coordination with the national LDN focal point and the LDN lead consultant is ongoing and will continue so that the project contributes as strongly as possible to the national LDN targets as well as shaping its strategy and targets. In the absence of the final post-2020 Global Biodiversity Framework and targets, the project contributes to a few Aichi targets as well as indicated below. Through forest conservation and more sustainable agricultural production practices the project will conserve and improve biodiversity and the catchments? ecosystem status, including its services related to water quantity and quality, essential for upstream smallholders as well as downstream city dwellers. As such, the project strategy is fully aligned with Aichi Target 14: [?] ecosystems

that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable. Aiming for forest conservation and improved management of forest reserves, the project will further contribute to the Bonn Challenge, closely linked with Aichi Target 15: [?] ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems [?], as well as the Kenyan goal to achieve 10% forest cover by 2022. In addition, through the project?s component 2 objectives, there are strong linkages to Aichi Target 4 [?] governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption [?]; The EIWF?s participatory catchment management plan (output 2.1.2) addresses Aichi Target 5: [?] the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced Outputs 2.1.1 (participatory land-use planning), 2.2.1 (agroforestry and sustainable water consumption), 2.2.2 (SFM) and 2.2.3 (wetland restoration) all contribute to Aichi Target 7: [?] areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity, and Aichi Target 11: [?] terrestrial and inland water [?] areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes [?].

Part II. Project Justification

1a. Project Description

1) Global environmental and/or adaptation problems, root causes and barriers

The main drivers of degradation in Kenya?s upper catchment areas include the expansion of agriculture, wood fuel harvesting, legal/illegal logging, poor enforcement of forest protection laws, forest excision for settlements, invasive alien species, rapid urbanization, growing demand for timber and charcoal trade, and other forms of human encroachment. These drivers are threatening the forest ecosystems and important wetlands (e.g. in Uasin Gishu County) in Kenya?s water towers, driving the destruction of Kenya?s rich biodiversity and undermining the livelihoods of smallholder farmers. As a result of these threats, sedimentation is becoming a serious problem, reducing the capacity of reservoirs and increasing the cost for water treatment. The challenges to water security will likely grow as climate change brings increasingly unpredictable rainfall, further challenging the resilience of catchment ecosystems and the food security of upstream smallholder farming systems.

At independence in 1963, Kenya?s forests covered 10% of the total land area. However, since the 1970s, forests on steep hillsides and areas of wetlands have been converted to agriculture and, by 2003; forest cover had drastically declined to about 2%. Deforestation in Kenya?s water towers deprives the Kenyan economy of 6 billion Shillings annually and threatens the supply of more than 70% of the country?s water.

Forests and wetlands in upper catchment areas play an important role in maintaining water quality and quantity, providing areas where runoff water and sediment can be captured, stored, and filtered naturally. Over 75% of the country's renewable surface water originates in the forests comprising the country?s water towers and catchments. Thus, these water tower regions are vital for human livelihoods, irrigated agriculture, and hydropower generation. Major water catchment areas or water towers in Kenya are Mount Kenya, Aberdare Ranges, Mau Forest, Mt. Elgon and Cherangani Hills. Kenya is seeking best participatory ways of integrating good water tower management practices while safeguarding livelihoods for indigenous communities, including the Sengwer people, also occasionally referred to as the Cherangani people, in the Embobut part of the Cherangani Hills water tower.

Increasing water demand: Water resources in Kenya are affected by growing demand, due to increasing population, industrialization and changing lifestyles. To this end, Kenya has been described as a water-scarce country, with rapidly dropping fresh water availability. In 1992, the per capita water availability was about 647 m3. Due to increasing population, this had dropped to 534 m3 per capita by 2011 and is projected to decline to 235 m3 by 2025, meaning the country will be severely water stressed. Meanwhile, the demand for water supplies and services continues to grow. The total water demand for domestic and industrial use, irrigation, livestock, wildlife, and inland fisheries will increase from 3,218 million m3 per year in 2010 to 21,468 million m3 per year in 2030 and, by 2050, the demand is expected to be 23,141 million m3 per year. Current developed water infrastructure in the country is often inadequate across all services, including for industrial, commercial, domestic, as well as for irrigation, livestock and wildlife use. In addition, excessive abstraction of surface and groundwater and over-cultivation of water catchment areas are causing soil erosion and contamination of water sources by increasing the eutrophication and siltation of lakes, dams and pans and increasing pollution from municipal water sources and toxic chemicals, including agricultural pesticides and heavy metals. Thus, the increasing demand for water will continue to intensify competition among users and uses. Meeting the growing demand for water in Kenya faces major challenges particularly due to rapid urbanization and changing lifestyles.

Land degradation and deforestation: Land degradation is increasing in many areas of Kenya both in severity and extent, with over 20% of all cultivated areas, 30% of forests, and 10% of grasslands

subjected to degradation. The main causes of land degradation include: population growth and increasing food demand, leading to more land opened for cultivation with attendant destruction of natural vegetation; poor farming practices (e.g., failure to use inputs, over-grazing); invasive alien species; poorly planned infrastructure developments; and generally unsustainable over-exploitation of natural resources.

Biodiversity: The catchments the project targets for conservation through the Eldoret-Iten Water Fund form part of two of Kenya?s major Water Towers, the Cherangani Hills and the Mau Forest Complex. The Mau Forest Complex is the largest indigenous montane forest in East Africa. The Forest complex has a total area of 273,300 ha (675,000 acres)[1][1] and is the largest drainage basin in Kenya, with numerous rivers originating from the forest, and feeding major water bodies such as Lake Victoria and Lake Natron, including Lake Nakuru and Lake Baringo, which are Ramsar sites. The Mau is equally an Important Bird Area (IBA), regarded by Birdlife International as being in danger due to the very high pressures it is under. The forest is home to a rich bird community and regional endemics such as *Tauraco hartlaubi* and the restricted-range *Cisticola hunteri* and *Francolinus jacksoni*, as well as regionally threatened species. ?*This forest holds one of the richest examples of a central East African montane avifauna, and its size means that populations of most species are likely to be viable.*?[2][2]

Cherangani Hills is an important biodiversity hotspot harboring several forest types[3][3] and regionally threatened species such as the African crown eagle (*Stephanoaetus coronatus*), the red-chested owlet (*Glaucidium tephronotum*), Sitatunga antelope (*Tragelaphus spekii*) and Thick-Billed Honeyguide (*Indicator conirostris*). The forest is classified under the East Afromontane ecosystem type as one of 36 globally recognized biodiversity hotspots.[4][4] The ecosystem is home to 2,350 endemic plant species and 157 endemic bird species. Although invertebrates have not been well studied in the area, it is probable that there is a significant level of endemic species providing valuable ecosystem services through pollination for the agricultural sector. Further, the water tower has important conservation areas including Saiwa Swamp National Park, South Turkana National Reserve, Rimoi Game Reserve and Kerio Valley National Reserve, which generate important revenues to local communities through tourism attracted by the area's rare biodiversity.

The dominant Land Use and Land Cover (LULC) within the forest zone in Cherangani Hills is open forest (30%) and cropland (45%) in the 5 km buffer zone. Between 1990 and 2016, there was an overall loss of 13,003 ha of forest cover, equivalent to an annual loss of 500 ha. In the Mau Forest complex? buffer zone, cropland increased by 12,953 ha between 1990 and 2016 to become the dominant land cover and forestland occupied only 25% of the area.

Within the project area, there is a network - or rather a patchwork - of gazetted forest areas (PAs) covering a total of 85,138 ha, equally under increasing pressures through forest encroachment for cultivation and grazing, deforestation, illegal logging of indigenous trees for timber and charcoal, uncontrolled harvesting of forest products, as well as human settlements.

Climate change: There is growing evidence of climate change in Kenya. The frequency of droughts, floods, and other extreme climate events has increased over the last four decades. Since the early 1960s, both minimum and maximum temperatures have been increasing (warming) throughout the country. The minimum temperature has risen by 0.2-1.3^{o}C, depending on the season and the region. Temperatures are increasing, and the six warmest years have all occurred since 1987. In addition, the frequency of ?hot? days has increased dramatically, by 57 days per year, whilst cold nights have declined by 42 days per year. Projections indicate increases of 1.0-3.5^{o}C by the 2050s. The general warming is leading to reduced glaciers on Mt Kenya and sea level rise along the coast. Kenya?s

National Climate Change Response Strategy (2010) and National Climate Change Action Plan (2013) seek to mainstream an inclusive and equitable low-carbon development pathway for the country in the face of climate change. The Action Plan feeds into Vision 2030?s Second Medium Term Plan (2013-2017) and lays a solid foundation for reducing vulnerability to climate change and enhancing climate adaptation in the country. It incorporates adaptation and mitigation efforts in all key sectors including livelihood diversification, development of human capital, water resources conservation and development, climate-proofed infrastructural development (roads and energy), reforestation, forest restoration, and climate-resilient agricultural systems, among others.

Barriers that limit the efforts to reduce the threats often exacerbate the above-mentioned threats. Some of these barriers can be clustered as follows:

a) Weak institutional frameworks and capacities, particularly at devolved levels
While water is increasingly recognized as a very important resource in policy frameworks, such as the Constitution (2010) or the National Development Strategy (Vision 2030), integrated water resource management or integrated catchment management approaches are rarely practiced in Kenya. A broad array of sectoral policies touch upon water management, and these tend to exist in silos without good alignment, thus allowing for overlapping or even contradictory implementation plans and aims. In parallel, the county governments received the mandates and responsibilities for implementing natural resource policies through the decentralization process that began with the enactment of the new Constitution in 2010. However, county governments are struggling to allocate sufficient resources to ensuring this implementation and face difficulties in retaining staff and technical capacities for doing so.

b) Limited land use planning and continued land fragmentation
Unfortunately, land areas which experience the highest degradation coincide with the most productive areas in the country. These areas are experiencing increased fragmentation and deforestation due to rising anthropogenic pressures, including population growth and thus demand for new cultivation and grazing lands as well as for settlements. This is not met by adequate land use planning approaches that would account for the rising demands and pressures on natural resources, nor are such land use planning practices widespread or even taught.

c) Monitoring, evaluation and knowledge management for natural resources
In line with the mostly compartmentalized and sectoral policies, approaches to monitoring and evaluation of attempts to address drivers, root causes or even barriers to environmental degradation are scattered and only rarely coordinated across counties. While the technical knowledge of such monitoring and evaluation techniques might be available, it is not used consistently enough to inform policy and decision making at both county and national levels and are not aligned with monitoring of SDG targets, such as SDG15.3 on LDN, leading to the further persistence of policies and implementation plans that do not meet demand and reality in natural resource management.

Therefore, to reduce and eventually remove these barriers to effectively addressing aforementioned environmental challenges, the proposed project particularly aims at:

a) institutional support and reform, providing sustainable financing models, and policy influencing to catalyse sustainable land use management, and sustainable food value chains in its component 1;

b) community-led land use planning and improved agricultural practices in Component 2; and

c) coherent knowledge management, monitoring and evaluation in Component 3, to prepare the enabling environment, to provide sustainable resources and to inform policy and decision making in favour of integrated natural resource management.

Both the threats and barriers to sustainable use and forest conservation will be addressed through the project?s landscape approach:

? Via incentivizing biodiversity protection both on-farm and in the forests, focusing on the two sectors that have significant biodiversity impacts, i.e. agriculture and forestry (energy-efficient stoves, IAS for briquette production, water harvesting and wetland conservation, agroforestry and climate-smart agriculture (CSA) with a broader cropping variety, etc.);

? Integrated catchment management planning with a focus on both biodiversity conservation and land degradation instead of separate planning tools and processes for forests and farms;

? Capacity development for sustainable land use planning and integration of monitoring and evaluation approaches into extension services? portfolios and their PA management mandates;

? Influencing of County policies and by-laws to mainstream integrated natural resource management into sectoral approaches and to incentivize biodiversity-positive land restoration actions.

The GEF investment will contribute to the strengthening of weak institutional frameworks and capacities at county level by providing a platform to coordinate public and private sector, as well as local communities to work closely in a structured manner through the water fund model, to conserve biodiversity and restore degraded lands. The platform will provide an avenue through which the project will contribute to the integration of biodiversity and land restoration best practices into County Integrated Development Plans (CIDPs), including budget allocation for implementation by the counties.

Participatory land use planning will be done through the development of sub-catchment management plans (SCMPs) and participatory forest management plans (PFMPs) through working with community based water resource user associations and community forest associations in biodiversity conservation and land restoration. GIS and remote sensing will be used to map natural resources and farms, and to develop farm plans.

Monitoring and evaluation will be strengthened through the application of various tools that have been used in IFAD projects and by the Upper Tana Nairobi Water Fund project (UTNWFP). These include the Multidimensional Poverty Assessment Tool (MPAT), which will be applied to strengthen the understanding of rural poverty at household and local levels. The Women Empowerment in Agriculture Index (WEAI) will be used to measure the extent to which the project will empower, assign roles and include women in project interventions and leadership positions. Hydrological monitoring tools will also be used to measure water quantity and quality. Land cover and land degradation will be monitored using GIS and remote sensing. Soil testing equipment will be used to measure soil organic carbon and to assess agricultural productivity related parameters. To enhance effective tracking and management of protected areas, the project will work closely with the Kenya Water Towers Agency (KWTA), Kenya Wildlife Service (KWS) and Kenya Forest Service (KFS) to build capacities and implement the management effectiveness-tracking tool (METT) toolbox. METT has been recently taken up by the KWTA as a best practice in monitoring and evaluation of protected areas.

To date, there has been little investment in addressing these three key barriers. The GEF investment will contribute to addressing them and build a foundation upon which future projects and county governments can learn from and scale up best practices.

2) Baseline scenario and associated baseline projects

The GEF, during its 6th Replenishment period, helped establish Africa?s first Water Fund (WF), the Upper Tana Nairobi Water Fund (UTNWF). The UTNWF brought together diverse partners to address serious water security challenges through improving farming practices in the watershed. By building on the expertise of scientists from The Nature Conservancy (TNC) gained from designing more than 30 WFs around the world and working with Kenyan stakeholders, the UTNWF bridged gaps between national and devolved institutions and policies through an integrative approach, linking different sectoral concerns for a single commodity (i.e., water) with multiple users. This pioneer WF helped a

critical mass of stakeholders learn the unique skills of establishing a public-private partnership for conservation of nature and growing benefits for people and nature. The proponents have also developed a toolbox detailing the various recommended steps in WF development. This knowledge base has been applied in securing the water supply to East Africa?s most important business hub and city, Nairobi, and could be deployed to help Kenya save its fast degrading water towers and its differing, more rural environmental settings for a broader upscaling of the water fund approach.

The proposed project seeks to scale up previous WF work to conserve Kenya?s water towers and implement actions to strengthen the incentives provided by food value chains for sustainable and resilient production practices. In this, it builds upon ongoing work of its main partners in the two counties, namely:

Kenya Water Towers Agency (KWTA): The organisation collaborates with TNC in the baseline investments and also has led pioneering work in indigenous bamboo promotion and growing for river riparian areas and livelihood diversification. KWTA has also piloted rainwater harvesting techniques and biogas adoption by prior forest-grazing livestock farmers. The cost over the last two years is calculated at USD 800,000. Results from these activities have helped in selecting appropriate interventions and determining potential success rates for the proposed project. They will continue regardless of the EIWF approval, albeit at a much slower pace and range.

Kenya Forest Service (KFS), has a continued mandate to protect and enhance Kenya?s forests through reforestation and forest conservation. KFS does so in the two counties through collaboration with and support to the Community Forest Associations (CFAs) in the catchment, establishing, guiding and supporting community nurseries for providing the seedlings for reforestation, or capacity development for community leaders as well as regular forest restoration activities. KFS further sustained an operation to reduce illegal forest settlers, which has seen communities who had previously encroached in the forest move to their adjudicated settlement areas. As a result, this operation has recovered over 8,000 hectares, which are now ready for rehabilitation and natural regeneration. KFS has invested USD 500,000 in direct cost of the operation over the past two years, in addition to the cost for its regular forest conservation efforts equalling at least twice this amount. The EIWF project can build on these initiatives of reforestation and community engagement, while strengthening collaborative approaches.

County governments of Uasin Gishu and Elgeyo-Marakwet: The two county governments? ministries in charge of environment, water and natural resources have led over the last two years investments of USD 180,000 and USD 150,000 each to support direct environment conservation activities in the watershed areas that supply both Eldoret and Iten urban areas as well as the upstream forest areas and small-scale farm operations. Most of this support was in direct tree growing, riparian area protection, community mobilization and conservation training. Both counties invested much more than the above-stated amount in ?grey infrastructure?, i.e. dam excavation, pipeline protection etc. They are therefore very much interested to engage in longer-term ?green; investments through a water fund.

The Nature Conservancy (TNC) has invested in capacity development for local stakeholders including 16 steering committee members who have been taken through public-private partnerships development and Water Fund feasibility and design certificate courses. This included training of national government officers in the region, relevant county staff as well as private sector representatives drawn from the water utility companies and the Kenya Association of Manufacturers (KAM) as well as the Kenya National Chamber of Commerce and Industry (KNCCI). TNC also offered two of the Water Fund leaders? international training in Senegal to further their skills. The objective of this investment was to build longer term capacity to develop a well sustained Water Fund that can lead conservation investment and community engagement for long-term conservation stewardship. Sixteen members of the EIWF steering committee have also been provided with online training on feasibility analysis and design phases of water fund establishment.

Significant baseline investments have been made in the project area by TNC and the project partners. These include:

- Mapping and demarcation of the 3 Water Towers as well as erection of boundary markers for each one of them after a comprehensive public consultation process to agree on the forest reserves, buffer areas and community settlement land boundaries. This has been finalized in an exercise led by Kenya Water Towers Agency. Gazettement of two of the three water towers has been done by the Minister of Environment and Forestry while final submissions are ongoing for the 3rd one.
- Establishment of tree nurseries and training of communities on tree seedlings husbandry. This has involved establishment of a 50 ha bamboo demonstration land area for communities to learn, practice and grow naturalized bamboo species. This project has provided planting materials to over 100 farm families over the last 3 years.
- Rehabilitation of 70 ha of Elgeyo Hills Water Tower through mobilization of local leaders, sports personalities, and local communities. The seedlings have been raised using local community nurseries supported by the partners in this project. This work targets important public days celebrations and rainy seasons.
- Conservation awareness created through sports events. The stakeholders and members of the EIWF steering committee have initiated the annual Eldoret City Marathon ran each year to raise awareness about the environment and mobilize finances for conservation work. The event is supported by some of the world?s best runners, county government of Uasin Gishu, the local water utility ? ELDOWAS as well as corporates like Coca-Cola, New KCC amongst others.
- The Nature Conservancy and its partners have invested in developing a conservation approach that will benefit this project. The Water Fund is a unique approach that brings both public and private sectors to develop a long term partnership that enables downstream beneficiaries of ecosystem services to make payments to the watershed keepers to sustain needed conservation work creating a long term symbiotic mechanism of benefits flow. This approach has been piloted and will be fully implemented for the first time to save a series of natural water towers.

? Kenya Water Towers Agency has developed a nationwide Monitoring and Evaluation system for water towers that will be implemented at scale for the first time in this project. KWTA has been invited to take part in this project as an on-ground collaborator and have planned to avail the elaborate monitoring system for adoption by this project. TNC has led the mobilization of stakeholders, GIS-based resource mapping and pre-feasibility study development in both Uasin Gishu and Elgeyo-Marakwet counties. These were further validated in stakeholders? fora convened to receive broader stakeholders buy-in and endorsement.

? TNC will provide support in awareness creation, community mobilization and coordination of project partners, including putting up governance support structures such as the Project Steering Committee. TNC will also leverage its long-standing collaboration with some of the private sector project partners, such as Coca Cola.

? IFAD?s KeLCOP project has not begun but investments were made in identification of partners and building buy in with county governments and line ministries as well as communities during the design stage. The project will commence implementation in the first quarter of 2022. KeLCOP is built upon an earlier IFAD project ? The Smallholder Dairy Commercialisation Project (SDCP). The SDCP made significant investments in Uasin Gishu County, one of the EIWF?s counties of focus. The investments made included agroforestry, energy saving stoves, biogas, and improved fodder species, including livelihood diversification activities, application of the gender action learning (GALS), and organizing farmers into groups, targeting approaches among others.

3) Proposed alternative scenario (proposed work)

The project?s goal is to work with public and private sector partners to promote sustainable land and forest management, ecosystem restoration and integrated natural resource management approaches (INRM) in five critical and threatened water tower catchments in Uasin Gishu and Elgeyo-Marakwet Counties by establishing a WF as a sustainable financing mechanism and strengthening the enabling environment for transformational change in Kenya?s smallholder production sector.

Table 1: Terminology and areas covered by the project

Term	Definition
Water Tower	Mountainous region and highland area that acts as a receptacle for rainwater, stores it in aquifers and gradually releases the water to rivers and springs emanating from it. (Kenya Water Towers Agency, KWTA) Kenya has defined five water towers as the country?s primary and most important sources of water; this includes a) Aberdare ranges; b) Cherangani Hills; c) Mau forest complex; d) Mount Kenya; and e) Mount Elgon. In addition, KWTA is gazetting further areas capturing substantive amounts of water as Water Towers (https://watertowers.go.ke/wtowers/). A Water Tower is not clearly defined in geomorphological terms and is rather likely to follow administrative delineations for the purpose of its management. It normally comprises more than one ?? catchment area and definitively several ?? sub-catchment areas
Catchment or **catchment area;** terms used interchangeably depending on language use in different geographies (US vs. Canada or UK: *drainage basin*, *divide* or *area*, *watershed*)	A catchment area is any area of land where precipitation collects and drains off into a common outlet, such as into a river, bay, or other water body. The catchment area includes the surface water from rain runoff and nearby streams that run downslope towards the shared outlet, as well as the groundwater underneath the surface.
Sub-catchment area	Depending on geographic features such as ridges, escarpments or valleys, catchment areas can contain smaller sub-catchment areas collecting water in separate outlets or pour points. For managerial needs, rivers are sometimes divided into upstream, midstream and/or downstream ?sub-catchment areas?, although geomorphologically being just one catchment area

Project intervention area	The proposed project will target one water fund encompassing five catchment areas of the Moiben and Sosiani river systems, being the main sources of water for upstream protected area forests and small-scale farming activities, and for the downstream Eldoret and Iten cities. These catchments are Moiben, Two Rivers, Sabor (also named Tambach), Kipkaren and Kesses (map 2 in annex A and table 2). They are situated within two Kenyan Counties, Uasin Gishu and Elgeyo-Marakwet, and belong to two of Kenya?s declared top five water towers: the Cherangani Hills (the northern project area) and Mau Forest Complex (the southern project area). A third Water Tower in close vicinity, Mt. Elgon, underscores the area's importance for water provision to Kenya. The overall project intervention area spans about 120,000 ha, within which lie 10 protected forest areas, covering 85,138 ha (map 3 in annex A and table 3), listed on the World Database of Protected Areas (WDPA). These PAs are named ?gazetted forest areas? in the Kenyan context. In line with Kenyan legislation, each PA has a buffer zone of 5 km to support the PA management efforts. Both the PAs and the buffer zones are of particular concern for the landscape restoration approach pursued by the project. The five catchments are divided into 9 sub-catchment areas, each of which has a Water Resource Users Association (WRUA) who are tasked to develop and implement a sub-catchment management plan (SCMP). All catchments face severe challenges with regard to biodiversity and forest loss, and land degradation, e.g. encroachment on forests and wetlands, soil erosion due to inappropriate agricultural techniques being employed, also on steep slopes.
Project interventions and core indicator links	Through its interventions, the project will restore 19,000 ha of degraded land (core indicator 3), composing of 3,500 ha of agricultural lands with agroforestry and sustainable water management (output 2.2.1); 15,000 ha of gazetted forest areas under SFM (output 2.2.2) and 500 ha of wetlands being restored (output 2.2.3), in addition to 85,138 ha of forest PAs being under improved management (core indicator 1) and a further 15,862 ha of areas outside of the above PAs being under improved management (core indicator 4).

Table 2: The five river source catchments for the Eldoret-Iten WF in Hectares as per the maps in Annex A

Catchment Name	Area in Hectares
Sabor (Tambach)	2,084.26
Moiben	17,741.2
Two Rivers	26,777.5
Kipkaren	54,509.6
Kesses	16,128.6
Total	117,241.16

Table 3: The areas of gazetted forest reserves (protected areas) within the source water catchment areas.[5][5]

# on map 1	Forest Reserve Name	Area in Hectares	WDPA ID

1	Cheboit	2,524	7546
2	Chemurokoi	3,974	7548
3	Kaisungor	1,087	7567
4	Kaptagat	12,931	7577
5	Kerrer	2,238	7587
6a	Kipkabus (Uasin Gishu)	6,929	7610
6b	Kipkabus (Elgeyo-Marakwet)	6,504	7611
7	Kipkunurr	15,869	7612
8	Northern Tinderet	29,413	7693
9	Sogotio	3,550	7713
10	Toropket	119	7729
	Total	*85,138*	

The concept of WFs is based on the principle that it is less expensive to protect water resources at the source than it is to address reduced flow and degraded water quality downstream. Investments in green infrastructure that use natural systems and their services to trap sediment and regulate water flow often provide a more cost-effective approach than relying solely on grey infrastructure such as reservoirs and treatment systems. Such green investments also contribute to biodiversity conservation, ecosystem health and resilience, farmer livelihoods, and food security by introducing sustainable, climate-smart agriculture (CSA) techniques that increase yields and reduce soil erosion that is damaging to crop production and downstream water quality and supply. Integrated catchment management aims at increasing vegetative cover, maintaining and restoring forest ecosystems and contributes to increasing genetic diversity of globally significant cultivated plants that are sustainably used within production systems. It also raises the appreciation of smallholders to integrate the protection and sustainable use of biodiversity into their soil and plant management approaches, and thus preserving indigenous plant species and preserving or even broadening the plant pool within the catchment. Furthermore, in working with both local smallholders and agencies and decision makers at county level, the proposed project will not only promote sustainable use practices on the ground but also influence sectoral policies and regulatory frameworks to mainstream and incorporate biodiversity conservation and sustainable use considerations. Conceived as a public-private-partnership of donors and major water consumers ?at the tap?, private sector partners contribute to the initial endowment of the WF to support water and soil conservation measures ?at the top?. Overall, WFs can be regarded as 'payment for water services' schemes, sustainably mobilizing investments into watershed conservation in return for increased water quality and quantity for water-reliant producers in the public and private sectors. The major water users pay for the investment, implementation in the upstream catchments is carried out by local smallholders and community groups, and tariff-based deductions benefit small-scale consumers and citizens, allowing them to take better care of their important water resource. Water funds have been successfully implemented elsewhere in the world to help secure the water quality and supply of major cities including New York, Quito, Rio de Janeiro and Lima, among others and most recently in Nairobi. The proposed work will focus on the targeted water towers in Uasin Gishu and Elgeyo-Marakwet counties; their beneficiary urban centre comprises Eldoret, the 5th largest Kenyan city with a population of approximately 290,000 inhabitants according to the 2009 census. However, as Eldoret is also the fastest growing Kenyan city, its current population is estimated at already 400,000.

The project, through its network of public agencies, private sector entities, NGOs and CBOs, will support smallholder farmers to adopt climate-smart sustainable land management practices, with the objectives to:
a) stabilize and restore ecosystems and their services in the targeted areas, including for important wetlands;

b) conserve and protect the catchments? ecological integrity and globally significant biodiversity;
c) increase food security and climate adaptation potential at the household level; and
d) improve water quality and quantity for both upstream and downstream water users.

The project?s goal and objectives will be supported through the following components with their respective outcomes:

Component 1: Establishment of a public-private partnership platform and enabling policies for sustainable management of the targeted water towers (catchments)

To promote integrated water resource management approaches and to address the persistent barriers of a weak enabling environment and scarce resources, Component 1 aims at strengthening institutional capacities and promoting collaboration and partnerships, providing sustainable financing models, and influencing policy to catalyze sustainable land use management and sustainable food value chains. Based on the experiences and good examples from the UTNWF implementation - Nairobi receives over 20 million additional litres of water from its catchments than it did before the Upper Tana/Nairobi Water Fund, and over 800,000 city dwellers together with the major water using sectors benefit from more reliable water supply - there is strong political support at national and county levels for upscaling the water fund concept. The aim of this Component is not only to replicate in the proposed location, but also to prove the concept with a different stakeholder environment and challenges, to bring the water fund approach to other Kenyan water towers. Private sector stakeholders are equally very interested in joining and contributing to similar schemes, and policy makers discuss amendments of water policies, e.g. to tariff-based conservation schemes. Consequently, the outcomes and related outputs are:

Outcome 1.1 A Water Fund (WF) platform provides resources for sustainable and financially viable integrated catchment management that conserves biodiversity and ecosystem functions across 117,241.6 ha (as in Table 2)
In line with this outcome, the outputs are:
1.1.1 Assessment of the enabling conditions for a scaling-up of the Water Fund concept;
1.1.2 Tools to scale up the WF model developed;
1.1.3 Sustainable finance secured from water-reliant entities in the public and private sectors; to have
1.1.4 One WF facility established.

Among the deliverables for these outputs are
? Proposals for the legal status and governance structure of the EIWF;
? Close cooperation with the Water Services Regulatory Board (WASREB) to engage in policy dialogue/development towards the allocation of conservation tariffs generated by water utility companies to initiatives such as the water fund;
? Business case studies, policy briefs and best practice materials to target specific audiences on the WF approach;
? Liaison with relevant policy entities to integrate the WF approach into water towers management strategies;
? Mobilizing high-level support for policy, legal, public and private partners;
? A fund-raising strategy, allowing productive engagement with potential funders and the development of communication products to sustain such funding flows;
? Establishment of the EIWF, facilitation of initial governance meetings, and engagement of EIWF bodies in field monitoring;
? Enabling the seamless transition from the project to the EIWF management structures.

A Water Fund Facility refers to the administrative structure governing a WF. Responsibilities include, coordinating and being responsible for administrative and fiduciary aspects of the operations and aims of the WF and providing public-private collaboration for integrated water resource and catchment management. This would result in payments for water services and related returns on investment through watershed conservation measures leading to improved water quality, quantity and supply for upstream and downstream water users and partners. A Water Fund Platform comprises the administrative structure as well as partnership arrangements contributing to the WF operations.

Water Fund Structure

As part of the initial project preparations, a 12 member EIWF Stakeholder Steering Committee has been set up. This committee has been involved in initial preparatory activities, including contributing to the feasibility studies and stakeholder mobilization. This body shall be maintained during the project and serve as a local level Stakeholder Steering Committee for the project. This committee is made up of a consortium of public and private sector entities with an interest in water and conservation issues. It is comprised of TNC as the convener, Eldoret Water and Sanitation Company (ELDOWAS), Iten Tambach Water and Sanitation Company (ITEWASCO), Elgeyo-Marakwet and Uasin Gishu County Governments, Kenya Water Towers Agency (KWTA), Kenya Forest Services (KFS), University of Eldoret, Moi University, Kenya National Chamber of Commerce (KNCC), Kenya Association of Manufacturers (KAM), Water Resource Users Associations (WRUA)and Community Forest Associations (CFA) representatives and a representative of communities. The project shall cooperate with these organizations in instituting the EIWF organizational and governance structures, including the WF Board of Trustees and the Management Board. Upon full establishment of the Fund structures, the EIWF Stakeholder Steering Committee will be transformed into a WF Advisory Council that would support the Board of Trustees and Board of Directors.

So far, active membership and contributions from the private sector to the EIWF were agreed upon under the aegis of the water utility, KAM and KNCC. They bring in participation from major water users like Coca Cola, the New KNCC dairy producer and water utility companies for Iten. Support to attract further private sector partners will be provided by the two umbrella organizations KNCC and KAM, being active members of the committee. Private sector entities will be selected and approached according to their respective roles in water utilization, the impact of their activities in the watersheds and/or their potential role in improving the current situation toward sustainable use.

It is intended that the project will be institutionalized into a Water Fund. In this regard, the project structures will be transformed into the structures of the Trust Fund modelled along the same structures as those of the UTNWF. Along these lines, a Board of Trustees will be responsible for the governance issues of the Fund, a Board of Management will provide guidance and oversight over the operations of the Fund, and a Secretariat will be responsible for the day-to-day activities of the Fund. The experience of the UTNWF points to the need to accelerate the transfer of oversight and management from the GEF-supported project to the Fund itself in order to allow for consolidation of the emerging structures during the life of the project. This will not only ensure a smooth hand-over of activities to the new body, but also provide for a transfer of institutional knowledge. It is expected that the structures and operational procedures for the EIWF will be institutionalized no later than the end of project year two (PY2). Once completed, activities under the project will be transferred to WF for the remaining period of the project under the overall oversight of TNC.

It is envisaged that the setting up of the EIWF structures can be accelerated to the end of PY2, based on the previous experience in the UTNWF, and that the transfer of responsibilities from the project to the new Water Fund itself can be achieved within the final year of the project, i.e. in the quarters 10-12 of the project life. It is for these reasons that the initially planned for 5 year project is now reduced to a 3 year project. The potential effects of the COVID 19 pandemic on the set up of the fund and associated timelines will be monitored in the first 15 months of project implementation and mitigation actions such as decisions around timelines taken and communicated to the GEF secretariat.

The following outputs will contribute to achieving this outcome:

1.2.1 Enabling by-laws/regulations enacted in the two target counties (Uasin Gishu and Elgeyo-Marakwet);

1.2.2 Guidelines drafted and adopted for linking and harmonizing WF management with climate-smart agricultural production and gazetted forest reserves and PA management.

The following deliverables contribute to achieving the outputs:

? Survey on current CSA, agroforestry and conservation practices; to

? Integrate biodiversity conservation and mainstreaming into county integrated development plans (CIDPs) which will reduce occurrence of degrading practices, protect endemic species and enhance land restoration at the landscape level;

? Draft and adopt county-level guidelines for linking and harmonizing WF management with CSA production and gazetted forest reserves and PA management.

Component 2: Restoration of degraded catchment and wetland ecosystems and improved production practices and food value chains

Following up on approaches established through Component 1, Component 2 targets the barriers related to inadequate land use planning and fragmentation, by supporting local resource users and the relevant county organizations to establish sustainable agricultural practices that target improved livelihoods, ecosystem resilience as well as related land use planning approaches. Involving local stakeholders and decision makers in catchment restoration and land use planning increases their appreciation of the direct interactions between water management, agricultural production and ecosystem services and supporting its healthy supplies for the benefit of both the users and the catchment across 19,000ha. Even simple measures, such as refraining from agricultural practices next to a current increases riparian solidity and thus erosion stability and water quality, among other things, hence reducing conflicting land uses. All these actions will also contribute to achieving LDN. Engaging private companies in upstream catchment management will contribute to improved food value chains, e.g. through longer-term horticulture contracts for export markets, such as for green beans and other vegetables, leading to improved livelihoods and foreign exchange earnings. These in turn provide further incentives for locally engaging in sustainable catchment management.

The combination of sustainable biophysical and agricultural techniques and support for water management is expected to lead to diversified production and increased yields through improved soil retention, broadened adaptation potential and resilience through reduced erosion upstream, as well as at least stabilized ecosystem services in the catchment. Downstream economic benefits will include reduced water treatment costs through reduced sediment concentration and increased hydropower generation through higher water yield and reduced sedimentation.

This Component has two outcomes:

Outcome 2.1 Community-based land use planning and implementation results in healthier and more resilient ecosystems that support improved food production and downstream water flows

The following outputs will contribute to achieving this outcome:
2.1.1 Enhanced awareness and skills of local communities to engage in participatory land-use planning in support of LDN.
Target: 20 WRUA and CFA groups have gained necessary planning skills to enhance their management plans;
2.1.2 A participatory catchment management plan for the EIWF is established and adopted for implementation, in line with existing management plans at catchment and sub-catchment levels covering 120,000 ha

The following deliverables will contribute to achieving the outputs:
? Development and/or review of participatory forest management plans, sub catchment management plans;
? Institutional Capacity Development of CFAs and WRUAs;
? Development of farm plans to facilitate on-farm investments in sustainable water consumption;
? Formulation of a participatory catchment management plan for the EIWF;
? Consultative process leading to the approval of the management plan;
? Distribution of the management plan documents.

For both outputs, the project will support the nine community-based WRUAs in the project area to update or develop their sub-catchment management plans (SCMP) in collaboration with the Water Resource Authority (WRA), to have a commonly agreed upon plan of activities to address the water resource management problems faced in the particular sub-catchment. Similarly, there are community-

based forest associations (CFAs), organized around the KFS Forest Stations, 10 within the targeted catchments. For these, the project will collaborate with KFS to improve on the CFAs Participatory Forest Management Plans (PFMPs). These provide a comprehensive road map towards sustainable management and conservation of forest resources within both the forest ecosystem and adjoining intervention areas.

Through the development and updating of the SCMPs and PFMPs, local communities? capacities are strengthened for participatory land-use planning, while the sub-catchment management tools will updated, providing the backdrop on which to form and establish the EIWF participatory catchment management plan.

Outcome 2.2: Improved smallholder agricultural and forestry management practices and food value chains that incentivize sustainable management principles, improve food security, prevent degradation of natural systems and conserve biodiversity and ecosystem health on 19,000 ha of land that will contribute to achieving national LDN targets.

In line with the outcome aims, the underlying outputs are
2.2.1 Agroforestry and soil and water conservation measures (SWC) are implemented on 3,500 ha of degraded land;
2.2.2 Sustainable forest management measures are implemented on 15,000 ha of degraded forestland, protecting endemic species;
2.2.3 Wetlands are restored through the implementation of green infrastructure on 500 ha; and
2.2.4 Pro-poor and climate-smart food value-chains benefit 5,000 households (11,250 men and 11,250 women) with a rise of 20% in farm production.

Deliverables for output 2.2.1 include:
? Training of extension workers on SWC and agro-forestry management practices;
? Acquisition, distribution and planting of agroforestry seedlings (fruit trees, fodder trees, forage, etc.);
? Training of farmers on tree and orchard management practices;
? Establishment, management and maintenance of tree nurseries for use in land rehabilitation for youth and women;
? Promotion of energy saving technologies (energy-efficient stoves).

The project shall make investments in a wide range of interventions aimed at promoting diversified and climate resilient agricultural production systems that increase food security and incomes at household levels. These will be provided as direct incentives (tree seedlings or support for village nurseries), financial subsidies (e.g. materials and support for terracing), non-financial incentives (e.g. capacity development, or support to village institutions) or payments for ecosystem services (e.g. subsidized improved stoves for good riparian management). The project will pay attention to ensuring that these incentives and services particularly reach women, youth and the most vulnerable groups within the catchment.

Deliverables for output 2.2.2 include:
? Acquisition and distribution of seedlings (bamboo, indigenous trees)
? Support CFAs in rehabilitation of degraded forest land (planting, weeding, maintenance and protecting) with particular focus on youth groups

The management of the forests falls under the jurisdiction of the Kenya Forest Service, although the County Governments, Kenya Wildlife Service and the Kenya Water Towers Agency and CFAs have significant roles. Community access to plantation forests falls under the Plantation Establishment Livelihood Improvement Scheme (PELIS). This system allocates small parcels of land in the forests for farmers to cultivate. In exchange, they plant trees within their plots and care for them until the canopy begins to close. The ultimate goal is to plant a range of native trees on the land and close the gap in the forest, thereby restoring ecosystems and providing habitats for wildlife. A new parcel of land is then allocated, gradually reforesting large areas of land. When well managed, PELIS can create wealth and

restore forests with very high success rates. The PELIS approach is of great importance to the forest plantation establishment particularly in poverty reduction, employment creation, reducing government expenditure by reducing its staff and its contribution to environmental conservation. CFAs contribute greatly to the success of this approach, through the development of PFMPs and ensuring their execution. It is estimated that as much as 50% of the gazetted forest area within the target catchments is currently under PELIS. The project will support measures to restore degraded forests on 19,000 ha (500ha of replantation in severely degraded areas, the other 18,500 ha with improved management, rehabilitation and natural regrowth after destructive farming or grazing activities are stopped within these gazetted areas). This will include reforestation with indigenous trees and bamboo and SLM technologies where PELIS is practiced (e.g. terraces, vegetated plot boundaries, runoff control on pathways).

Deliverables for output 2.2.3 include:
? Promoting the protection and rehabilitation of riparian lands (100km river length x 30m width of river riparian buffer area);
? Acquisition and distribution of seedlings;
? Protection of springs (e.g. through fencing, water troughs);
? Promotion of water harvesting and irrigation.

Wetlands provide important regulatory and recharge ecosystem services, resulting in enhanced water quality and quantity. They trap sediments in river flows and reduce turbidity in water abstractions for domestic and commercial use, or facilitate groundwater recharge, resulting in sustained flows during dry season. Healthy wetlands maintain a broad diversity of aquatic plants that contribute to the oxygenation of the water resources, which can support greater abundance of fish stocks. Improved health and restoration of wetlands is thus essential to integrated water resource and catchment management. Support will be provided for the protection of wetlands through implementation of green infrastructure, such as indigenous trees and suitable grasses over an area of 500 ha. Support will also be extended to the protection of springs through fencing and providing alternative watering points for human and domestic animals. On-farm water storage should be promoted to reduce the need to abstract and water livestock in the rivers.

Restoration of riparian lands has also been identified as a priority intervention. Land users are not currently complying with the law and increasingly encroach into waterways, thereby increasing siltation and river pollution. The project will support activities of WRUAs in the demarcation of riparian areas and reforestation with indigenous trees, fruit trees, bamboo, etc.

Deliverables for output 2.2.4 include:
? A value chain assessment;
? Support for climate-smart food value chain and livelihoods investments, incl. women and youth groups.

Currently, a number of households within the catchments are engaged in extensive livestock grazing within the forested areas as well as in collection of firewood from the forests. In some sections of the Kaptagat forest, the shamba system is practiced but is not well controlled[6][6]. In some instances, farmers are involved in irrigated agriculture along the riverbanks. All these activities put pressure on the forest, land and water resources causing increased erosion, sedimentation and general degradation of the catchment. To lower the reliance of such livelihood activities on the forest and water resources, the following alternative livelihood improvement activities will be supported: i) improved irrigation technologies and high value crop production; ii) improved livestock enterprises with low pressure on land resources including bee keeping, poultry keeping and dairy goats rearing, etc.; iii) improved value chains for forest and non-forest products (bamboo, potatoes, mushrooms, aquaculture, maize, gums, resins, aloe, medicinal products etc.; iv) planting of fodder fields and promote zero-grazing approaches

for high value dairy production; and iv) promotion of alternative energy sources, including energy saving stoves (jikos).

Component 3: Capacity development and knowledge management support a paradigm shift toward INRM in important water towers

In order to sustain the project efforts toward integrated natural resource management beyond its own lifetime and to broaden its impact beyond its geographic target area, INRM approaches need to be anchored within county implementation strategies as well as county and national policy making processes. Therefore, Component 3 will invest in aligning project and county M&E approaches to provide data and information for influencing policy making, as well as compiling this data into policy tools. These will be integrated in communication works for sharing the lessons to be learned from the project.

Outcome 3.1: M&E tools and approaches enable tracking of local and global environmental benefits, including LDN and support adaptive management and scaling up of the WF model.

The relating outputs for outcome 3.1 are:
3.1.1 M&E systems for and with local stakeholders and county decision makers developed and adopted in two counties;
3.1.2 Assessment tools developed and adopted to facilitate the incorporation of INRM, biodiversity conservation and LDN approaches into policy making to enable scaling beyond the targeted water tower.

The M&E system will be deployed both at project level and for county implementation and support teams, including relevant partner organizations. It will be linked to and inform both the Government?s National Integrated Monitoring and Evaluation System (NIMES) and the County?s Integrated Monitoring and Evaluation System (CIMES), be aligned with the IFAD baseline projects (UTNWF, KELCoP) and will be designed on the basis of the indicators and means of verification specified in the results framework. It will also build on the experiences gained by previous IFAD-financed projects, and be consistent with the GEF and IFAD procedures and guidelines. Monitoring of LDN will be integrated into the M&E system through monitoring of land cover, land degradation, land productivity (e.g. NDVI or NPP) and soil organic carbon (SOC) on different land types.

The project will work closely with GIS and remote sensing experts and use tools developed under the UTNWF to leverage on the application of GIS in mapping farms, develop farm plans and to monitor integrated natural resource management interventions to mainstream biodiversity aspects. The project will also use remote sensing and GIS to monitor land use, land degradation and vegetation cover changes. Several activities are specifically targeting biodiversity mainstreaming, e.g. wetland and biodiversity surveys, development of an M&E framework and standard monitoring templates for partners; stakeholder direct and digital platforms for coordination and knowledge sharing, or training in the application of project assessment, implementation and monitoring tools.

It is planned to support KFS, KWTA and county agencies through capacity development for the use of the METT toolbox for PA management effectiveness, to also harmonize with global best practice (output 3.1.1). Although wildlife parks do not feature in the project area, KWS will be invited to participate in these trainings as well. Core implementing partners of EIWF are using different M&E frameworks, and therefore the PMU will work to ensure that the reporting indicators and formats are harmonized through the deployment of standardized templates. The implementing partners will be trained in the use of these templates for easy reporting. For instance, KWTA has developed an Integrated Water Tower Monitoring System, which is still to be tried. However, some of the indicators in this report could be adopted in the reporting system of implementing partners.

The project's M&E strategy will contribute to substantially improve monitoring capacities of KFS and county-level implementation agencies for PA management; reducing pressures on the buffer zones of the Cherangani Hills and Mau Forest Complex, thus also facilitating PA management and biodiversity conservation beyond the project?s intervention area.

Component 4: Project Management and Coordination
This component covers the project management and operational activities including reporting on the fiduciary aspects of the project. The day to day operations will be overseen by a lean Project Management Unit. While oversight will be provided by the Project Steering Committee (see section 6 on implementation arrangements). The component outcome is effective coordination and implementation of project activities.

4) Alignment with GEF focal areas

Biodiversity - In line with GEF 7 biodiversity objective 1 (BD-1-1), the project will promote mainstreaming of biodiversity in production landscapes (including forest areas, critical water catchments, wetlands and riparian areas, and sustainably managed farmlands) and in the smallholder agricultural sector. The outcomes of this project will also directly contribute to the Aichi targets as laid out in section E above. The project will achieve this through:
? Improved agricultural production practices that are more biodiversity-positive through technical capacity-development of smallholder farmers and county government officials and implementation of financial mechanisms that incentivize actors to change practices by establishing the WF;
? Spatial and land use planning in freshwater wetlands, including biodiversity mapping;
? Development of policy and regulatory frameworks that provide incentives for biodiversity-positive land and resource use, both in protected areas, forest reserves and their buffer zones, as well as in production landscapes.

Land degradation - In supporting the GEF 7 objectives LD-1-1, LD-1-3, and LD-2-5, the project will promote reduction of land degradation in landscapes by supporting:
? Degraded agricultural land, forests and grasslands restored and under integrated management with rehabilitated or restored ecosystem services;
? On-the-ground implementation of sustainable land management, soil erosion control measures, diversification of crop and livestock systems across farm holdings, incl. the promotion of CSA and agroforestry approaches;
? Forest restoration in the catchments' forest reserves and thus high conservation value forest (HCVF) loss avoided
? An enabling environment for better land use management and practices, fostering inclusion of SLM and LDN into sectoral policies and scaling up of sustainable catchment management.

5) Incremental cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing:

To scale up WFs and support a paradigm shift towards INRM in important water towers using sustainable financing mechanisms, develop capacity and knowledge management and effectively engage with policy makers and the private sector, in Kenya and beyond, GEF support is needed. This funding will provide the incentive to take the WF approach to the next level, above and beyond the UTNWF, clearly demonstrating its scale-up potential.

There is strong public sector support and appetite to provide the tools necessary to scale up the WF model. The GEF Funds will a) establish a public-private partnership platform and enabling policies for sustainable water tower management, b) restore degraded catchments, forest and wetland ecosystems while improving production practices and food value chains, and c) build capacity and knowledge management around INRM.

Often, WFs require substantial investment in the earlier years to initiate watershed restoration through raising money from both public and private sectors. Once initiated, restoration under way and first returns on investment are coming in, the only continuous need may be operations and management (O&M) which in some cases requires very low investment costs This can successfully be covered by a local NGO, public utility or government agency.

Many water services providers or utilities are beginning to appreciate the value of including a watershed protection item in their water tariffs. This was initially adopted in Lima, Peru and has now been integrated in Nairobi City through the NCWSC utility. This provides a perpetual source of WF funding, ranging from 1-5% of the large consumers water bill. For Nairobi for example, the annual collection is about USD160,000, of which USD100,000 annually are allocated to UTNWF. The NCWSC has already committed their ten-year allocation amounting to USD 1 million. Similar collaboration measures are being advocated for Eldoret Water and Sanitation Company (ELDOWAS) with over 60,000 metered water consumers to adopt the watershed protection fee. They are already involved in upstream catchment management to protect the downstream water resources. Progress on this end includes: (i) approval by the regulator for the utility to initiate tariff revision and include a budget item on watershed conservation; (ii) approval by the County assembly of Uasin Gishu for the proposed revision on the tariff; (iii) public consultation and disclosure to all consumer categories and approval of the new tariff rates by the consultative process (iv) presentation of the new tariff rates and cost categories to WASREB the national tariffs regulator for concurrence and final approval. EIWF jointly with ELDOWAS will oversee the roll out of the tariff within the 2021/2022 financial year and creation of a separate account to manage the conservation funds to be utilized under the EIWF work plan and priorities. This process has been impacted by COVID-19, resulting in reduced tariff collection and enforcement, but will gather momentum in the 2021/22 financial year. Further, the establishment of the endowment fund with investments coming from public and private sector entities is expected to be the main sustainability mechanism of the Fund. ELDOWAS will manage the endowment fund of the project in perpetuity. Being a government institution that is allowed to enjoy some tax exemptions, it is expected that savings made from these exemptions will be ploughed back into the endowment fund. This will be guaranteed during implementation by virtue of ELDOWAS managing the endowment fund in the long term. ELDOWAS has committed to contribute 100,000USD annually towards the endowment fund in perpetuity, from among other sources, tax exemption. The smooth management of the endowment fund will be enhanced through a board of trustees identified during implementation, and represented by various public and private sector entities as in the case of the UTNWFP.

The proposed project will contribute to and benefit from another IFAD-led project that was recently approved, the Kenya Livestock Commercialization Project (KELCoP). KELCoP will cover 10 counties in the Northern, Western and Rift Valley regions, including Elgeyo-Marakwet, aiming at three livestock value chains - small ruminants, poultry and bees- predominantly carried out by women and the relatively poor among small-scale farmers. Concurrent aims at natural resource management and climate resilience approaches in both projects include tree and shrub planting, agroforestry and rehabilitation of degraded rangelands, water harvesting and water conservation measures to reduce pressures on land and soil. The IFAD investment in KELCoP is about USD 55 million - of USD1.6 million can be counted as co-financing for this project.

6) Innovation, sustainability and potential for scaling up

Innovation

Ability to catalyze innovations generated in technology, policy and governance, financing and business models:

Although the UTNWF certainly serves as a guiding example and provides a good background for learning and borrowing from experiences already made, the proposed EIWF is much more than a mere repetition of the former:

? UTNWF and nearly all other WFs established in Latin America or Africa are set in a strong city context, where a big city with its vast urban population as well as urban industries heavily draw on the water resources, reducing its availability in the surrounding catchments. EIWF in contrast will be established in a rural context, where the main root causes and barriers for water availability are to be found in unsustainable agricultural practices and the water users largely tend to be members of the small-scale farming communities. Therefore, the water fund concept needs to be applied with a much stronger focus on competing land uses, sustainable production practices and forest conservation to convince upstream smallholders of the immediate benefits of a water fund for their food security and livelihoods. In a city context, the link between urban overuse of water resources and the draw this causes in the adjacent catchments is fairly obvious and eases the establishment of a relationship

between downstream and upstream stakeholders through a water fund. This needs to be proven for the rural context where the upstream/downstream divide is much stronger and each group is primarily focusing on its own concerns. Proving that a water fund can work in a rural and fully devolved context will be key to the Government taking over the replication of the same across other counties in Kenya, nearly all of which equally have a rural setting.

? The rural environment also has a strong effect on the stakeholder pool on which the EIWF can build. In comparison with e.g. the UTNWF, many more EIWF stakeholder groups are upstream smallholders, organized in resource user groups at community level (e.g. WRUAs for water resources, or CFAs for forestry). Naturally, this needs to be considered in the project strategy, having a strong focus on ?classic? catchment restoration - concentrating about 75% of project resources in Component 2 - which is embedded in an additional WF approach to provide for sustainability, particularly in financial terms. Moreover, a good number of the private sector players downstream will be agriculture-based with a keen interest on water use in an agricultural context ? these include e.g. associations of commercial landowners or the internationally renowned sports fraternity, the majority of whom are community members with a direct linkage to upstream interventions and water quality and quantity downstream.

? Therefore, the EIWF project goes beyond mere replication, but is a scale-up to a different contextual setting that needs to be proved first, before stakeholders and decision makers can broaden and extend the WF concept convincingly to other catchments in Kenya or across Africa.

? Another innovative element to the proposed project is the integration of indigenous peoples living in some of the forests of the project area through FPIC and the participatory development of an Indigenous Peoples Action Plan. While the Sengwer and Ogiek peoples can play a vital role in forest conservation, as also outlined in the PIF, they are often regarded as being detrimental to it. In fact, the KFS and security agencies have several times attempted to forcibly evict the indigenous peoples from their areas and could only be stopped through a court decision. Therefore, the KFS? and security agencies? approach to community engagement is rather enforcement driven; however, KFS officials voiced their strong interest in the project?s integrative and community-driven approach to improve forest conservation. There is a good opportunity for the EIWF to demonstrate that Government agencies and communities can collaborate and work in a participatory and community-driven effort to conserve biodiversity and restore landscapes. Safeguarding habitats and tenure for indigenous peoples through joint conservation investments would be a best practice once achieved. Other communities and governments can replicate this across Africa.

? The COVID 19 pandemic has necessitated the application of digital platforms and tools for monitoring and evaluation, extension and information provision to farmers, including distribution of project inputs. This approach has worked well in the UTNWFP and will be applied in the EIWFP to counter movement restrictions and to limit the spread of the disease within the project area.

Furthermore, initial investments in a new WF are usually quite substantial, particularly in remote locations. They are a steep investment for Governments in developing countries, driven to budget their scarce resources for more development-aimed investments rather than into environmental areas. Once a water fund is established, operations and maintenance are considerably less expensive and can even be run by local governments. Aware of this initial impediment, TNC is in the process of establishing an African WF Facility to support the first steps when governments are interested in the WF concept. However, this will take a few years to become operational. Hence, GEF investment is still needed to deliver global environmental benefits with the WF contexts.

Sustainability and public sector support:

The proposal has received strong public sector patronage and buy-in, particularly by the Ministry of Environment & Forestry, Ministry of Water & Sanitation and the Ministry of Agriculture, as shown in the support letters received. Further substantive support is extended by the two county governments of the proposed project area (Uasin Gishu and Elgeyo-Marakwet), as well as the KWTA, all providing substantive co-financing. The proposed project through Component 1 will establish a public-private partnership platform, contributing to policy development and institutional reforms that include incentives for climate-smart smallholder agriculture, land use management and food value chains.

During its three years of existence, UTNWF has already produced impressive results, including an additional annual provision of water to Nairobi city in the amount of over 20 million litres and over 800,000 people experiencing more reliable water supplied due to improvements in the upper Tana catchment. These results led to more partners joining the WF partnership, including private sector and Laikipia County, contributing to the WFs funding baseline and its reach with regard to local stakeholders and decision makers. The ongoing UTNWF investments being made by the Government of Kenya (GoK), the GEF and IFAD in earth observation and monitoring systems are enhancing the country's ability to monitor ecosystem health, identify priority areas for conservation within the existing network of protected areas, and inform the priority intervention areas to be implemented under the County Integrated Development Plans (CIDPs). This enhances UTNWF's aim to influence policy toward mainstreaming and sustaining integrated resource management approaches. With the earth observation and land health status monitoring systems and the multidimensional poverty assessment tool, the project was able to successfully link biophysical and socio-economic indicators for enhancing the resilience of local communities. These capacities contribute to the successful implementation and sustainability of UTNWF and have already improved the baseline situation of the proposed project.

Potential for achieving large-scale change:
The proposed project will work with public and private sector partners to establish a WF for the Eldoret and Iten municipalities to expand the geographic scale and scope of Africa?s first WF in the upper Tana. Through lessons learned from previous innovation, successes, and challenges, this project aims to support a paradigm shift towards INRM in important water towers using sustainable financing mechanisms, developing capacity and knowledge management and effectively engaging with policy makers and the private sector, in Kenya and beyond.

The project will also benefit from and contribute to the Water Funds Network for Africa, already having enlisted water utility leaders, private sector leaders drawn from major corporations on the continent and partners from government and academia. The network is led by TNC and MoEF in Kenya, promoting knowledge management and learning. Part of the network?s responsibility is to organize periodic training on public-private partnership establishment, WF feasibility and design processes. Lessons learned from GEF IAP and IP projects in Africa will contribute to the network?s wealth of knowledge.

Interventions by this project could be scaled up nationally to expand the targeted water towers from two to 18 and ensure they are all accorded national protection and investment to improve their soil and forest cover conditions in line with INRM principles. More broadly, the GEF 6 investment in the establishment of the UTNWF is now serving as a learning platform for many other cities and watersheds across Africa and has received strong public and private sector support, even outside of Kenya. These include, for example, Cape Town in South Africa, Sebou in Morocco, and Freetown in Sierra Leone.

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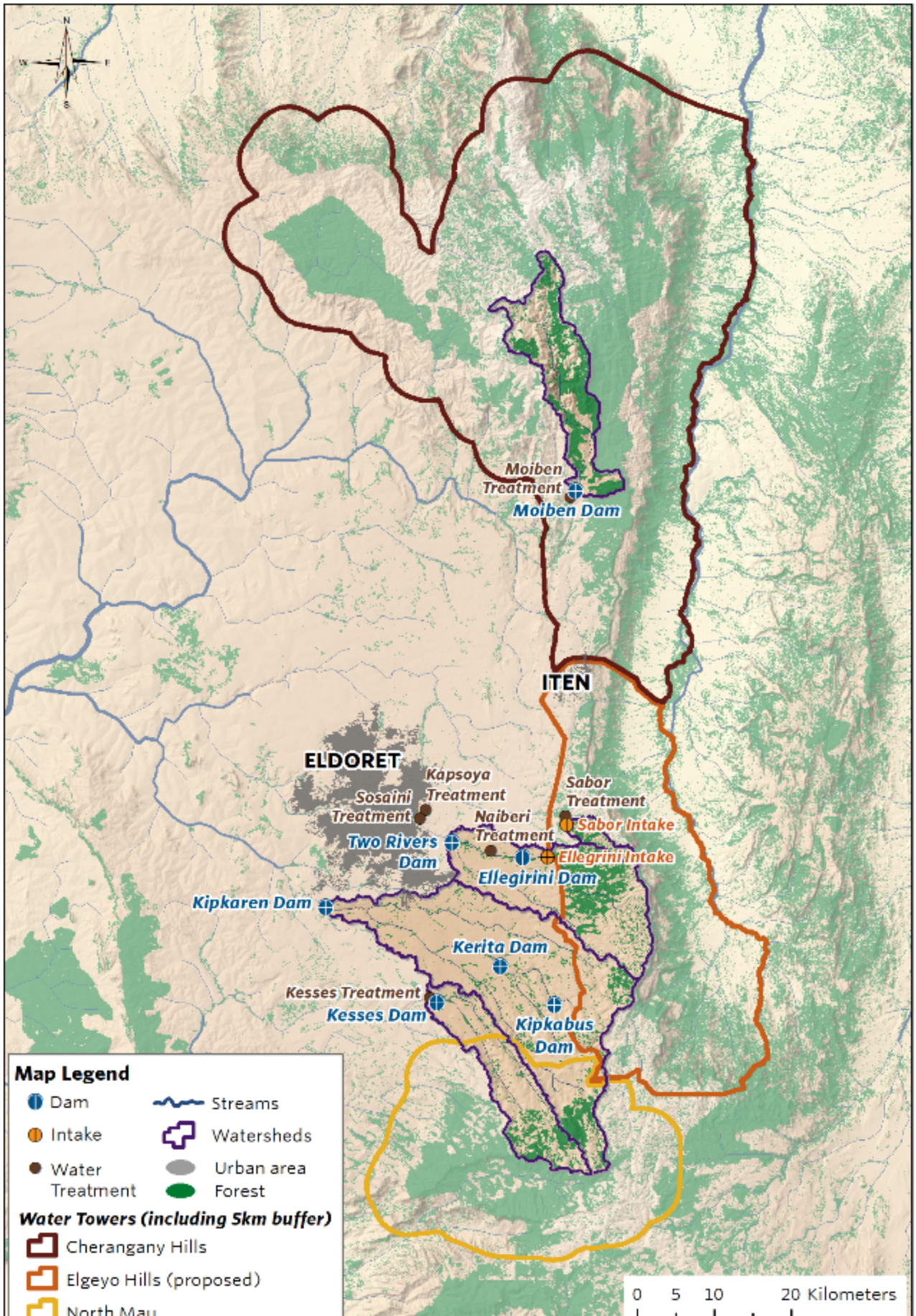
[1] WWF (2020). The Mau Forest Complex and Catchment Basin. https://wwf.panda.org/wwf_news/?10823/The-Mau-Forest-Complex-and-Catchment-Basin
[2] BirdLife International (2020) Important Bird Areas factsheet: Mau forest complex. Downloaded from http://datazone.birdlife.org/site/factsheet/mau-forest-complex-iba-kenya on 08/04/2020.
[3] *Aningeria strombosia* forest, with a large area of mixed *Podocarpus latifolius* forest on the higher slopes. The southern slopes hold *Juniperus nuxia* and *Podocarpus falcatus* forests. Valleys in the upper peaks area shelter sizeable remnants of *Juniperus ? Maytenus undata*?Rapanea?Hagenia forest. Tree ferns *Cyathea manniana* occur in stream valley, and there are patches of bamboo *Arundinaria alpina.* In clearings, *Acacia abyssinica* occurs among scrubby grassland with a diversity of flowering plants. At higher altitudes, the forest is interspersed with a mixture of heath vegetation and swamp then later with *Lobelia aberdarica* and *Senecio johnstonii*. The eastern region has a mosaic of vegetation types with little altitudinal zonation, possibly as a result of the hills? varied topography and the long history of interchanging practices of cultivation, grazing and bush fires, and the establishment of plantations. KWTA Status Report for Cherangany and Mt. Elgon, 2018, p. 20.

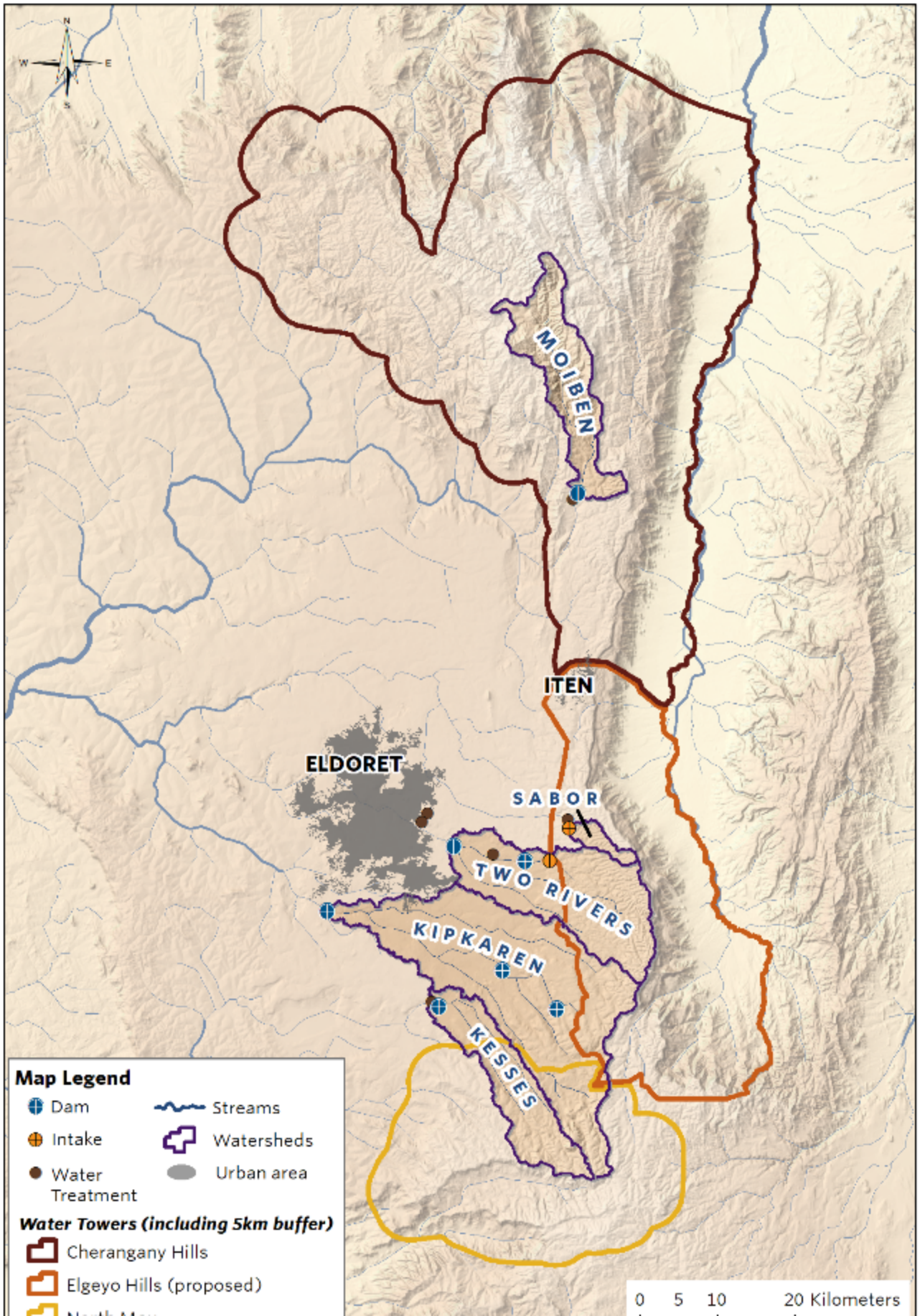
[4] https://www.cepf.net/our-work/biodiversity-hotspots/eastern-afromontane/species
[5] As referred to in the PIF, the overall hectares of the gazetted forest reserves were reviewed by the KFS, the new data now in official use is not necessarily in full alignment with WDPA data for all areas. WDPA data still needs an updating.
[6] A traditional system where agricultural crops are grown together with indigenous tree species, see e.g. https://link.springer.com/article/10.1007%2FBF00048108.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

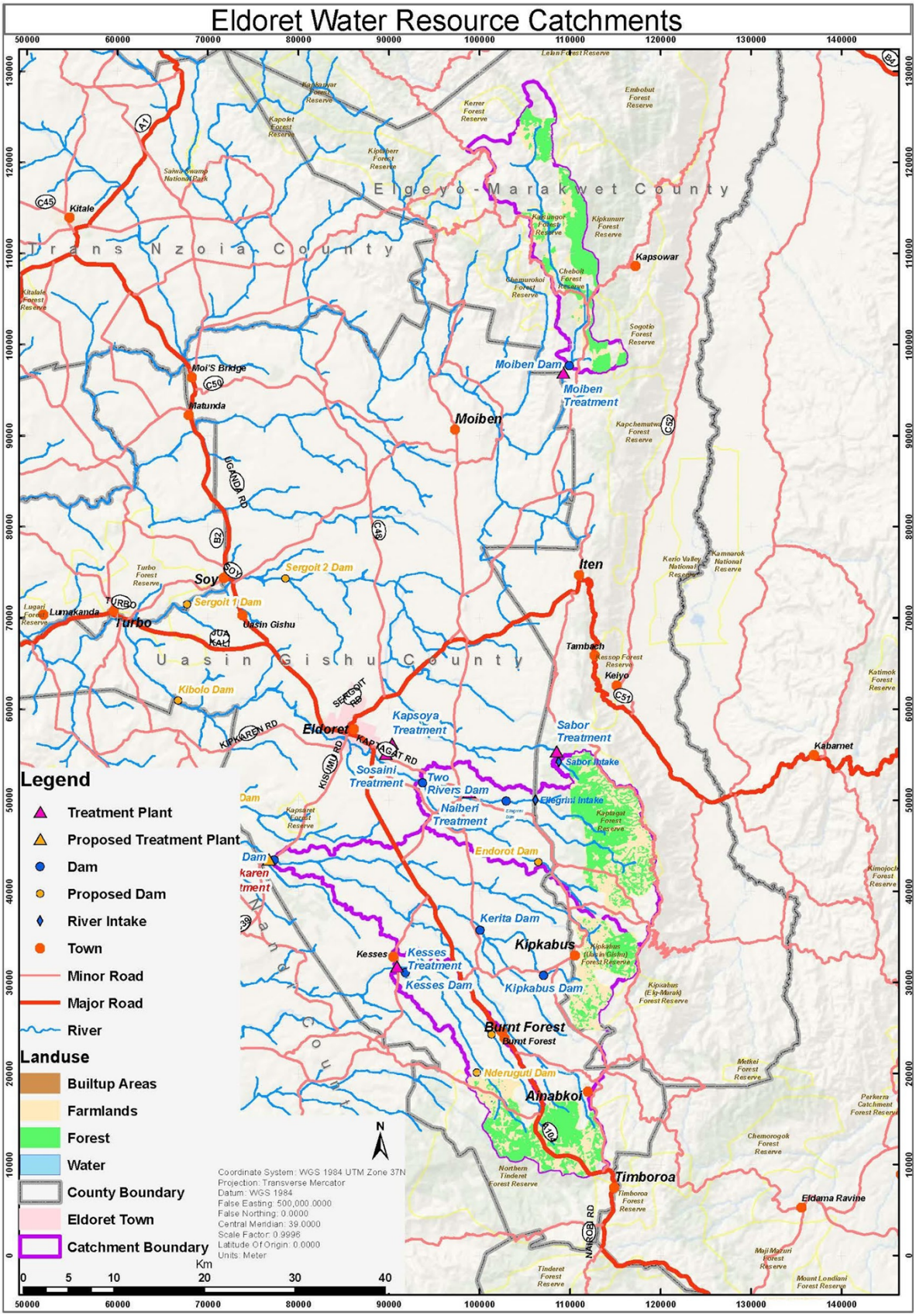
Map 1 and 2: Maps of Water Towers in the Project Area


Moiben Treatment
Moiben Dam
ITEN
ELDORET
Kapsoya Treatment
Sosaini Treatment
Sabor Treatment
Sabor Intake
Naiberi Treatment
Two Rivers Dam
Ellegrini Intake
Ellegirini Dam
Kipkaren Dam
Kerita Dam
Kesses Treatment
Kesses Dam
Kipkabus Dam
Map Legend
Dam
Intake
Water Treatment
Streams
Watersheds
Urban area
Forest
Water Towers (including 5km buffer)
Cherangany Hills
Elgeyo Hills (proposed)
North Mau
0 5 10 20 Kilometers


N
W
E
S
MOIBEN
ITEN
ELDORET
SABOR
TWO RIVERS
KIPKAREN
KESSES
Map Legend
Dam
Intake
Water Treatment
Streams
Watersheds
Urban area
Water Towers (including 5km buffer)
Cherangany Hills
Elgeyo Hills (proposed)
0 5 10 20 Kilometers

Map 3: Eldoret Iten Water Fund Project Area Map

Eldoret Water Resource Catchments



1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholders are fully engaged and involved in project execution and decision-making. A Stakeholder Steering Committee (SSC) has been formed, comprising 12 representatives of various organizations and levels, based on stakeholder assessment and engagement processes during project preparation. Please refer to the respective sections of the Project Implementation Manual (PIM, Annex 9) re. composition and ToR of the SSC (p. 53), or stakeholders? roles in monitoring and evaluation (p. 92f).Consultations on the development of an Indigenous peoples action plan have already been done. Members of the local Cherangany community have been engaged and have elected a representative to participate in the already formed project steering committee, through which their views are expressed and feedback provided. Their engagement will continue in planning conservation activities, benefits sharing and monitoring. These consultations and engagement are part of the initial stages towards the development of a participatory indigenous peoples? action plan. The COVID 19 pandemic has slowed down the process of engagement due to the initial restrictions on travel and meetings. Given that indigenous peoples must be engaged through participatory and inclusive ways, the project will ensure that COVID 19 protocols are taken into account in the choice of meeting places as well as during the meetings. Varying groups of stakeholders ranging from government, private sector, were also consulted during the entire design process. A detailed list with the names, institutions, contacts and designations of the stakeholders is provided in Annex 12.
A summary of the project stakeholders is presented in table 4 below.

Table 4. Stakeholders for the EIWF and their key roles

Roles		**Lead Implementation Partner**	**Collaborating stakeholders**
1.1.1	Assessing of enabling conditions for scaling up WF	TNC	KWTA, KFS, County Governments
1.1.2	Developing and disseminating tools to scale up the WF model	TNC	KWTA, WRA, KFS, NEMA, MoEF, MoW, MoA, County Govts.

1.1.3	Providing sustainable financing secured from water-reliant entities in the public and private sectors	ELDOWAS, TNC, ITEWASCO, Private Sector Partners	WASREB
1.1.4	Ensuring that the WF facility is established	TNC, County Govts, WASREB	MoEF, NEMA, MoW, MoA, KFS, KWTA
1.2.1	Ensuring that enabling by-laws/regulations are enacted in 2 target counties	TNC, County Govts	KFS, KWTA, NEMA, RWA
1.2.2	Preparing guidelines for linking and harmonizing WF management with climate-smart agricultural production and gazetted forest reserves and PA management drafted and adopted	County Govts, TNC	KWTA, KFS, KERRA
2.1.1	Enhancing awareness and skills of local communities to engage in participatory land-use planning	CFAs, WRUAs	KWTA, KFS, County Govts
2.1.2	Ensuring that participatory catchment management plan for the EIWF is established and adopted for implementation, in line with existing management plans at catchment and sub-catchment levels	TNC, County Govts, KWTA, KFS, NEMA	CFAs, WRUAs
2.2.1	Ensuring that agroforestry and soil and water conservation (SWC) measures are implemented on 3,500 ha of degraded land	County Govts, Department of Agriculture, NGO partners	Departments of Land, Water, Environment
2.2.2	Promoting sustainable forest management measure on 15,000 ha of degraded forest land	Kenya Forest Service, CFAs, TNC	KWTA, County Govts

2.2.3	Promoting wetlands restoration through the implementation of green infrastructure on 500 ha	Water Resources Authority, WRUAs, TNC	KWTA, NEMA
2.2.4	Promotion of pro-poor and climate-smart food value-chains to benefit 5,000 households (22,500 persons)	Departments of Agriculture (county level), TNC	KFS
3.1.1	Undertaking catchment conservation activities, data collection, mobilising farmers and assisting in the M&E of the project through data collection and reporting	CFAs, WRUAs, County Govts	KWTA, KFS, County Govts
3.1.2	Ensuring that assessment tools are developed and adopted that facilitate the incorporation of INRM approaches into policy making to enable scaling beyond the targeted water towers	County Govts, CFAs, WRUAs	KWTA, KFS, NEMA
3.1.3	Overall supervision of the project, financial management and reporting to the GEF	IFAD	

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

? Already at initial project conceptualization, and even before the official project preparation phase, stakeholder groups at community, catchment and county levels self-organized a stakeholder consultative committee to coordinate stakeholder interests, input and assessment, so as to best support project development. The project?s implementation strategy and structure fully subscribes to this integrative approach and has formalized the stakeholder coordination into a SSC with the main aims to (i) coordinate the different implementation partners and stakeholders; (ii) identify county level policy mainstreaming opportunities; (iii) integrate conservation and monitoring activities within county government plans; (iv) track watershed condition changes and impact of the project activities; and (v) share lessons learned and best practices. The SSC will meet on a quarterly basis and the related meeting costs, totaling USD 6,000, are fully integrated into the project management costs. It is further envisaged that the SSC will be converted into an Advisory Council reporting directly to the Board of

Trustees of the WF after it is established; hence continuing its functions beyond project lifetime (see the organizational chart in Annex 9, p. 50).

? The project?s main implementation activities in component 2 strongly build on existing stakeholder organizations, namely the WRUAs and CFAs in establishing or upgrading SCMPs and PFMPs, the building blocks towards developing a participatory management plan to be adopted for implementation by the WRUAs and CFAs together with KWTA and KFS, covering the five targeted catchments of the WF.

? Stakeholders at community, county and national levels will therefore be continuously engaged in implementation, decision making and information sharing throughout the project cycle.

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor; Yes

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

The SECAP Review in Annex 6 provides a full socio-economic assessment including relevant sections on gender roles and related project-specific risks.

In IFAD-funded programmes, gender and women's empowerment are pursued by specific inclusion of economic activities that benefit women and by providing women and men equitable opportunity to influence decision-making and reducing the workload for women. A pro- poor and women and youth focused strategy will be developed and adopted by all stakeholders.

Traditional norms, in the past and at present, disadvantage both women and youth in Kenya by limiting access to resources, education and decision-making. For instance, only 29% of those earning a formal wage throughout the country are women, leaving a substantial percentage of women that work in the informal sector with few benefits. Furthermore, 54% of agricultural workers are women, providing the bulk of the labour force in agriculture. Yet few women own assets such as land. As a result, poverty in Kenya has a gender and age dimension, due to the disparities that exist in access, ownership, control of productive resources, and limited capabilities. In the targeted project area, women and youth provide the majority of the labour-force for agricultural work for instance in Uasin Gishu County, adult males provide the highest share of hired labour for crop production whereas youth

dominate hired labour for livestock. Female labour ranks the highest in unpaid family labour for crop production. In terms of division of labour, women are mainly engaged in on-farm production and harvesting, while the youth on the other hand are largely involved in harvesting, sorting and marketing of potatoes. In terms of access to and control over assets, it is quite evident that women do not own land, therefore are deprived of a chance to engage in productive sectors due to the lack capital.

Youth comprise 36% of the national population but, alarmingly, 61% of them remain unemployed. About 92% of the unemployed youth lack vocational or professional skills demanded by the job market. Despite their numerical weight, youth are not well represented in national and local political and socio-economic development processes. Lack of access to land and dissatisfaction with agricultural production as a livelihood strategy especially among rural males limits livelihood options. Yet it is the youth who are most energetic, better educated and with higher technology skills. Thus, their exclusion represents untapped potential for increased adoption of productivity-enhancing farming technologies. In Elgeyo-Marakwet, youth (age 18-35) consist of 27 percent of the population with a population of 137,865. In Uasin Gishu, the population of the age group 15 to 24 years was 355,273 in 2017 and these remain dependents due to lack of employment opportunities. Youth still face significant challenges in terms of access to employment opportunities mainly due to lack of requisite skills sets relevant to the job market.

A desktop gender analysis based on available literature was undertaken during the design as part of the development of the SECAP review note and some aspects of it are also captured in this design package (CEO endorsement, PIM etc.) A more systematic gender analysis is planned for the initial implementation stage of the project, as part of the baseline study and will also assess the status of the Women?s Empowerment in Agriculture Index (WEAI). WEAI measures the roles and extent of women?s engagement in agriculture through five key variables: decisions about agricultural production; access to and decision making power over productive resources; control over use of income; leadership in the community, and time use/ work load reduction. It also measures women?s empowerment relative to men within their households. The desktop analysis revealed that there are systematic gender and youth issues that will require to be addressed in consultation with county governments and local communities during implementation.

To address systemic and sector-specific gender and youth-based challenges, the EIWF set up a gender and youth action plan to be pursued by the project. Below is a number of proposed action areas that will be further detailed and fully incorporated into the project?s implementation strategy and M&E approach upon completion of the baseline surveys, including the Women?s Empowerment in Agriculture Index (WEAI) in conjunction with the socio-economic baseline survey. The WEAI survey will be conducted with men and women, and female-led households.

Table 5. Gender engagement and empowerment plan for EIWF

Gender-based challenge area	Examples of project interventions to overcome the challenge
Access to and control over natural resources	? A gender and poverty targeting strategy will focus on the areas of strongest inequality. ? Demonstration sites and field days will be hosted at women owned farms.

Poor participation in decision making over resource use	? The project will seek to hire female extension staff to encourage the participation of women. ? Timing and venues of training will take into account the convenience for the participation of women. ? Women will constitute 50% of the people on any exchange visits to UTNWF. ? Women will share their knowledge with communities ? A 50% quota representation of women in CFAs, WRUAs and other CBOs in decision-making management committees will be a condition for support by the project.
	? The project will support gender awareness raising at community level to engage both men and women on the importance of involving women in accessing development opportunities.
Higher vulnerability in terms of poverty, access to land and water and/or food insecurity	? Incentives and value chain activities particularly targeting women and youth, such as improved stoves, employment and alternative livelihood opportunities (beekeeping, fruit tree management, backyard gardening, among others) ? Nutrition messaging especially targeting women.
Higher share in agricultural labor	? Promotion of labor saving technologies for the activities performed by women for marketable commodities as well as for household tasks such as water supply, fuel supply and food preparation (e.g. solar cookers, rainwater harvesting, woodlots, spring protection, and energy efficient stoves). ? Targeting of female-headed households, youth and poor through shifting contribution scales for technologies, reaching from matching grants to considering in-kind contributions.
Poor participation of youth in agricultural activities and unemployment	? Align project interventions targeting the youth with the Kenya Youth Agribusiness Strategy (2017-2021) ? Promote income generation activities for the youth e.g. bee keeping, tree nursery establishment ? Ensure adequate representation of the youth in project activities and in leadership positions through a 30% quota system

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

The EIWF is a Public Private Partnership, with its objective to have broad private sector involvement throughout the project, including in resource mobilization and project implementation. So far, WFs have demonstrated unassailable ability in achieving strong private sector engagement and in committing the private sector to more environmentally sustainable practices.

A wide range of private sector operators are active and have expressed a keen interest to participate. These include Coca Cola, KCC, KAM, members in water and food processing, hotels and tourism, transporters, and timber processors. TNC has developed a private sector engagement plan for the EIWF aiming at attracting their participation in the Fund. Private-Sector entities are selected and approached according to their respective roles in water utilization, the impact of their activities in the watersheds and/or their potential role in improving the current situation toward sustainable use.

Further private sector actors are classified into various categories with the objective to build a business case for their participation in the Fund (Table 4). Priority will be given to downstream water user companies with a local presence. For such companies, upstream investments through the EIWF will lead to stable future water supplies, which is in their core business interest. Poor water supply poses not only a production risk but also a profitability risk for businesses. Insufficient quantity and quality of water supply leads to high cost of production as businesses will need to invest in alternative water supply sources. Poor water supply can also affect the health of the workforce, demand for products or generate social conflict. Large water users normally have priority allocation of public water. In the event of water rationing this may lead to conflicts with other water users thereby affecting attitudes to company products and thus demand. Improved water quality and quantity will therefore have a positive impact on the productivity of downstream business operators.

A business case can also be built for businesses operating in the catchment areas. Activities of such companies may be detrimental to the watershed's integrity. The aim of engaging them in the WF is to sensitize these stakeholders on the impact of their activities in the watersheds and/or the important contribution they can make to sustaining their own resource needs of clean and clear water.

Association with the WF can also be a marketing opportunity for private sector companies. Eldoret/Iten are sporting towns with a long history of successful international athletes, particularly for mid- to long distance running. International or national sports equipment manufacturing companies may wish to be associated with the Fund with a view to market their products or as part of their Corporate Social Responsibility.

The project will build on and scale up the momentum created by the UTNWF, establishing broad-based public-private partnerships along the food supply chains for specific geographic areas (watersheds), instigating more sustainable business practices as well as leveraging long-term investment in restoring and conserving the watershed ecosystems.

Table 6: List of additional private sector actors targeted for participation in the EIWF

	Organization										
Nature of Interest/ Business case	Coca Cola	Kenya Dairy	Quali basic seed	Kenya Seed	SIMLAW	Coerteva Agri Science	Syngenta	Bayer	Seedco	East Africa Seed	Sports (Puma, Nike, Adidas, Reebok)

Major Water User	X	X									
Catchment User (pollution)			X	X	X	X	X	X	X	X	
Local Presence (CSR)	X	X	X			X	X	X	X	X	X
Marketing Opportunity	X	X									

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Table 7: Foreseeable risks and their mitigation measures

Risk	Risk Mitigation Measures	Rating
Weak capacities of devolved structures to manage implementation of activities	The project is being implemented under a public private partnership, a concept that is new to most public and private sector players. Some partners, including counties, may have limited capacity in terms of staff numbers, skills, experience and resources. The project will link with local and national partner organizations with relevant implementation and technical experience. Where appropriate, the project will provide capacity development as demanded by the partners to strengthen their delivery in the project.	M
Ongoing devolution process	With the devolution process ongoing, the sharing of responsibilities between national and county governments is still to be fully determined, adding to capacity challenges in executing tasks at the catchment level. The project will engage both levels of Government - the national and county levels. This will include, but not be limited to KWS, KFS, National Environment Management Authority (NEMA), County Commissioners, and County Directors for Water, Environment, County Executive Committees (CECs) for Water, Environment and Agriculture. At the same time, the ongoing devolution process opens opportunities as well, as the planning for major sectoral and overall development policies and strategies at county level can be supported and strengthened,	M
Lacking coordination among partners leading to inconsistent approaches	Many partners at local, national and international scale invest in conservation and SLM practices in the catchment, often duplicating or overlapping and even sometimes contradicting practices and approaches to SLM, INRM and M&E of their interventions. The project aims at providing a common platform for the promotion and M&E of SLM practices.	M

Climate related risks of droughts, floods and/or other weather incidents	The key climate related risks relate to projected increased temperatures of 1-2^{0}C by 2050, prolonged droughts, variable rainfall patterns and floods, with potential loss of crops, livestock and damage to infrastructure. The project will integrate resilience and adaptation strategies into including erosion mitigation and CSA practices, rainwater harvesting, water pans, afforestation and on farm agroforestry as well as socio-economic coping mechanisms, including empowerment of women and marginalized groups and broader livelihood options.	M
Insecurity about public private partnership modalities	Private sector partners have expressed concerns over the efficient use and the likely impacts of their resources and investment pledges. The project design team will likely suggest a Charitable Trust as the preferred legal status for the WF to provide equal representation in the management of the Fund and return on investment. This was strongly supported by the private sector partners and endorsed by GoK under the UTNWF. The project will continue to involve the PPP Unit of the in The National Treasury for synergies and sharing lessons.	L
Financial sustainability of the Water Funds	Broad stakeholder engagement is key to the endorsement and sustainability of a WF and has been so in the case of the UTNWF. Here, financial contributions to the WF have been more substantial than initially planned for, by both the private sector and public utilities and entities. Capitalization of the endowment fund is well on track, while partners invest in parallel in UTNWF?s field investments for restoration work. Judging from the very positive feedback received in preparing this proposal, the risks for financial sustainability of the proposed WF are estimated as very low. However, other funding schemes proposed to Kenya, such as the Kenya Wildlife Conservation Fund, may become distractive during initial capitalization, if not fully focused on wildlife interest groups. Any lessons from the Kenya Water Finance Facility once fully operational will be taken into consideration by the project team in designing a sustainable financing mechanism	L

Potential delay of project activities as well as possible reductions in inflows of finances/co-financing from private sector (e.g. water utility companies) or county governments due to the ongoing COVID 19-pandemic	Implementation progress vis a vis the COVID 19 pandemic will be monitored closely in the first 15 months of project execution and decisions made regarding e.g. timelines of project delivery and completion, staffing levels in the project management unit and among implementing partner institutions, contributions from private sector and achievement of project activities. Adopted mitigation actions will be communicated to the GEF secretariat As much as possible, the project will apply digital approaches such as delivery of inputs and communication of extension messages to farmers through the mobile platforms, real time online M&E tools, use of geo-referencing and GIS as well as virtual meetings to limit the spread of the disease and to save on costs. This approach has proved useful in addressing the challenges posed by COVID 19 in the UTNWFP Wherever possible, meetings with project partners will be conducted virtually as a precautionary measure and for cost-saving reasons. Whenever face-to-face meetings are unavoidable, the project will adhere to the Ministry of Health measures to reduce infection risks (social distancing, wearing of masks, washing hands or use of sanitizers). Teams will also be encouraged to take advantage of the ongoing vaccination drives and get vaccinated Analytical work, capacity development and production of knowledge management materials will be conducted in small groups or through virtually connected teams to reduce COVID 19 infection risks. Sensitization will also be done particularly for farmers, throughout the implementation and during project related meetings. IFAD?s SECAP guidance on community health and safety will be employed in the development of a COVID 19 action plan for the project, which will be integrated into the ESMP	M
Political interference brought about by electioneering in 2022	While a few neighbourhood areas were affected in post-election violence incidences in 2007, there has been significant peace building efforts that covered both counties involved in this project. There has also been a lot of strengthening of land ownership rights including issuing of freehold title deeds to those who own private land. This is coupled with the fact that there has been peaceful co-existence since 2008. It is not expected that there will be election related disagreements of insecurity in the 2022 elections. In the unfortunate event that this happens, the project will work closely with county government, security personnel and local authorities to mitigate violence within the project area and ensure protection of lives and properties.	L

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The Government of Kenya (GoK) as the recipient of GEF funding and represented by the Ministry of Environment and Forestry (MoEF), delegates project execution responsibility to The Nature Conservancy (TNC) as the lead project executing agency, with disclosure to the National Treasury.

The Nature Conservancy (TNC) will execute EIWF through a grant agreement with IFAD. A number of collaborating and implementing partners, notably, KWTA and KFS, will support TNC. Both are active in the project area and have structures and technical staff on the ground to provide extension and implementation services. Additional partners include GoK agencies that will both benefit from the project and have a mandate and expertise to support project activities. These agencies include the Water Resources Authority (WRA), Water Services Regulatory Board (WASREB) and the National Environment Management Authority (NEMA). Furthermore, TNC will contract service providers to offer requisite technical assistance.

In order to exercise its oversight, the MoEF will chair the Project Steering Committee (PSC) with appropriate representation from both national and county levels to ensure alignment of the Project to ongoing programmes and activities of public and private sector partners of the EIWF. Day-to-day management and implementation of the Project will be delegated to TNC, setting up, coordinating and hosting a Project Management Unit (PMU) on behalf of the EIWF.

It is expected that the structures and operational procedures for the EIWF will be institutionalized no later than the end of PY2. Once completed, activities under the project will be transferred to WF for the remaining period of the project under the overall oversight of TNC.

The Project Management Unit (PMU) responsible for the day-to-day management and implementation of the project will be set up and housed by TNC in a field office in Eldoret. The PMU shall comprise the Project Manager, M&E Officer, Operations Officer and Field Extension Officer. The PMU shall draw additional technical expertise such as the Programme Director, a Water Fund Director, Freshwater Director, External Affairs Director, Spatial Mapping Specialist, and Programme Accountant, from the larger TNC establishment, which shall form TNC's in-kind contribution to the project. The Operations Officer will be in charge of the implementation of project procurement and financial activities at the PMU. Besides, partnership arrangements shall be established through MoUs and sub-contracts with service providers on a competitive or comparative advantage basis to support implementation of project activities. The county governments will provide seconded extension staff to work with the farmers, while the project will provide facilitation costs for the extension work.

Stakeholder engagement and coordination. Major stakeholder groups and implementation partners have already formed a Stakeholder Steering Committee, comprising of ELDOWAS, ITEWASCO, Elgeyo-Marakwet and Uasin Gishu County Governments, KWTA, KFS, University of Eldoret, Moi University, KNCC, KAM, WRUA and CFA representatives and a representative of communities. This consortium of project partners is fully embedded in the project implementation and decision-making structures, as detailed in the Project Implementation Manual (Annex 9), p. 11-14). Caution will be taken during engagement with stakeholders and partners, to limit the spread of COVID 19 by compliance with Ministry of Health measures as well as national government containment measures where applicable.

Project monitoring. Monitoring of the EIWF project will reflect the convention targets that are relevant to the global environmental benefits supported by GEF-funding, targets set by the Government of Kenya, as well as socio-economic and food security goals of both the stakeholders in the catchment and the private sector investors. The outline of the monitoring requirements is included in the project Logical Framework and is further elaborated in the Project Implementation Manual (Annex 9, p. 40-42 and p. 95-97).

Project supervision and review. IFAD is the fund manager and will undertake supervision, mid-term review and final evaluation of the project. It will field missions that combine addressing IFAD, GoK and GEF concerns. As is IFAD?s standard operation procedure, representation from the Government will be included in all supervision missions. Upon completion of each mission, an Aide Memoire will be discussed and agreed with GoK and the executing agency; and for each mission a single report will be filed, which meets IFAD, GoK and GEF requirements. A key responsibility of the supervision is to review progress against the declared targets set in the Project?s logical framework and the progress towards the seamless transition of the project into the EIWF Trust.

Project start-up. Steps need to be taken to initiate the implementation of the Project. Upon GEF Endorsement of the Project, a Grant Agreement will be drafted and shared; timely ratification of the grant agreements will ensure an early start of the EIWF Project.

Financial management. Financial management of the project will be a responsibility of TNC to execute the project. In line with IFAD Grant Design Guidelines, a Financial Management and Procurement Risk Assessment along with the fiduciary review exercise has been undertaken as part of the project design. A Financial Management Handbook, Procurement Manual and Project Procurement Guidelines require a procurement assessment to be done as part of project design, in order to assess the extent to which national systems are consistent with IFAD?s Project Procurement Guidelines. The assessment is required under a two-tiered approach: country-level assessment and project-specific assessment, including procurement capacity of the designated implementing agency/recipient. Given that this is not a conventional project where government systems may apply, an ad-hoc fiduciary review and procurement assessment of the implementing partner, TNC has been undertaken, on the basis of IFAD?s corporate standards and GEF minimum fiduciary standards as well as ESS. The objective of the assessment is to provide assurance that TNC and participating institutions will have sufficiently strong financial management systems and project procurement implementation modalities and controls in place to properly manage, control and report on project finances to ensure that project funds are used effectively and efficiently for the purpose intended.

The results of the assessment and the definition of financial management and procurement aspects together with the funds flow arrangements are provided in annex 5 and as a part of the Project Implementation Manual (PIM Annex 9). As a brief outcome of the procurement assessment, the project will be implemented following the TNC procurement regulations, complemented by the IFAD Project Procurement Guidelines and a Handbook, as detailed in the PIM and agreed by the grant agreement between IFAD and the TNC.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Kenyan natural resource policies increasingly refer to and build upon results of the Convention reporting processes. By aligning the project strategy with national and decentralized policy aims, it is thus also consistent with the reporting and assessment processes listed above.

Contribution to a wider national/sub-national strategy

The Government?s development agenda is defined in the National Development Strategy (Vision 2030) originally based on the Millennium Development Goals but currently under review for a better alignment to the Sustainable Development Goals. The new strategy for the Jubilee government has anchored Kenya?s development agenda on four main pillars: (a) food security; (b) affordable housing; (c) universal health care; and (d) and manufacturing driven by human capital development as well as entrepreneurship. Under this ?Big Four Agenda?, the main pillar is food security, which shall be improved through expanded and intensified production, including through irrigated agriculture, investments in value chains to reduce post-harvest losses, and improved distribution systems within the country. The agricultural sector is guided by the Kenya National Agricultural Policy with the overarching goal to increase the contribution of agriculture to economic development and reduce rural poverty and food insecurity, with emphasis on value chain development, market-driven smallholder agricultural development, equity and financial inclusion, and the evolving policy framework on climate adaptation. It defines the role of the national government in policy formulation and the execution of on-the-ground implementation and knowledge management under the county governments. Moreover, Kenya recently launched the Kenya Climate Smart Agriculture Strategy (2017-2026) and the Agriculture Sector Transformation and Growth Strategy (ASTGS) 2019-29. ASTGS

aims at increasing the opportunities for small-scale farmers, pastoralists and fisher folk by increasing agricultural output and boosting household food resilience. The Kenya government has identified natural resource management and water resource management as enabler of the Big 4 agenda and its focus on agriculture and food security.

This proposal, particularly through Component 2, contributes to key components of Kenyan agricultural policy as well as ASTGS, i.e.: increasing productivity and income growth, especially for smallholders; improved adoption of rainwater harvesting by smallholder rural farmers for dry season irrigation to enhance food security and reduce pressure on major rivers supplying water to cities, municipalities and hydropower generation plants; emphasis on irrigation to introduce stability in agricultural output; commercialization and intensification of production especially among small scale farmers; appropriate and participatory policy formulation and environmental sustainability. Project interventions will also address various sectors of the Medium Term Plan (MTP) III, namely: Agriculture, Environment and Water, Financial Services, and Gender, Youth and Vulnerable Groups. Finally, Kenya has a Water Towers Conservation Act intended to coordinate the conservation of key water towers. The project is also well aligned with the National Biodiversity Strategy and Action Plan (NBSAP 2019-2030) through participatory and community-based restoration of degraded catchments, forests and protected habitats. The project will also accelerate some of the Aichi targets commitments for the country as reported in NBSAP report of 2015. These include (i) No 8- reduce runoffs from agricultural ecosystems by 40%; (ii) No 11- Increasing conservation and protected areas of terrestrial and inland water, and of coastal and marine ecosystems by 17%; (iii) No 15- at least 5 % of degraded ecosystems are restored /rehabilitated to increase their resilience. The water fund model is a PES framework that facilitates up stream conservation efforts and sufficient and good quality water for downstream users, who pay for the ecosystem services. The project will work with indigenous and local communities in the conservation and sustainable use of biodiversity.

As the national LDN target setting process is still in a draft form only, it is difficult to map project contributions to specific national LDN targets. However, through its overall aim of integrated natural resource management in the targeted catchments, the project will contribute to the Kenyan target of achieving, at least, a position of no net loss of healthy and productive land by 2030. The draft LDN target setting report also highlights the integrative ambition of the LDN concept and refers to "*reforesting and rehabilitating the main water towers and water catchment areas as a priority for Kenya due to the livelihood and biodiversity improvements*", both within the LDN concept and the National Climate Change Action Plan. Coordination with the LDN focal point and the LDN lead consultant is ongoing and will continue so that the project contributes as strongly as possible to the national LDN targets as well as shaping its strategy.

Furthermore, the project's approach of integrated catchment and natural resource management is very much in line with the core principles of the LDN approach, i.e.

? maintain or improve the sustainable delivery of ecosystem services;
? maintain or improve land and soil productivity, in order to enhance food security;
? increase resilience of the land and populations dependent on the land;
? seek synergies with other social, economic and environmental objectives; and
? reinforce responsible and inclusive governance of land.

The EIWF project will contribute to above-mentioned national strategies and policies through policy and institutional development, building and further expanding on the collaborative achievements under the GEF-supported UTNWF project, which contributed to many policy improvements. These include, among others:

? The completion and enacting of the National Water Act for Kenya 2016. A rainwater harvesting authority has now been created under the new Water Act 2016 to promote more rainwater harvesting at all scales for improved food security and climate impact management. The UTNWF has demonstrated that rainwater harvesting can improve inclusion of women and youth in the agricultural production system as well as deliver tangible life-changing benefits.
? Riparian lands protection in Nyandarua County.
? Rural roads design for run-off management.

? National Environment Management Authority (NEMA) and Murang?a County ? stone quarrying conservation strategy.
? Murang?a County government and government correctional prisons co-investing in an upscaled avocado seedlings project.
? Establishment and mainstreaming of County Advisory Committees for environmental conservation and livelihoods support.

The UTNWF has also registered its greenhouse gas (GHG) reduction schemes for certification under the Plan Vivo procedure. This will enable annual quantification of actual carbon benefits from the project. It will also offer a replicable procedure for other community conservation projects and initiatives. Although the EIWF project does not directly target GHG emissions among its global environmental benefits, nor the use of funds from the GEF climate change focal area, the project?s approach is well aligned with the respective sectoral aims of Kenya?s NDC. Naturally, reforestation figures among the NDCs prominent mitigation priorities, taking into account that about 75% of its national GHG emissions stem from the LULUCF and agriculture sectors. Based on the Ex-ACT analysis undertaken the expected carbon benefits are 6 414 261tCO2eq during 20 years and over the 120,000 ha. Furthermore, catchment restoration and integrated resource management approaches will contribute to increasing the climate adaptability and resilience of both the relevant ecosystems and the smallholders using and benefiting from their services, particularly in sectors that are named among the NDCs priorities for climate change adaptation and respective priority adaptation actions, namely water and irrigation (mainstream climate change adaptation into the water sector), agriculture (enhance agriculture value chains by promoting CSA) and environment (enhance the resilience of ecosystems to climate variability and change).

By expanding the positive experiences of the UTNWF to other Kenyan WTs, the EIWF project is not only aiming for a broader geographic reach, but also to increase its contribution to national policy formulation and amendment, as well as widening and intensifying its collaboration with agencies at County level, who increasingly gain importance through the ongoing devolutionary process.

The proposed project interventions are also aligned to the County Integrated Development Plans (CIDPs) for the two counties. Elgeyo County CIDP 2018-2022 clearly identifies the major degraded areas and environmental hotspots. The county recognizes that high population growth has exerted pressure on land and eventually led to encroachment into the forest, riparian reserve and fragile ecosystem. Farmers, in search of fertile land, have encroached into wetlands and practice farming in riparian reserves. This has resulted in serious environmental degradation.

Similarly, Uasin Gishu County has identified riparian reserves as a fragile ecosystem for conservation. The county therefore has elaborate plans to protect the riparian areas for major rivers such as the Sosiani River in collaboration with NEMA.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

With the aim of enhancing its impact beyond project lifetime and geographic target area, the EIWF project has a component that is fully dedicated to knowledge management, capacity development, as well as monitoring and evaluation. INRM approaches are fairly new to many of the stakeholders and national or devolved agencies involved in this project, and it is therefore particularly difficult for them to establish clear links between such integrated approaches and changes and successes in the field. Thus, emphasis will be on aligning M&E tools with county and national planning processes, to strengthen the enabling environment for INRM and to sustain these efforts. Further inherent in this approach is the notion that enhanced capacity and use of monitoring, assessment and evaluation will provide a good knowledge and data baseline for informed policy and decision making that takes such lessons learned into account for amendments and reforms that will also set the stage for expanding on successful practices. The project?s knowledge management strategy will therefore also support the development of best practices for discussions and networking to promote the WF concept beyond the project?s area.

In order to effectively disseminate the information gathered by the knowledge management platform, the project will channel key stories and bulletins through the two county information offices, their websites, monthly newsletters and weekly postings on social media targeting Twitter, Facebook and Instagram accounts. They will also disseminate information through the communication channels for both Eldoret and Iten water utilities companies as well as private sector companies affiliated to Kenya Association of Manufactures as well as the Kenya National Chamber of Commerce and Industry?s North Rift regional office. Mobile phone SMSs will be used to share urgent information needed by the farmers and conservation partners. The project will create and sustain a process of sharing the knowledge management products with policy leaders targeting the LD, BD and CC focal points in Kenya governments who will receive quarterly updates from the projects. The updates will also be shared with key government agencies like Kenya Water Towers Agency, Kenya Forest Service, Kenya Wildlife Service, the Resilient Food Systems project coordination unit at ICRAF, amongst others.

Knowledge management, capacity development and monitoring and evaluation are closely intertwined in the project implementation strategy and particularly under its Component 3. The component budget can thus be seen as entirely dedicated to knowledge management, i.e. over USD 400,000 of GEF resources and over USD 150,000 of co-financing.

The project builds upon approaches and lessons learned through the GEF-6 IFAD, TNC and GoK supported UTNWF. The concept, which is the first of its kind in Africa, is based on the principle that it is less expensive to protect water resources at the source than it is to address reduced flow and degraded water quality downstream. The overall goal of UTNWF as a Public-Private Partnership is to increase investment flows for sustainable land management and INRM in the Upper Tana catchment area. Since inception in 2016, the UTNWF implementation has progressed well with a number of positive results achieved, key amongst them being: (i) institutionalization of the WF is advanced and on target, with the following results: registration of the Fund as a Charitable Trust; establishment of a functional board of trustees, a Board of Management, a Counties Advisory Committee, and a Project Steering Committee; establishment of an endowment fund, with USD 1.67 million already secured; (ii) 23,043 ha (or 154% of annual target) have been placed under climate resilient management and 10,071 individuals (or 320% of annual target) that have access to technologies/materials that reduce GHGs and sequester carbon; (iii) the project has installed 3,157 water pans, bringing the cumulative number of water pans in smallholder farms to 11,071; and (iv) various agroforestry seedlings (trees, bamboos and grasses) planted, with over 80% survival rate, putting the total number of tree seedlings at 2,445,130 (691,734 seedlings procured and planted in this season). Additionally, the school greening program has reached 118 schools, with 32,970 trees already planted.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

A core lesson from the UTNWF to be applied in the EIWF project is to establish an M&E system for and with both local stakeholders and county decision makers. This proved to be a powerful tool to engage in sensitization and discussions on the perception of each other's roles and responsibilities, and alignment of county policies and M&E procedures across sectors and with the needs and expectations of local smallholders. Equally important for the successful promotion of the WF approach among the private sector partners in the upper Tana River basin was the incorporation of indicators for tracking results on the ground and return on investment into the M&E system. EIWF M&E tools will also include experiences from UTNWF, such as engaging with the Water Resource and Research Centre (WARREC) of Jomo Kenyatta University of Agriculture and Technology, leading in river flow monitoring in the upper Tana river basin so as to provide in-flow monitoring stations with equipment for real-time data recording, supporting timely and informed decision making on water availability and quality for business and private use by city dwellers and local communities.

Further lessons to be learned were compiled by the mid-term review of the UTNWF in September 2019. These were scrutinized and incorporated into this proposal, including recommendations for stakeholder

engagement, thorough baseline compilation and monitoring for project sustainability to be taken into account right from project inception. They are detailed in the budgeted M&E plan to be found in the Project Implementation Manual (PIM, Annex 9, p. 93-97).

This project builds on and expands upon the successes of the UTNWF by extending conservation efforts and deploying the well-crafted WF tool to another water tower in the Cherangani Embobut Forest Ecosystem. As already experienced by the UTNWF, the high visibility of WFs beyond the project area itself is attracting further interest by both public and private sector partners, again adding to its visibility and broadening its scope.

Table 8: M&E Budget for EIWF Project

Type of M&E activity	Responsible Parties	GEF Project Resources (US$)	Co-financing (US$)	Total Budget (US$)	Time frame
Inception Workshop (IW) and report	PMU, IFAD	4,000		4,000	Within first 2 months of project start-up
Training of PMU on M&E and M&E tools (e.g. EXACT tool)	IFAD, TNC	1,000		1,000	Project start-up/year 1
MIS for M&E	PMU, TNC	0	3,000	3,000	Start/year 2
M&E framework and standard monitoring templates	PMU, IFAD	4,000	0	4,000	Start
Baseline survey and indicators - Socio-economic, WEAI survey and community targeting	PMU, IFAD, Relevant Partners	10,000		10,000	Start-up/year1
Baseline survey and indicators - GIS and Remote Sensing Survey of land condition	PMU, TNC consultants	9,000	0	9,000	Year1
Baseline survey and indicators ? Wetland Biodiversity Survey	PMU, TNC, consultants	10,000	0	10,000	Start and end of project
Field level monitoring of indicators and verification	PMU, TNC, consultants	2,000	0	2,000	Throughout the project period
ESMP and gievance redress mechnanism monitoring	PMU, consultants, IFAD	10,000	0	10,000	Annually; IFAD's costs covered by GEF fees
Indigenous Peoples?Action Plan monitoring	PMU, consultants, TNC, IFAD	5,000		5,000	Throughout the project period,
Continuous monitoring of hydrological stations	PMU, TNC, WRA	10,000	0	10,000	Throughout the project period
AWPB planning and stakeholder annual review meetings	PMU, TNC	6,000	0	6,000	Annually
Project Progress Reports	TNC, PMU	0	0	0	Bi-annually

Financial reports	TNC, Project, Manager, PMU, IFAD	0	0	0	Quarterly
Project Implementation Report	IFAD, PMU, TNC	0	0	0	Annually
Supervision (3 missions)	IFAD	0	0	0	Once per year; covered with GEF fees
Field visits by PSC	PMU, TNC	0	6,000	6,000	Start, mid-term and end
Mid-term Review and Terminal Evaluation	IFAD, PMU, consultants	45,000	0	45,000	Year 1.5 and end project; IFAD?s oversight covered with GEF fee
M&E Officer (10%)	IFAD, PMU, consultants	15,000	0		Throughout the project period
TOTAL COST		**131,000**	**9,000**	**140,000**	

Capacity building, baseline surveys and safeguards: The project will hire a full time M&E and Knowledge Management Officer. Community, county and national institutions will be trained and enabled to measure and continuously follow-up on local and global environmental benefits. Biophysical monitoring tools and approaches will be adapted and integrated into partner organisations? monitoring procedures. Simple hydrometric stations will be upgraded and increased to improve data availability on water quality and quantity, and the new data sets will be integrated into the existing water database at WRA.

Socio-economic monitoring tools will be integrated into the Project?s M&E framework and implementation partners will be trained to assess and monitor rural livelihoods and resilience in the targeted area. These socio-economic tools will measure access to or levels of: food and nutrition security, domestic water supply, health and heath care, sanitation and hygiene, housing, energy, education, farm assets, non-farm assets, exposure and resilience to shocks, youth, gender and social inclusion etc. The project will also contract service providers to conduct a baseline surveys on land degradation, wetland biodiversity, poverty and gender targeting, and livelihoods status. The baseline survey will provide data to benchmark the achievements of the project.

The project will also develop safeguards instruments such as the ESMP, undertake the FPIC and develop an Indigenous peoples action plan, as well as a project level grievance redress mechanism. The PMU will be trained on safeguards aspects by IFAD and safeguards monitoring indicators will be embedded in the project?s M&E framework.

Inception Workshop: The inception workshop will take place two months after the signing of the agreement. The objective of the workshop will be to obtain a full buy-in from all stakeholders and to update them on progress and project objectives. The workshop will be organised by the PMU, IFAD and TNC together with the GEF focal person in the Ministry of Environment and Forestry. In addition to launching the project, the workshop will:

? Take stock of preparatory activities to date;

? Introduce the project to its key stakeholders to raise awareness and explain the scope, the policy framework and the activities and role of stakeholders in the project;

? Articulate project objectives, results and activities within the framework of national and sectoral policies in Kenya;

? Elaborate the criteria for selection of target area and groups;

? Present, explain and discuss the implementation procedures, as captured in the three draft manuals (PIM, FM, and PM), to the PMU staff and the key implementation partners;

? Clarify the roles and responsibilities in project implementation;

? IFAD will orient the PMU, implementing partners and stakeholders on the various financial, procurement, AWPB, M&E and reporting procedures and processes, as well as cross cutting themes and safeguards requirements.

The inception workshop will be held over three days and attended by PMU staff, key national and county government implementing agencies, IFAD, KWTA, KFS, ELDOWAS, private sector, PSC members.

Project Supervision and Mid Term Review: EIWF will be directly supervised by IFAD in coordination with TNC and the PMU through three supervision missions held once per year. The supervision missions will present an opportunity to jointly assess achievements and lessons, and to reflect on ways to improve implementation and impact. The PMU will prepare and submit to IFAD bi-annual progress reports to IFAD prior to each supervision mission and the MTR. From a financial management and procurement perspective, IFAD missions will keenly follow up the fiduciary and procurement aspects of the project at various levels. The mid term review of the project will be held in Year 2 and led by IFAD with the support of the PMU, independent consultants and TNC. A mid term review report will be prepared and shared with the GEF.

Project Implementation Reports (PIRs): In line with GEF requirements, the project will submit PIRs on an annual basis to IFAD. IFAD will review the PIRs, provide feedback to the project, and ensure the reports are of good quality prior to submission to the GEF. The GEF focal point will also review the quality of the reporting and provide feedback to the project prior to submission to the GEF.

Terminal Evaluation (TER): An independent terminal evaluation of the project will be undertake prior to project completion. IFAD will liaise with the PMU and TNC to prepare terms of reference for recruitment of a TE consultant. IFAD will provide guidance to the project in preparation for the TE. The output from the TE mission will be the development of a TE report, which will be shared with the GEF. This will be done in the last quarter of year 3.

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The project, in particular through its Component 2, aims at supporting local resource users and the relevant county organizations to establish sustainable agricultural practices that target improved livelihoods, ecosystem resilience as well as related land use planning approaches. Involving local stakeholders and decision makers in catchment restoration and land use planning increases their appreciation of the direct interactions between water management, agricultural production and ecosystem services; supporting increased supply of natural resources for the benefit of both the users and the catchment itself. Engaging private companies in upstream catchment management aims to improve food value chains, e.g. through longer-term horticulture contracts for export markets such as green beans, avocados, potatoes and other vegetables, leading to increased profits and improved livelihoods. These in turn provide further incentives for locally engaging in sustainable catchment management.

In Component 2, the project commits to delivering socio-economic benefits to the local resource users through

? Climate smart food value chains benefitting 5,000 households (22,500 persons); and
? A 20% increase in farm production yields

The project will promote labor saving technologies for the activities performed by women for marketable commodities as well as for household tasks such as water or fuel supply and food preparation. The technologies include solar cookers, rainwater harvesting, woodlots, water spring protection, and energy efficient stoves, among others. The project will also promote backyard gardens for food and nutrition security as well as conduct nutrition messaging to accompany any training at community level. Women groups will be encouraged to participate in livelihood value chain activities to earn income e.g. on beekeeping, or fruit tree management.

Further indirect socio-economic benefits can be derived from the improved ecosystem status in the targeted catchments, including through improved water quality and quantity, wetland and forest restoration. The combination of biophysical and agricultural techniques and support for water management is expected to lead to diversified production and increased yields through improved soil retention; broadened adaptation potential and resilience through reduced erosion upstream, as well as at least stabilized catchment ecosystem services. Downstream economic benefits will include reduced water treatment costs through reduced sediment concentration and increased hydropower generation through higher water yield and reduced sedimentation.

The Water Fund to be established will perpetuate the incentivization of integrated catchment management, leading to local and global environmental as well as local socio-economic benefits, both up- and downstream. Among the global environmental benefits are:

? Maintenance or improvement of the sustainable delivery of ecosystem services;
? Maintenance or improvement of land and soil productivity, in order to enhance food security;
? Synergies with other social, economic and environmental objectives, reinforcing responsible, inclusive and sustainable land management.

The socioeconomic benefits to be delivered by the project and the EIWF are also closely aligned with **Aichi Target 4** [?] governments, business and stakeholders at all levels have taken steps to achieve or have

implemented plans for sustainable production and consumption [?], **Aichi Target 7**: [?] areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity, **Aichi Target 11**: [?] terrestrial and inland water [?] areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes [?], as well as **Aichi Target 14**: [?] ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded [?].

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
	Medium/Moderate		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

The Eldoret-Iten Water Fund project is a **Category B** project with regards to environmental and social risks. The potential and existing project related risks are moderate and can be reversed or mitigated through proposed mitigation actions and project interventions. The main environmental and social risks associated with the project in Annex 6 (SECAP review note). These risks include land degradation resulting from soil erosion, over grazing and overstocking, and deforestation for fuel wood and timber. Other risks include sedimentation of water bodies due to inappropriate farming practices, illegal water abstraction, pollution of water bodies with agrochemicals, social and resource use conflicts, and gender disparities in access to project services. The project proposes several measures to mitigate these risks, namely, reforestation of public forests, on farm agroforestry, terracing, promotion of biogas and energy saving stoves, training farmers on appropriate use, handling and disposal of agrochemical products. Other measures include desilting of dams, development of a grievance redress mechanism at project level and building on existing grievance redress mechanisms at community and county levels, establishment of a project gender and youth quota and development of a gender and youth action plan.

The EIWF project is an environmental sustainability and sustainable natural resource management focused project, whose proposed activities/interventions will enhance global environmental benefits. Furthermore, Kenya has a robust policy, legal and institutional framework that is supportive of environmental sustainability and social inclusion. The EIWF project is already collaborating with some of the key public and private sector partners working in the targeted catchments to ensure sustainable catchment management and better livelihoods for smallholders and communities around the catchment.

The project?s climate risk classification is **moderate**. Generally, the project areas are at high altitude and adjacent to forests/water towers, with relatively reliable rainfall. However, national projections show that temperatures are likely to rise by 1-2^{0}C by 2050, with variable rainfall patterns, floods and prolonged droughts. In the two focal counties, Uasin Gishu county experiences relatively high rainfall and has predominantly been Kenya?s bread basket. Nevertheless, temperatures over the last 25 years have increased by 0.3-0.5^{0}C. Risks of droughts and floods remain in the second season. The lower parts of Elgeyo-Marakwet county occasionally experience drought, floods, and heat stress which lead to crop failure, food insecurity, loss of livestock, mudslides, and loss of livelihoods. Although climate change is not a focal area of the project, promoted interventions will enhance climate adaptation. These include promotion of agroforestry, afforestation, investments in renewable energy such as biogas and energy saving cook stoves, sustainable land management practices, water harvesting, and small-scale irrigation.

To ensure that potential and existing risks identified during the design period are addressed, the project will develop an environment and social management plan (ESMP) for each county. The ESMP will be prepared during the initial implementation stage together with the baseline survey and disclosure made to IFAD and the GEF by December 2022. The SECAP review has a risk matrix that identifies potential environmental and social risks associated with the project and their mitigation actions.

Moreover, given that the Ogiek and Sengwer indigenous peoples are found in the two catchments, the project will undertake a free, prior and informed consent (FPIC) exercise and develop an indigenous peoples action plan. Attention will be paid to ensuring that mainstreaming themes such as gender, women and youth empowerment, the poor, and vulnerable are well addressed through proposed activities. Attention will be paid to ensuring that best practices with regards to community health, working conditions and child labour are adhered to in the areas of project intervention and within budget. This will equally apply to the ongoing COVID 19 situation, as the project will ensure that measures are taken to limit the spread of the disease. These measures will include social distancing, hand washing/sanitizing, and mask wearing, as well as ensuring that and that person-to-person meetings are kept at minimal size and time while allowing for space between participants. Sensitization of stakeholders, farmers and indigenous peoples on the COVID 19 pandemic and measures to prevent the spread of infections will be done during project meetings.

The ESMP and the FPIC instruments will be finalised during the initial phases of project implementation. They were not done earlier prior to this submission due to restricted movement and community consultations limitations brought about by the COVID pandemic. For the FPIC, the initial consultations and community engagements were done with indigenous peoples? leaders and community members during the design stages of the project (please see a link to the reports. https://tnc.box.com/s/jul8n0e4zaaauu5wl5uyn804ikofx345). Some reports on meetings and consultations held with IPs and their leaders during the design process are also attached to the design package as part of the annexes. TNC contracted a team of experts to undertake the initial stages of the FPIC but they were not able to do much due to the COVID 19 restrictions and low levels of vaccination among different stakeholders. The situation is much better now and movement is allowed while vaccination rates are much higher than before. The FPIC and action plan will be completed in the initial stages of project implementation.

The FPIC document is expected to be signed by the representatives of the IPs. Any legally binding clauses from the SECAP are included in the Financing Agreement with the Government of Kenya, which will be signed with IFAD as the Implementing Agency.

Grievance Redress Mechanism (GRM). A comprehensive GRM will be developed in the initial stages of project implementation. The project?s grievance redress mechanism (GRM) will be prepared as part of the project?s ESMP and also aligned with existing local GRMs. The GRM will be aligned with IFAD?s SECAP standards on the development of GRMs. Nevertheless, the project will also embed county level GRMs into the project?s GRM. By law (as provided for under sections 87 (d), 88 and 89 of the County Governments Act, 2012); county governments are expected to develop grievance redress procedures. This entails establishing a county complaints handling mechanism, opportunities for public participation by all segments of society and feedback loops. The link below provide an example of what sample county level GRMs, with a detailed one from one of the counties (Kiambu) attached in the annexes.

https://elgeyomarakwet.go.ke/any-complaint-or-compliment/

https://maarifa.cog.go.ke/assets/file/a618dc04-kiambu-county-grievance-redress-mech.pdf

Covid 19 containment measures. COVID 19 continues to pose a major threat to the health of the communities, stakeholders and actors in the project area and those interacting with the project teams at any given time. Although the infection levels in Kenya have gone down significantly and a sizeable population has been vaccinated, there need to continue taking precautionary measures due to the unpredictable nature of the pandemic. The project will take measures to ensure that COVID 19 protocols are observed at all times, namely mask wearing, hand hygiene and social distancing. IFAD?s SECAP guidance on community health and safety will be applied and a plan developed and integrated into the ESMP to further mitigate any potential risks. The project will also employ new ways of working, where application of digital platforms and technologies, online meetings, use of social media and mobile phone based communication and information sharing, and, leveraging on IFAD?s digital platforms to fast track project implementation e.g. use of the online procurement tool to fast track approvals.

In case of an exacerbation of the COVID 19 situation, a risk is foreseen in the delayed provision of co-financing by ELDOWAS, the water utility company. It is worth noting that this will lead to a delay in the capitalisation of the endowment fund (EF), but this is not a major concern since ELDOWAS has committed to continue capitalizing the fund now and in the future.

The Upper Tana Nairobi Water Fund Project (UTNWFP) was quite successful in the application of digital and mobile-based platforms to speed up implementation in the midst of the pandemic. These best practices will be leveraged on and replicated where needed. To a large extent, local expertise and/or organisations will be used in the undertaking of baseline surveys, environmental assessments and in mobilization of communities and stakeholder consultations. To strengthen local capacities, local youth will be engaged in income/wage generation activities during the implementation process and as a form of employment creation at local level. Livelihood activities will be supported and will serve as a cushion for local communities through enhancement of food security and income generation.

Should movement containment measures be instituted, the project supervision and monitoring will be done virtually and the project will employ virtual and mobile-based platforms to speed up data collection, monitoring and reporting. Extension provision and distribution of inputs will be coordinated through SMS platforms. Sensitisation of partners, stakeholders, and communities on COVID 19 mitigation measures will be done during the stakeholder engagement processes. Community consultations will to a large extent be done in open air sites while observing all COVID 19 protocols. The project will also leverage on county government platforms for engaging with local communities and reaching out to them.

Through the Project Implementation Reports (PIRs) and the Mid Term Review (MTR) reports, the project will keep the GEF abreast on all possible changes in implementation that maybe occasioned by the pandemic.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex 6 SECAP review note	**CEO Endorsement ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Description	Baseline (BL)	Mid-Term	End Target	Source	Frequency	Responsibility	
Project Goal: A well-conserved Eldoret-Iten catchment area and improved stakeholder coordination for integrated natural resource management in the targeted catchments	5,000 smallholder farmer households[1](22,500 persons) with improved food-security, farm benefits and resilience capabilities (gender- and age disaggregated)	0%	30% over BL	100%	Project baseline, ORMS reports, PIR, Annual project progress reports	Project start (BL); mid-term supervision; project end evaluation	PMU	National and county governments, public and private partners supportive of the WF concept

Development Objective: Conserve globally significant biodiversity and protect the integrity and resilience of critical ecosystems and their services in the targeted water towers by promoting sustainable natural resources management, strengthening the enabling environment for transformational change in the smallholder production sector, and adopting water funds as a tool for sustainable financing. Under GEF indicator (1) **Terrestrial protected areas** created or under improved management for conservation and sustainable use	85,138ha of terrestrial protected areas created or under improved management for conservation and sustainable use	0%	30% over BL	100%	Satellite imagery analysis and drone surveys	Project start (BL); mid-term supervision; project end evaluation	PMU	Observable land cover changes during mid-term review Collaboration between government agencies and counties is sustained
Component 1: Establishment of a public-private partnership platform and enabling policies for sustainable management of the targeted water tower (catchments)								

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Description	**Baseline (BL)**	**Mid-Term**	**End Target**	**Source**	**Frequency**	**Responsibility**		
Outcome 1.1: A Water Fund (WF) platform provides resources for sustainable and financially viable integrated catchment management that conserves biodiversity and ecosystem functions	EIWF provides incentives to smallholder farmers	Zero	Incentive funding available through the EIWF account and/or endowment fund	Payments and incentives are delivered to farmers to farmers via EIWF account/endowment fund based on local priorities	WF disbursement records	Mid-term; project end	PMU	Smallholder farmers interested in joining incentive schemes	
	Relevant policies and strategies refer to the WF as an incentive model	Zero	? 2 policies and strategies at county/ national levels refer to the WF as an incentive model	? 4 policies and strategies at county/ national levels refer to the WF as an incentive model	Official documentation/records	Mid-term; project end	PMU	Policies and strategies amenable for amendment and influencing	
Outcome 1.2: Policy development and enhanced institutional collaboration create an enabling environment for upscaling of integrated natural resource management (INRM) in the water tower	Number of policies providing coordination for watershed management county level	Zero	? 1 county policy developed	? 2 county policies developed	Official documentation/ records	Mid-term; project end	PMU	Policy and strategy formulation at local, county and national levels can be coordinated	

Component 2: Restoration of degraded catchment and wetland ecosystems and improved production practices and food value chains within the WF areas

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Description	**Baseline (BL)**	**Mid-Term**	**End Target**	**Source**	**Frequency**	**Responsibility**	
Outcome 2.1: Community-based land use planning and implementation results in healthier and more resilient ecosystems that support improved food production and downstream water flows Under GEF Indicator (3) Area of **land restored** (Hectares)	Agroforestry and water conservation measures implemented on 3,500 ha	0 ha	1,200 ha	3,500ha	Project reports; M&E records	Project start; mid-term; project end	PMU	smallholders are actively supporting SLM and INRM approaches
	Wetlands are restored through implementation of green infrastructure on 500 ha	0 ha	250 ha	500 ha	Project reports; M&E records	Project start; mid-term; project end	PMU	Stakeholders commit to scale up practices Enforcement measures are effective
	Sustainable forest management measures are implemented on 15,000 ha of degraded forest land	0 ha	7,000 ha	15,000 ha	Project reports; M&E records	Project start; mid-term; project end	PMU	Forest Users commit to actively support forest restoration measures

Under GEF Indicator (4) Area of **landscapes under improved practices** (excluding protected areas)	Implementation of SLM in the farmlands targeting soil, water conservation and agro-forestry	0 ha	5,000 ha	15,862 ha	Project reports; M&E records	Project start; mid-term; project end	PMU	Community mobilisation for labour is done in time and synchronised with seasons
Outcome 2.2: Improved smallholder agricultural and forestry management practices, and food value chains that incentivize sustainable management principles, improve food security and conserve biodiversity and ecosystem health	Climate smart food value chains benefit 5000 households (22,500 persons)	0 ha	2500hh	5000hh	Project reports; M&E records	Project start; mid-term; project end	PMU	smallholders are actively supporting SLM and INRM approaches
	Farm production increases by 20%	0%	10%	20%	Project reports; M&E records	Project start; mid-term; project end	PMU	smallholders are actively supporting SLM and INRM approaches

Component 3: Capacity development and knowledge management support a paradigm shift toward INRM in important water towers

Results Hierarchy	**Indicators**				**Means of Verification**			**Assumptions**
	Description	**Baseline (BL)**	**Mid-Term**	**End Target**	**Source**	**Frequency**	**Responsibility**	

Outcome 3.1: Monitoring and evaluation (M&E) tools and approaches enable tracking of local and global environmental benefits and support adaptive management and scaling up of the WF model	GEB monitoring tools and protocols integrated with partner institutions	Tbd	BD, LD, baselines completed ? 10 hydrologic monitoring stations upgraded/ operational Database for hydrological monitoring established at WRA	Tracking results are established against baseline Changes in water quality and quantity are monitored Water monitoring system integrated into WRA	Project reports; M&E records	Mid-term; project end	PMU	Institutional processes allow for integration of monitoring protocols
	Socio-economic survey data inform project targeting and gender, youth, indigenous peoples inclusion	Tbd	Socio-economic BL and capacity assessment for WRUA and CFA completed	Tracking results are established against baseline	Project reports; M&E records	Mid-term; project end	PMU	Stakeholders willing to participate in socio-economic survey

Component 1 Establishment of a public-private partnership platform and enabling policies for sustainable management of the targeted water tower (catchments)
Outcome 1.1: A Water Fund (WF) platform provides resources for sustainable and financially viable integrated catchment management that conserves biodiversity and ecosystem functions
Output 1.1.1 Assessment of enabling conditions for scaling up WF
Output Indicator: 1 Assessment avails recommendations for establishment of WF
Activity 1.1.1.1 Based on WF experiences, provide assessment and suggestions on legal status and governance structures for the EIWF
Activity 1.1.1.2 Engage with stakeholders to address assessed and anticipated challenges to the WF establishment

Output 1.1.2 Tools to scale up the WF model developed
Output Indicator: Different tools developed, disseminated and scale-up support activated
Activity 1.1.2.1 Develop business case studies, policy briefs and best practice materials from WFs for the EIWF
Activity 1.1.2.2 Liaise with relevant policy entities (KWTA, WRA, NEMA, MoEF, MoW, MoA) to integrate the WF concept into water towers management strategies
Activity 1.1.2.3 Mobilize high-level support for commitment (policy, legal, public and private resources) to upscaling the WF model
Output 1.1.3 Sustainable finance secured from water-reliant entities in the public and private sectors
Output Indicator: WF endowment fund supplied with ? 1 million USD
Activity 1.1.3.1 Develop a fundraising strategy for public and private water users and providers for the EIWF, with regular updates from project outputs and outcomes achieved
Activity 1.1.3.2 Collaborate with WASREB and other relevant stakeholders to strengthen the legal environment for funding flows from water tariffs and conservation levies into the WF for catchment management and for WF endowment
Activity 1.1.3.3 Engage with potential funders to secure funds into the WF operations and the WF endowment fund
Activity 1.1.3.4 Develop communication products to sustain funding flows
Output 1.1.4: One WF facility established
Output Indicator: WF operational
Activity 1.1.4.1 Develop statutory records and governance structures for the WF
Activity 1.1.4.2 Develop documents for and follow up on procedures for the legal registration of the WF
Activity 1.1.4.3 Engage with partners and stakeholders to staff WF governance bodies
Activity 1.1.4.4 Facilitate WF governance meetings
Activity 1.1.4.5 WF bodies engage in field monitoring
Activity 1.1.4.6 Collaborate closely with WF governance bodies to ensure transition from the project to WF management structures
Outcome 1.2: Policy development and enhanced institutional collaboration create an enabling environment for upscaling of integrated natural resource management (INRM) in the water tower

Output 1.2.1: Enabling by-laws/regulations enacted in 2 target counties (Uasin Gishu & Elgeyo-Marakwet)
Output Indicator: ? 2 by-laws/regulations incorporate IRNM
Activity 1.2.1.1 Facilitate collaborative engagement mechanisms with county-level agencies (KFS, County depts. of agriculture, depts. of Env. & Water, KWTA, NEMA, WRA)
Activity 1.2.1.2 Conduct a participatory assessment for opportunities, gaps and overlaps in the existing regulations and practices for catchment management and resource allocation
Activity 1.2.1.3 Develop proposals for amending by-laws and regulations based on broad stakeholder engagement
Activity 1.2.1.4 Support the uptake of the proposals with relevant agencies
Output 1.2.2 Guidelines for linking and harmonizing WF management with climate-smart agricultural production and gazetted forest reserves and PA management drafted and adopted
Output Indicator: ? 4 guidelines adopted
Activity 1.2.2.1 Support County governments in the development, enactment and mainstreaming of guidelines and strategies for CSA, conservation and agroforestry, riparian and wetland restoration and management
Activity 1.2.2.2 Engage Depts. of Env. and Rural Roads Authority (KERRA) for establishing and enforcing env. guidelines in road construction to reduce erosion risks from bare road shoulders
Component 2: Restoration of degraded catchment and wetland ecosystems and improved production practices and food value chains within the WF areas
Outcome 2.1: Community-based land use planning results in healthier and more resilient ecosystems that support improved food production and downstream water flows
Output 2.1.1 Enhanced awareness and skills of local communities to engage in participatory land-use planning
Output Indicator: 20 CFAs and/or WRUAs have gained necessary planning skills to enhance their management plans
Activity 2.1.1.1 Facilitate the development or review of participatory forest management plans, sub catchment management plans
Activity 2.1.1.2 Institutional Capacity Development of CFAs, WRUAs
Activity 2.1.1.3 Develop farm plans to facilitate on-farm investments in sustainable water consumption (SWC)

Output 2.1.2 A participatory catchment management plan for the EIWF is established and adopted for implementation, in line with existing management plans at catchment and sub-catchment levels
Output Indicator: 1 participatory catchment management plan covering a total of 120,000 ha
Activity 2.1.2.1 Support the formulation of a participatory catchment management plan
Activity 2.1.2.2 Support the consultative process leading to the approval of the management plan
Activity 2.1.2.3 Publication and distribution of the management plan documents
Outcome 2.2: Improved smallholder agricultural and forestry management practices, and food value chains that incentivize sustainable management principles, improve food security and conserve biodiversity and ecosystem health
Output 2.2.1 Agroforestry and SWC implemented on 3.500 ha of degraded land
Output Indicator: 3500ha of degraded lands benefit from agroforestry and SWC
Activity 2.2.1.1 Training of extension workers on SWC and agro-forestry management practices
Activity 2.2.1.2 Acquisition, distribution and planting of agroforestry seedlings (fruit trees, fodder trees, forage, etc.)
Activity 2.2.1.3 Training of farmers on tree and orchard management practices
Activity 2.2.1.4 Establishment, management and maintenance of tree nurseries for use in land rehabilitation for youth and women
Activity 2.2.1.5 Promote energy saving technologies (energy-efficient stoves)
Output 2.2.2 Sustainable forest management implemented on 500 ha of degraded forest land
Output Indicator: 500 ha of degraded forest lands rehabilitated
Activity 2.2.2.1 Acquisition and distribution of seedlings (bamboo, indigenous trees)
Activity 2.2.2.2 Support CFAs in rehabilitation of degraded forest land (planting, weeding, maintenance and protecting) with particular focus on youth groups
Output 2.2.3 Wetlands restored through implementation of green infrastructure on 500 ha
Output Indicator: 500 ha of wetlands restored
Activity 2.2.3.1 Promoting protection and rehabilitation of riparian lands (100km x 30m)
Activity 2.2.3.2 Acquisition and distribution of seedlings

Activity 2.2.3.3 Protect the springs (e.g. through fencing, water troughs)
Activity 2.2.3.4 Promotion water harvesting and irrigation
Output 2.2.4 Pro-poor and climate-smart food value-chains benefit 5,000 households (22,500 persons, 50% male and 50% female) with 20% rise in farm production
Output Indicator: 5000 households (22,500 persons) benefit from climate-smart food value chains
Activity 2.2.4.1 Carry out value chain assessment
Activity 2.2.4.2 Support climate-smart food value chain and livelihoods investments, incl. women and youth groups
Activity 2.2.4.3 Purchase 1 vehicle and 4 motorbikes
Component 3: Capacity development and knowledge management support a paradigm shift toward INRM in important water towers
Outcome 3.1: Monitoring and evaluation (M&E) tools and approaches enable tracking of local and global environmental benefits and support adaptive management and scaling up of the WF model
Output 3.1.1 M&E system for and with local stakeholders and county decision makers developed and adopted in 2 counties
Output Indicator: Number of M&E tools established
Activity 3.1.1.1 Conduct socioeconomic baseline survey (incl. nutrition, WEAI and capacity assessment of CFAs and RWUAs) and community-based targeting
Activity 3.1.1.2 Conduct start-up training for PMU and implementing partners
Activity 3.1.1.3 Conduct Community Based Targeting
Activity 3.1.1.4 Develop FPIC and action plan for indigenous peoples
Activity 3.1.1.5 Develop of EIA/ESMP at project level
Activity 3.1.1.6 Undertake land degradation baseline survey
Activity 3.1.1.7 Establish hydrological monitoring stations and baseline and continuous monitoring
Activity 3.1.1.8 Continuous monitoring of the hydrological stations, incl. data analysis
Activity 3.1.1.9 Conduct wetland and biodiversity survey
Activity 3.1.1.10 Establish Management Information System for project M&E

Activity 3.1.1.11 Develop M&E framework and standard monitoring templates for partners
Activity 3.1.1.12 Facilitate monitoring field visits for PSC members
Activity 3.1.1.13 Support stakeholder AWPB and annual progress review meetings
Activity 3.1.1.14 Support project evaluation
Activity 3.1.1.14 Conduct mid-term and end-term outcome surveys
Output 3.1.2 Assessment tools developed and adopted that facilitate the incorporation of INRM approaches into policy making to enable scaling beyond the targeted water towers
Output Indicator: Number of policy relevant knowledge management product completed
Activity 3.1.2.1 Support stakeholder direct and digital platforms for coordination and knowledge sharing
Activity 3.1.2.2 Disseminate results from baselines and evaluations
Activity 3.1.2.3 Empower partner agencies (e.g. KFS, KWTA, WRA) to apply project assessment, implementation and monitoring tools
Activity 3.1.2.4 Develop policy relevant briefs, case studies and other KM products
Activity 3.1.2.5 Support Learning exchange visits between EIWF and UTNWF
Activity 3.1.2.6 Disseminate project information through media (TV, radio etc.)
Activity 3.1.2.7 Distribution of visibility items during athletics events (local marathons etc.)
Component 4: Project Management
Activity 4.1 Establish and equip PMU office; (and running costs)
Activity 4.2 Hold inception workshop with broad stakeholder participation
Activity 4.3 Establish Project Steering Committee (PSC)
Activity 4.4 Organize and support PSC meetings, twice per year
Activity 4.5 Organize meetings of Stakeholder Steering Committee, as needed

[1] A typical household has an average of 4.5 individuals/persons.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Section/paragraph	Division	Comment (please refer to specific paragraph numbers)	Response

Comment by Colette O?Neil, Senior Programme Manager, Climate and Environment Division, Council, United Kingdom made on 6/9/2020	United Kingdom	There is a potential for political and delivery risk due to the contested nature of land rights in e.g. Mau Forest Complex. Has this been considered? We just need to be sure that risks are being managed.	Issues around land ownership are common in Kenya. The two types of land ownership that are relevant for this project are (i) Privately owned (customary or freehold) land for small holder farmers that will be engaged in this project. We have not had any issues around individually owned parcels of land. (ii) Public land/gazetted forests under the Forest Act. This is land that has been clearly demarcated and settlement is discouraged inside the forest boundaries. The Kenya Forest Service and Local Authorities are working closely to ensure citizens are well sensitised about public forest land and that they are involved in the management of these forests. The project will only invest in the degraded parts of the pubic forests, which will be rehabilitated using support from the project budget. Tree seedlings and labour will be provided by local communities and indigenous peoples, for their income generation, who will be engaged through community based participatory approaches and at agreed prices. The project will also work closely with indigenous communities and an Indigenous Peoples Action Plan will be developed. The CEO endorsement provides more details on engagement with Indigenous Peoples. The proposed Environment and Social Management Plan will provide mitigation actions for dealing with conflicts and risks around land, and in collaboration with relevant government agencies, local authorities and communities

Comment by Elizabeth Nichols, U.S. Department of State | Bureau of Oceans, International Environmental and Scientific Affairs (OES), Office of Environmental Equality and Transboundary Issues (EQT) , Council, United States made on 7/2/2020	United States	We would like to see enhanced clarity on how these water funds will become financially sustainable after conclusion of GEF (and other partner) financing. Without some sort of continued revenue stream accruing to local governments/stakeholders, the water funds are likely to continue to be dependent on donor aid, with implications for the sustainability of global environmental benefits beyond the life of the project.	This water fund project includes a policy enactment activity where the water utility companies get policy approvals at county government levels and within their own internal management systems, to include in their consumer tariffs (mainly for large consumers) a fee for watershed conservation. This money goes to a separate account that gets utilized by the water fund. This account will form a perpetual source of conservation funding. The specific amount of money collected for conservation will be managed by the Water Fund governance team and will be accumulated to establish an endowment fund that will be dedicated to support priority conservation actions. More efforts are being made at national level through the Upper Tana Nairobi Water Fund, to undertake policy dialogues and engagements, towards Public Sector Agencies channeling conservation fees/levies towards initiatives such at the UTNWF and EIWF. The access to public contributions and development of strong business cases to enhance strategic relationships and investments by private sector into the water funds, will enhance their financial sustainability
STAP: Saleem H. Ali and Guadalupe Duron	Overall	GEBs	These are elaborated in sections 7 and 9 of CEO endorsement
		Theory of Change needed in CEO endorsement	A theory of change has been included in the PIM. It is included in Annex 2 of the CEO endorsement
		Lessons from Upper Tana	There will be a strong working relationship and lessons sharing between the EIWF and UTNWF

		Lessons from Water Sector Trust Fund and Water Facility and collaboration potential	The EIWF will get in touch with the Water Sector Trust Fund and the Water Facility to explore potential areas of collaboration as well as synergy building
		Lessons from Green Water Credits	Lessons from Green Water Credits (IFAD, 2008) on how investing in green infrastructure and nature based solutions are cost-effective ways of protecting watershed and ensuring water security for urban areas have been incorporate in this project.
	Part II, 2 (3)	What is the Theory of Change? What is the sequence of events	A theory of change has been included in the PIM and the CEO endorsement as Annex 2
	Part II (6)	Are the GEBs/ adaptation benefits explicitly defined	These are elaborated in sections 7 and 9 of CEO endorsement
		What are the stakeholders? roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?	A para has been included on stakeholder engagement as well as a table showing the various stakeholders and their roles in the project. FPIC consultations are ongoing and the project has also included indigenous people?s leaders in the project steering committee. More details on stakeholder engagement are also available in the PIM. A list of stakeholders consulted throughout the design process has been prepared as Annex 12. Links to detailed stakeholder reports are also provided in the section
	Part II, 8	What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	TNC has a well -established communications platform that includes print, a water funds stakeholder network the African region, Social media accounts in Facebook, Tweeter, Instagram. They will also extend their work with media to ensure coverage of project outcomes and invite eminent personality like world renown sports personalities to take part in events and also share message out.

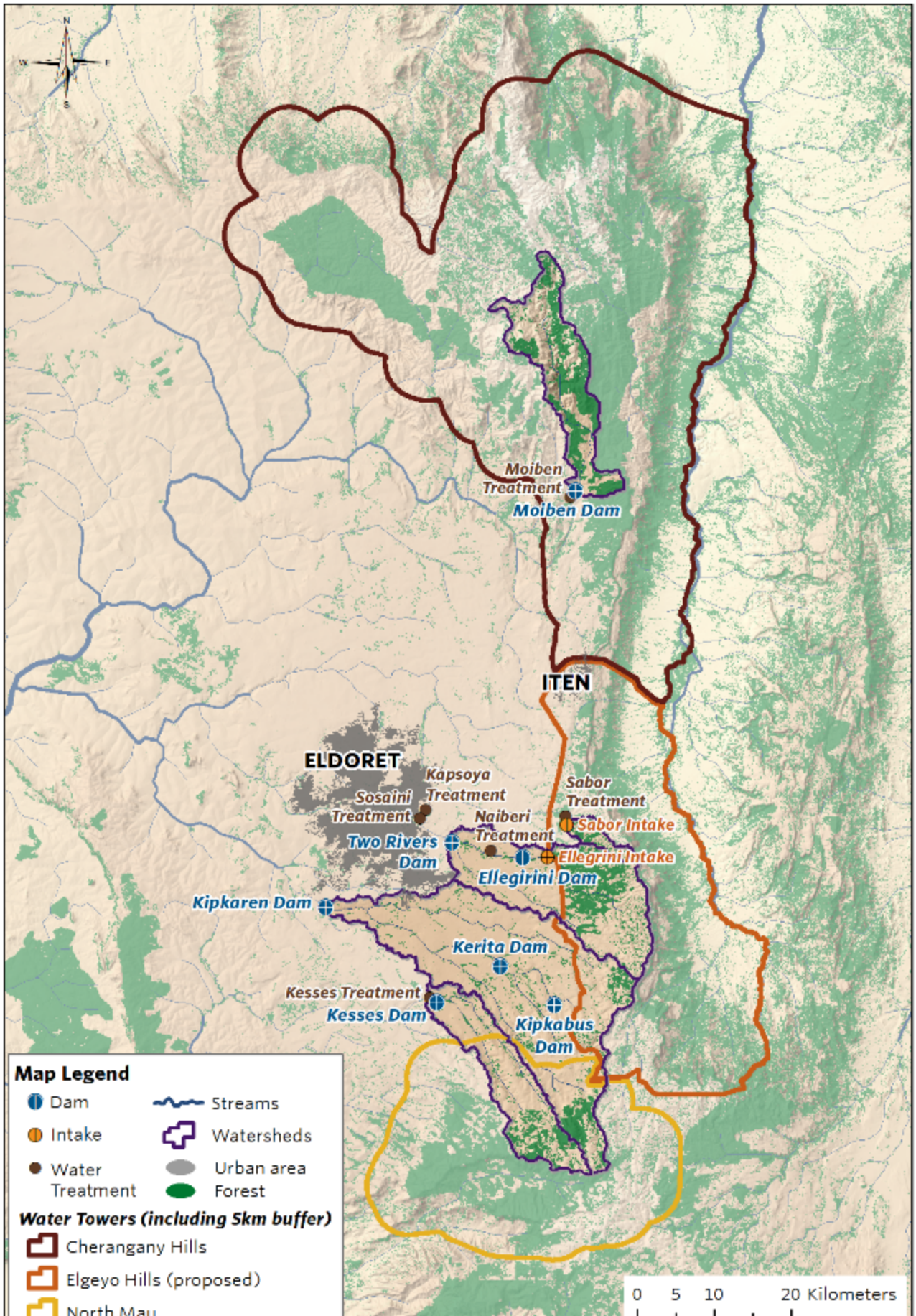
ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

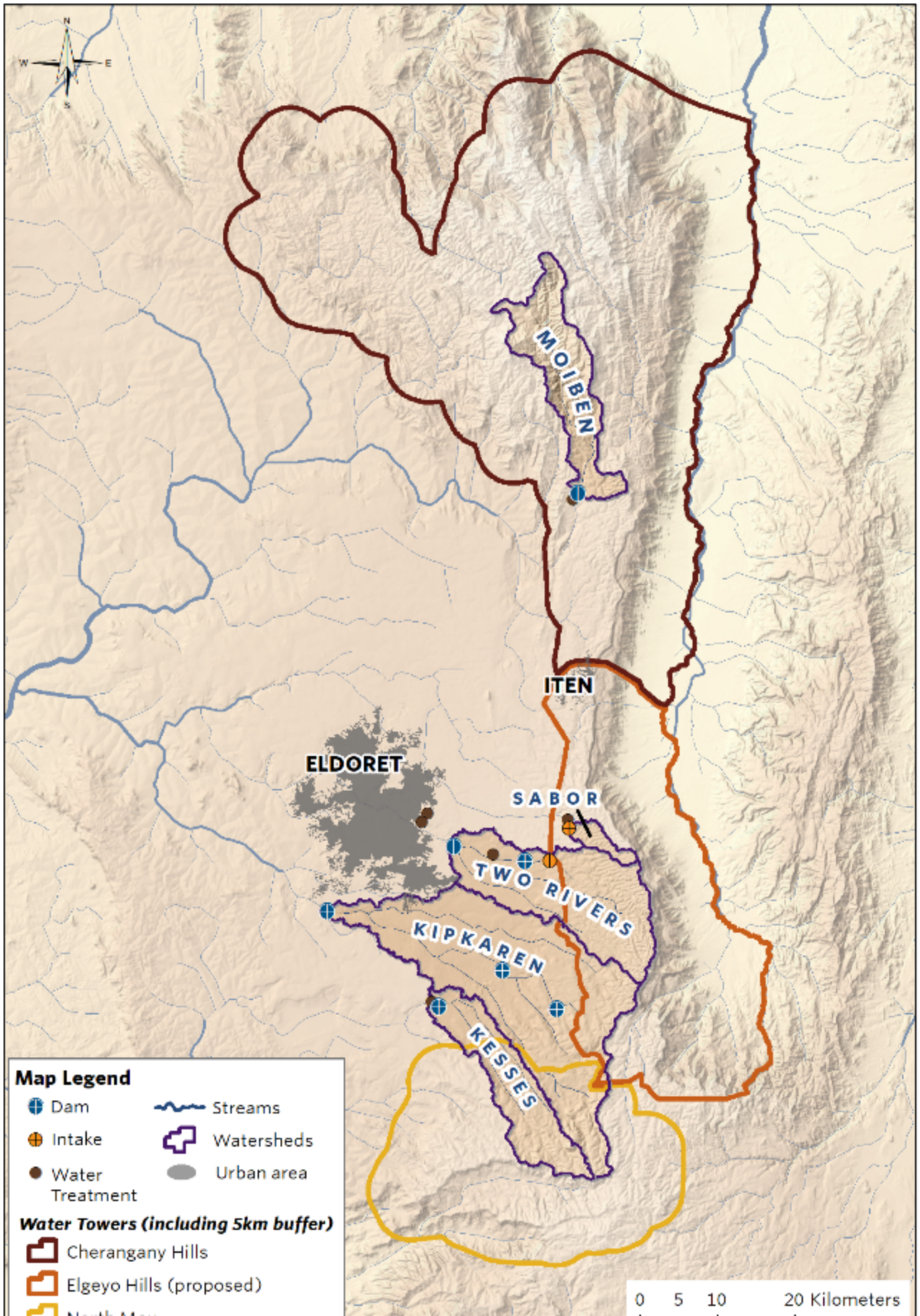
If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake exclusively preparation activities up to one year of CEO Endorsement/approval date. No later than one year from CEO endorsement/approval date. Agencies should report closing of PPG to Trustee in its Quarterly Report.

PPG Grant Approved at PIF: **?????**			
Project Preparation Activities Implemented	***GETF/LDCF/SCCF Amount ($)***		
	Budgeted Amount (in USD)	***Amount Spent To date (in USD)***	***Amount Committed (in USD)***
Subcontract to The Nature Conservancy for project design planning and hosting, stakeholder engagement, formation of the steering committee, evaluation of the WOCAT technologies, FPIC meetings, piloting conservation technologies, national level BD and LDN dialogues and report target setting, learning trip to the UTNWFP project sites.	57,309	80% of the total	57,309
Mission composed of consultants (honoraria and travel) to provide overall technical support to project design	34,016	100% of the total	34,016
Total	91,325		91,325

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.


Moiben Treatment
Moiben Dam
ITEN
ELDORET
Kapsoya Treatment
Sosaini Treatment
Sabor Treatment
Sabor Intake
Naiberi Treatment
Two Rivers Dam
Ellegrini Intake
Ellegirini Dam
Kipkaren Dam
Kerita Dam
Kesses Treatment
Kesses Dam
Kipkabus Dam
Map Legend
Dam
Intake
Water Treatment
Streams
Watersheds
Urban area
Forest
Water Towers (including 5km buffer)
Cherangany Hills
Elgeyo Hills (proposed)
North Mau
0 5 10 20 Kilometers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ELDORET
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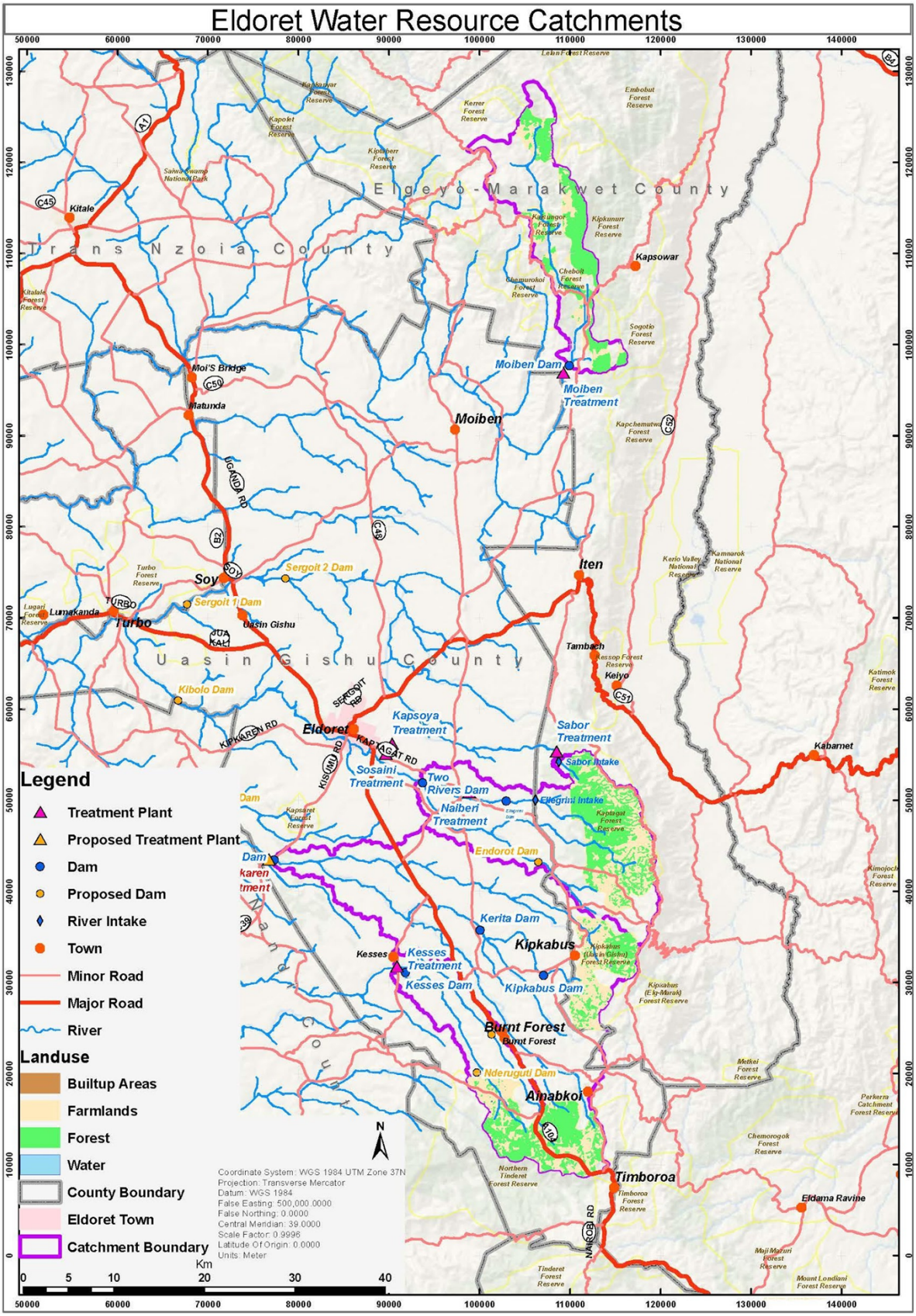
TWO RIVERS
KIPKAREN
KESSES
Map Legend
Dam
Intake
Water Treatment
Streams
Watersheds
Urban area
Water Towers (including 5km buffer)
Cherangany Hills
Elgeyo Hills (proposed)
0 5 10 20 Kilometers

Map 1 and 2: Maps of Water Towers in the Project Area

Eldoret Water Resource Catchments



Map 3: Eldoret Iten Water Fund Project Area Map

ANNEX E: Project Budget Table

Please attach a project budget table.

Project title: Eldoret-Iten Water Fund (EIWF)

Expenditure category	Expenditure Category	Detailed description	*Components (USDeq.)*							Subtotal	M&E	PMC	Responsible Entity (Executing Entity receiving funds from the GEF Agency)[1]
			Component 1		*Component 2*		*Component 3*		*Component 4*				
			Outcome 1.1	*Outcome 1.2*	*Outcome 2.1.*	*Outcome 2.2.*	*Outcome 3.1*	*Outcome 3.2*	*Outcome 4.*				
	Trainings, Workshops, Meetings, & Consultancies									**574**			
	Trainings, Workshops, Meetings	Engage with stakeholders to address assessed and anticipated challenges to the WF establishment /a	3.7							3.7			TNC
	Trainings, Workshops, Meetings	Liaise with the relevant policy entities (KWTA,WRA,NEMA,MoEF,MoW,MoA) to integrate the WF concept into water towers management strategies	6.8							6.8			TNC

	Local Consultancies	Mobilize high-level support for commitment (policy,legal,public and private resources) to upscaling the WF model	23.0							23.0			TNC
	Local Consultancies	Develop a fundraising strategy for public and private water users an providers for the EIWF, with regular updates from project outputs and outcomes achieved	1.0							1.0			TNC
	Local Consultancies	Collaborate with WASREB and other relevant stakeholders to strenghten the legal environment for funding flows from water tariffs and conservation levies into the WF for catchment management and for WF endowment	8.0							8.0			TNC
	Local Consultancies	Engage with potential funders to secure funds into the WF operations and the WF endowment funds	8.0							8.0			TNC
	Local Consultancies	Develop statutory records and governance structures for the WF	1.2							1.2			TNC
	Trainings, Workshops, Meetings	Develop documents for and follow up on procedures for the legal registration of the WF	7.4							7.4			TNC
	Trainings, Workshops, Meetings	Engage with partners and stakeholders to staff WF governance bodies	3.6							3.6			TNC
	Trainings, Workshops, Meetings	Faciliate WF governance meetings	11.4							11.4			TNC

	Local Consultancies	WF bodies engage in field monitoring	7.0							7.0			TNC
	Local Consultancies	Collaborate closely with WF governance bodies to ensure transition from the project to WF management structures	7.2							7.2			TNC
	Local Consultancies	Facilitate collaborative engagement mechanisms with county-level agencies (KFS, Country depts. of agriculture, detps. of Env. & Water, KWTA, NEMA,WRA) /b		5.3						5.3			TNC
	Local Consultancies	Develop proposals for amending by-laws and regulations based on broad stakeholder engagement		5.9						5.9			TNC
	Local Consultancies	Support the uptake of the proposals with relevant agencies		5.1						5.1			TNC
	Local Consultancies	Support County governments in the development , enactment and mainstreaming of guidelines and strategies for CSA, conservation and agroforestry , riparian and wetland restoration and managment		5.5						5.5			TNC
	Local Consultancies	Engage Depts. of Env. and Rural Roads Authority (KERRA) for establishing and enforcing env.guidelines in road construction to reduce erosion risks form bare road shoulders /c		3.7						3.7			TNC

	Local Consultancies	Facilitate the development or review of participatory forest management plans, sub-catchment management plans			24.8					24.8			TNC
	Local Consultancies	Institutional Capacity Development of (Community Forest Assocations) CFAs, (Water Resources User Associations) WRUAs			28.0					28.0			TNC
	Local Consultancies	Develop farm plans to facilitate on-farm investments in sustainable water consumption (SWC) /a			178.4					178.4			TNC
	Local Consultancies	Support consultative process leading to approval of plan			22.3					22.3			TNC
	Trainings, Workshops, Meetings	Training of extension workers on SWC and agro-forestry management practices /b				8.9				8.9			TNC
	Trainings, Workshops, Meetings	Training of farmers on tree and orchard management practices /c				20.0				20.0			TNC
	Local Consultancies	Conduct socioeconomic baseline survey /a					13.0			13.0	24.5		TNC
	Local Consultancies	Conduct start-up training for PMC and implementing partners /b					6.1			6.1			TNC
	Local Consultancies	Develop FPIC and action plan for indigenous					9.2			9.2	9.2		TNC
	Local Consultancies	Develop an Environmental Social Management Plan (ESMP) at project level /c					13.0			13.0			TNC

	Local Consultancies	Undertake land degradation baseline survey					12.3			12.3			TNC
	Local Consultancies	Continuous monitoring of the hydrological station including data analysis					15.1			15.1			TNC
	Local Consultancies	Conduct wetland and biodiversity survey					25.0			25.0			TNC
	Local Consultancies	Establish Management Information System for project M&E					2.5			2.5	2.5		TNC
	Trainings, Workshops, Meetings	Facilitate monitoring field visits, Ministry staff and PSCs					11.3			11.3			TNC
	Trainings, Workshops, Meetings	Support stakeholder AWPB and annual progress review meetings					7.5			7.5			TNC
	Trainings, Workshops, Meetings	Support stakeholder direct and digital platforms for coordination and knowledge sharing					11.3			11.3			TNC
	Local Consultancies	Empower partner agencies to apply project assessment , implementation and monitoring tools /f					3.8			3.8	3.8		TNC
	Trainings, Workshops, Meetings	Support Learning exchange visits between EIWF and UTNWF					7.6			7.6			TNC
	Local Consultancies	Dissemination of visibility items during athletic events					5.6			5.6			TNC

	Trainings, Workshops, Meetings	Hold inception workshop with broad stakeholder participation			9.9					9.9			TNC
	Trainings, Workshops, Meetings	Establish Project Steering Committee (PSC)							1.0	1.0		1.0	TNC
	Trainings, Workshops, Meetings	Organize and support PSC meetings, twice per year							16.0	16.0		16.0	TNC
	Trainings, Workshops, Meetings	Organize meetings of Stakeholders Advisory Committee							8.0	8.0		8.0	TNC
	Local Consultancies									**396**			
	Local Consultancies	M&E Officer					150.5			150.5	15.05		TNC
	Local Consultancies	Support annual external project audit							25.0	25.0		25	TNC
	Local Consultancies	Dissemination on project information through media /g					4.7			4.7			TNC
	Local Consultancies	Conduct a participatory assessment for opportunities, gaps and overlaps in the existing regulations and practices for catchment management and resource allocation		6.1						6.1	6.1		TNC

	Local Consultancies	Based on WF experiences,provide assessment and suggestions on legal status and governance structures for the EIWF	0.6							0.6	0.6		TNC
	Local Consultancies	ICR		52.0						52.0			TNC
	Local Consultancies	Carry out value chain assessment				6.1				6.1	6.1		TNC
	Local Consultancies	Project field Coordinator				92.5				92.5			TNC
	Local Consultancies	Support formulation of participatory catchment management plan			7.4					7.4			TNC
	Local Consultancies	Develop policy relevant briefs, case studies and other KM products					6.4			6.4	6.4		TNC
	Local Consultancies	Support Project Evaluation /d					16.0			16.0			TNC
	Local Consultancies	Conduct mid-term review and end-term outcome survey					9.5			9.5	9.5		TNC
	Local Consultancies	Develop M&E framework and standard monitoring templates for partners					3.7			3.7	3.7		TNC
	Local Consultancies	Develop communication products to sustain funding flows	15.7							15.7	15.7		TNC
	Goods									**727**			
Equipment, Goods and	Goods	Develop business case studies, policy briefs and best practice materials from WFs for the EIWF	25.3							25.3	25.3		TNC

Vehicles	Goods	Publication and distribution of plan documents				2.5				2.5			TNC
	Goods	Acquisition, distribution and planting of agroforestry seedlings (fruit tress, fodder treees, forage etc.)				302.8				302.8			TNC
	Goods	Establishment, management and maintenance of tree nurseries for use in land rehabilitation for Youth and Women /d				20.4				20.4			TNC
	Goods	Support CFAs in rehabiliation of degraded forest land (planting, weeding, maintenance and protecting) with particular focus on youth group				131.5				131.5			TNC
	Goods	Protect the springs /g				55.0				55.0			TNC
	Goods	Promotion of water harvesting and irrigation				42.8				42.8			TNC
	Goods	Motorbykes				60.0				60.0			TNC
	Goods	Establish hydrological monitoring station					66.0			66.0			TNC
	Goods	Disseminate results from baselines and evaluations					2.5			2.5	2.5		TNC
	Goods	Establish and equip PMC office							18.4	18.4		18.4	TNC

	Salary and benefits / Staff costs									**261**			
Salary & Allowances	Salary and benefits / Staff costs	Project Manager	6.3							6.3			TNC
	Salary and benefits / Staff costs	M&E Officer Allowances	-							-			TNC
	Salary and benefits / Staff costs	Intern				2.5				2.5			TNC
	Salary and benefits / Staff costs	Project Manager				4.4				4.4			TNC
	Salary and benefits / Staff costs	Project Field Coordinator				4.4				4.4			TNC
	Salary and benefits / Staff costs	Project assistant technical specialist/procurement specialist	5.3			6.3			1.0	12.6		1	TNC
	Salary and benefits / Staff costs	Project Manager			112.6					112.6			TNC
	Salary and benefits / Staff costs	Project assistant technical specialist/procurement specialist			55.8		30.0			85.8			TNC

	Salary and benefits / Staff costs	Intern			11.4					11.4			TNC
	Salary and benefits / Staff costs	Project Manager	1.4		1.4	1.4				4.2			TNC
	Salary and benefits / Staff costs	Project assistant technical specialist/procurement specialist	2.3			14.0				16.3			TNC
	Other Operating costs									**169**			
Operations	Other Operating costs	ICR			132.4	15.0				147.4			TNC
	Other Operating costs	PMC Operational cost							9.9	9.9		9.9	TNC
	Other Operating costs	PMC Operational costs							11.3	11.3		11.3	TNC
	Grants and Subsidies									**503**			
Grants & Subsidies	Grants / Sub-grants	Promote energy saving technologies (energy-efficient stoves) /e				12.5				12.5			TNC
	Grants / Sub-grants	Acquisition and distribution of seedlings (bamboo, indigeneous treees)				72.8				72.8			TNC
	Grants / Sub-grants	Promoting protection and rehabiliation of riparian lands (100kmx30m)				36.8				36.8			TNC

	Grants / Sub-grants	Acquisition and distribution of seedlings				112.0				112.0			TNC
	Grants / Sub-grants	Support for Climate Smart food value chain and livelihoods investments including women and youth group				268.8				268.8			TNC
Grand Total	**Grand Total**		**145**	**84**	**584**	**1293**	**432**	**-**	**91**	**2630**	**1311**	**91**	

[1] In exceptional cases where GEF Agency receives funds for execution, Terms of Reference for specific activities are reviewed by GEF Secretariat

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used

by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).