



REPUBLIC OF KENYA

**MINISTRY OF LANDS, PUBLIC WORKS, HOUSING AND URBAN
DEVELOPMENT**

STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

Second Kenya Informal Settlements Improvement Project (KISIP2)

Credit No: 6759-KE

Terms of Reference

For

**CONSULTANCY SERVICES FOR CAPACITY NEEDS ASSESSMENT AND
PREPARATION OF INSTITUTIONAL CAPACITY DEVELOPMENT PLAN
FOR SLUM UPGRADING AND PREVENTION IN KENYA**

Contract No. MLPWHUD/SDHUD/AFD/KISIP2/05

March, 2025

Client:

The Principal Secretary
State Department for Housing and Urban Development
P.O. Box 30119-00100
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1. Introduction

The Government of Kenya has received a Grant from The European Union towards the implementation of the second Kenya Informal Settlements Improvement Project (KISIP2) and intends to apply part of the proceeds of the Grant to procure **Consultancy Services for Capacity Assessment and Preparation of Institutional Capacity Development Plan for Slum Upgrading and Prevention in Kenya**.

The overall project development objective is to improve access to basic services and tenure security for residents in participating urban informal settlements and strengthen institutional capacity for slum upgrading in Kenya. This Project, while concentrating on informal settlements, complements existing and past Urban operations in Kenya which address the Urban infrastructure deficit and Urban institutional challenges. It supports the Governments' affordable housing agenda as it seeks to complement the demand-side and supply-side operations to improve housing affordability.

Component 1: Integrated Settlement Upgrading

This component supports settlement upgrading through two main interventions classified under two sub-components:

Subcomponent 1.1: Tenure regularization: Coordinates regularization of tenure for plan for the settlement which lays out land parcels and wayleaves for infrastructure like roads, drainage, walkways; Surveying with physical placement of beacons to demarcate the parcels as per the plan; Preparation and issuance of letters of allotment based on the survey plan; and Issuance of titles.

Sub-component 1.2: Infrastructure upgrading: Coordinates infrastructure investment portfolio whose menu includes: water and sanitation systems, storm water drainage, solid waste collection and settlement sorting, pedestrian walkways, cycle paths, roads, street and security lighting, vending platforms, public parks, and green spaces. It further includes investments related to prevention of crime and violence, including but not limited to community centers.

Component 2: Socio-economic Inclusion Planning

This component supports community development plans to enhance social and economic inclusion, identifies beneficiaries who fit the eligibility criteria of government programs but are excluded and connects them appropriately, supports participatory crime and violence mapping, monitors the employment of local labor, carries out community capacity building and awareness raising for various project interventions including community-based solid waste management.

Component 3: Institutional Capacity Development for Slum Upgrading

This component supports institutional and policy development at national and county levels; develops a capacity building plan for national and county levels to implement the Slum Upgrading and Prevention Strategy and to develop understanding of slum upgrading processes; also supports technical assistance, training, workshops and learning events, experience sharing and peer-learning activities with other counties, and other capacity building activities.

Component 4: Program Management and Coordination

This component supports activities of the NPCT and the CPCTs related to national and county-level project management and coordination, including planning, surveying, engineering, fiduciary

(financial management and procurement), safeguards compliance and monitoring, monitoring and evaluation (M&E), communication and community development.

2. Context and Justification

Informal settlements in Kenya have their roots in colonial-era policies that restricted urban migration and land ownership for native populations. Post-independence urbanization, driven by rural-to-urban migration and economic pressures, led to rapid expansion of unplanned settlements. Today, informal settlements are characterized by: high population density, poverty and inequality and a vibrant informal economy. Nonetheless, Kenya has made notable strides in addressing challenges related to informal settlements through successive policies and programs, including Kenya National Slum Upgrading Program (KENSUP (2004), the National Urban Development Policy (NUDP) of 2016, the national slum upgrading and prevention policy (2016), the Kenya Informal Settlements Improvement Project (KISIP), the National Slum Upgrading and Prevention Strategy (2024) and more recently county-specific slum prevention and upgrading strategies in 20 counties (under preparation).

KISIP has successfully improved living conditions in informal settlements by facilitating secure land tenure, upgrading critical infrastructure such as roads, drainage, and water systems, and fostering community participation in project planning and implementation. Approximately 1,389,980 people from informal settlements benefited from interventions under enhanced tenure security such as issuance of approximately 25,000 title deeds in 80 settlements and improved provision of basic infrastructure services such as drainage systems (109kms); access roads (98km); foot paths (120km) and high mast lighting (134 No) in 35 settlements amongst other benefits.

The institutional framework for KISIP primarily involves county governments and the State Department for Housing and Urban Development. County governments play a critical role in implementing projects at the local level, including land tenure regularization, infrastructure upgrades, and community engagement. They are responsible for identifying priority settlements, coordinating with stakeholders, and ensuring the sustainability of interventions. The State Department for Housing and Urban Development provides policy direction, technical support, and overall oversight, ensuring that KISIP aligns with national goals and strategies. Strengthening the capacities of these institutions is crucial to enhancing their ability to effectively execute slum upgrading and prevention initiatives, while fostering integrated approaches, sustainability, collaboration and efficient resource utilization.

3. Objective of the Consulting Services

The consulting services aim to achieve two main objectives:

1. Conducting a capacity needs assessment
2. Developing an institutional capacity development plan and the related transformation plan, through an implementation framework for slum upgrading and prevention in Kenya.

These objectives will be addressed at both the National and County Government levels, involving a comprehensive assessment of capacity needs (e.g., gaps in technical skills, financial resources, governance structures, opportunities, etc.) and the creation of institutional capacity development plans and strategies. The consultancy will result in a detailed capacity development plan and an

implementation strategy, based on the theory of change and a results framework, to track progress and measure the impact of capacity interventions over time. These capacity development/transformation plan and implementation strategy will be itemized in operational sub-plans for National/Central Institutions and for Counties.

4. Scope of Services and Specific Tasks of the Assignment

The scope of services for this assignment will involve an assessment of the capacity of national, county, and partner institutions engaged in slum upgrading and prevention efforts. This assessment will identify strengths, weaknesses, and opportunities within these institutions, focusing on their ability to implement effective slum upgrading strategies in line with the National slum upgrading and prevention strategies 2024-2034 and based on the Kenya Informal Settlement Improvement project experiences.

Key gaps will be identified in areas such as technical expertise, financial resources, policy frameworks, and institutional coordination. Based on this analysis, a comprehensive capacity development plan will be developed to address these gaps, ensuring that institutions are better equipped to carry out sustainable slum upgrading and preventive initiatives, including a potential “KISIP 3”.

The process will involve identifying key stakeholders and organizing stakeholder meetings in selected counties and institutions. These meetings will be held according to a mutually agreed-upon selection criteria with the Client, ensuring a participatory and inclusive approach to the capacity development process.

The comprehensive transformation plan will include the following aspect: governance, organization, processes and tools, technical capabilities, financial plan, human resources, partnerships and communication strategy. It will include a specific focus for each type of entities (NPCT, CPCT, implementing partners from Civil Society, and Community)

The study will cover the NPCT and CPCT/County government, as described in part 6.

4.2 The specific tasks of the assignment are:

The consulting firm will provide technical assistance to KISIP2 teams at both the national and county levels, as well as other key partners, to enhance their capacities in implementing slum upgrading and prevention strategies. The consultant is expected to:

- 1) **Desktop Review**
 - a) Review the Slum Upgrading and Prevention Policy, the Kenya Informal Settlement Improvement Project documents, relevant national and international documents, and best practices to identify gaps and areas for potential improvement.
- 2) **Stakeholder and Institutional Mapping**
 - a) Identify key actors and institutions involved in slum upgrading and prevention at the national, county, and community levels, outlining their roles and mandates.
 - b) Analyze institutional arrangements, linkages, and coordination mechanisms between these actors.

3) **Capacity and Needs Assessment**

- a) Organize stakeholder meetings and workshops at the national and county levels to engage key players, gather insights, and assess challenges and opportunities in slum upgrading and prevention.
- b) Conduct a comprehensive and participatory capacity and needs assessment to evaluate the strengths and gaps in institutional capacities, ensuring alignment with relevant policies and legal frameworks. The assessment should make an exhaustive and factual description of the organization (HR, organization of services, etc.) and findings of observed pitfalls. This assessment must be dynamic and change oriented. It will aim at understanding and analyzing what works and does not work in terms of work process.
- c) The assessment will cover various topics including governance, organizational structure, processes, tools, technical capabilities, Human resources, partnerships and communication strategy. The technical capabilities will include the following aspects: mapping, planning, implementing, monitoring and evaluating. It will include the capacity of the organizations to carry out stakeholder engagement, climate and gender mainstreaming, contract management, land tenure, policy implementation and other broader areas relevant to slum prevention and upgrading.
- d) The assessment will be based on the participation of the entity within the current KISIP program and any other program dealing with slum upgrading and prevention. It would put in perspective the current situation in light of the past developments and the prospects targeted by the National slum upgrading and prevention strategies 2024-2034.
- e) As part of the assessment, a specific focus will be made on training and other capacity building related activities to identify what has been working well, what should be (dis)continued, what aspects have not been covered, etc.
- f) Interview relevant national and county departments to capture their perspectives on slum upgrading efforts and identify areas requiring additional support.
- g) Provide gap analysis with the targeted situation defined in the national strategy, once the assessment is validated.

4) **Capacity Development Plan**

Create one (1) implementable capacity development plan addressing specific gaps within counties and the national government. This capacity development plan shall be based a comprehensive theory of change and results framework to measure progress and impact. This framework will include the definition of capacity development indicators for regular monitoring of the capacity building plan implementation progress, and will be phased to include short term and long term interventions. The deliverable for this part must include a dashboard for each entity, with key and relevant indicators, at both National and County levels.

- a) Provide a clear implementation strategy for each activity, recommending tailored solutions for institutional, organizational and individual capacity development based on identified needs. The strategy shall focus on methodology, impact and cost-effectiveness.
- b) Provide a financial plan and budget for implementing the capacity development plan, with detail for each activity.
- c) Propose a partnership framework with strategic training organizations/entities to support capacity development for NPCT, CPCT, communities, and other stakeholders.
- d) Develop terms of reference for implementing the main capacity development activities with associated budget estimate.
- e) Develop framework for managing and evaluating the transformation plan. The framework should be able to adjust to new community needs and embrace technology to improve efficiency.

5) **Transformation Plan**

- a) Establish the related transformation plan of both National and County relevant Institutions.
- b) Co-designed through a series of workshops facilitated by the consultant and involving designated National and County level focal points, this plan will formalize how institutional changes identified in the capacity development plan can be motioned to achieve the desired vision according to each institutional culture, rules and actual practices.
- c) The transformation plan should itself specify 4 to 5 key transformation objectives and 3 to 4 prioritized sub-projects for each objective.

5. Expected methodology

A close dialogue is expected throughout the service between the consultant, the NPCT and CPCTs of identified County Governments. The consultant must specify the methodology used. The advisory methods will be clearly stated and justified. Regardless of the methodology, the consultant must be integral to an efficient support system that facilitates scaling up of operations to target more beneficiaries and organizational change, particularly in how teams collaborate and work together. Ultimately, this will ensure that programs financed by national and county government contribute to strengthening the capacities of local stakeholders and delivering sustainable development outcomes.

For this purpose, the service is expected to enable all stakeholders in the problem to collectively identify the desired changes, the strategies to be implemented and the means to be mobilized to operationalize these changes. Skills, equipment, procedures, management methods, methods of organization, processes, tools, etc. should be considered as means. Change should be understood at different levels: individual, organization, system of actors (interaction between actors).

6. Duration and location of the Assignment

The assignment will be undertaken in a period of Six (6) calendar months from the contract commencement date. The primary location for this assignment will be Nairobi, Kenya, where the central coordination and planning will take place.

This work will be conducted in 8 counties selected from those who benefited from KISIP (Mombasa, Nairobi, Makueni, Nyeri, Uasin Gishu, Kisumu,) and 2 sampled from counties that have not benefited from KISIP (Isiolo, Busia). These counties have been chosen to ensure geographic and demographic diversity, representing various regions across the country.

7. Reporting Requirements, and Timelines for Deliverables/outputs

The consulting firm shall submit all the outputs/reports to the Client in accordance with the schedule indicated in Table 1 below at the following address;

Principal Secretary
State Department for Housing and Urban Development
P.O Box 30119-00100
2nd Floor, Ardhi House
1st Ngong Avenue
Nairobi, Kenya
Tel: +254-02-2729200
Email: kisip2info@gmail.com
Attn: KISIP National Coordinator
Second Kenya Informal Settlement Improvement Project

7.1 Deliverables

The following are the key deliverables expected from the consultant during the assignment. Each deliverable will undergo validation by counties and the relevant stakeholders before being officially submitted to the client for review and approval. The acceptance of the deliverable by stakeholders will be documented in the meeting minutes. Furthermore, all key deliverables, with the exception of the final report, must be reviewed in a national workshop prior to submission.

7.1.1. Inception Report

The inception report will provide an overview of the planned activities, including a detailed breakdown of tasks, methodologies, and a work plan for the entire assignment.

7.1.2. Draft Capacity Needs Assessment Report

This report will present the findings from the initial capacity needs assessment conducted across relevant counties, national government and stakeholders. It will detail the identified capacity gaps at both the institutional and community levels and propose preliminary strategies for capacity development. It will include a detailed assessment of the various topics mentioned in the previous chapter, with a specific chapter for each type of entity (NPCT, CPCT, implementing partners, community).

7.1.3. Interim Draft Report/Vision workshop

The interim report will incorporate feedback from national and county-level stakeholders gathered through meetings and workshops. It will also propose a draft “vision”, with the key success factors, and the identification of 10-15 priority actions, which may include policy and regulatory proposals based on stakeholder inputs gathered during a “Vision workshop”.

7.1.4. Capacity Assessment Report

This comprehensive report will provide a final capacity assessment, including a finalized gap analysis for each entity, taking into consideration the feedbacks received during the vision workshop.

7.1.5. Capacity Development and Transformation Plans

The plans will present a thorough implementation framework that includes clear timelines, roles, and responsibilities for both national and county-level stakeholders. It will include the logical framework with the proposed result-based monitoring framework, the description of the 10-15 prioritised actions for both short and long term, the key success factors, the strategy objectives and main actions levers, the cost estimate for each action, and the governance structure, the partnership mobilization strategy, and the internal communication strategy.

Both Capacity Developments plan and transformation plans are expected for national government (1) and county governments (1). The transformation plan will formalize how institutional changes identified in the capacity development plan can be motioned to achieve the desired vision according to each institutional culture, rules and actual practices. The transformation plan should itself specify 4 to 5 key transformation objectives and 3-4 prioritized sub-projects for each objective.

7.1.6. Final Report

The final report will summarize the entire assignment, highlighting the tasks completed, challenges encountered, and opportunities identified throughout the process. It will outline key achievements and lessons learned, providing recommendations for future actions. The report will also include next steps for both the client and stakeholders to ensure the sustainability of the capacity development initiatives.

Table 1: Reporting Requirements and Timelines for Deliverables/outputs

No.	Deliverable	Timeline for Submission of deliverable after Contract Commencement (weeks)	Format of Presentation
1.	An Inception report	2	4 hard copies and 1 soft copy
2.	Draft capacity needs assessment report	10	4 hard copies and 1 soft copy
3	Interim draft Report /vision workshops	13	4 hard copies and 1 soft copy
4.	Comprehensive capacity assessment report	16	4 hard copies and 1 soft copy
5	Final Capacity development plan	20	4 hard copies and 1 soft copy
6	Completion report	24	4 hard copies and 1 soft copy

The review of the reports will be based on clarity and readability, respect to deadlines, compliance with the scope of the services outlined above, operational nature of the proposed deliverables and a clear justification of the conclusions and recommendations put forward.

8. Payment Schedule

The payment schedule will be based on satisfactory performance of the contract. All payments will be based on submission and acceptance of all the deliverables as outlined in Table 2 below.

Table 2: Proposed Payment Schedule.

S/No.	Deliverables*	Timelines for submission of deliverable after Contract Commencement (Weeks)	% of the Contract Amount
1.	Submission and acceptance of the Inception report	2	20%
2.	Submission and acceptance of the draft capacity needs assessment consolidated report	10	20%
3.	Submission and Acceptance of an Interim draft Report	12	10%
4.	Submission and acceptance of Comprehensive capacity assessment report with a detailed capacity development plan	16	15%
5.	Submission and acceptance of the Final Capacity development plan	20	15%
6.	Submission and acceptance of the Final report.	24	20%

Upon submission of every report, the consultant is expected to make a presentation of the submitted report to the relevant stakeholders and the Client.

9. Minimum Consultant's Qualifications and Experience Requirements

The firm's shortlisting criteria are:

- Core business as a consulting firm with at least Ten (10) years relevant experience in urban development/Policy, Research, Capacity assessment, or monitoring and evaluation in the Urban built environment.
- Demonstration by consulting firm of having been involved in successful execution, completion of at least Two (2) projects in providing housing and urban development solutions through research, Capacity assessment and development, Monitoring and evaluation and strategy development in the Urban built environment in the last ten (10) years. Details of the Assignment-Name and address of the client, scope, value, and period shall be provided.(the client will reach out to mentioned client to confirm level and quality of work done)

- Technical and managerial capability of the consulting firm to undertake the assignment which should be supported by company' profile providing details about staff skills, necessary tools, equipment to undertake the assignment;
- The firm should not have more than one (1) Assignment below 75% Completion with KISIP II.

9. Team Composition and Minimum Qualification and Experience Requirements for the Key Experts

The consultants engaged for this assignment must be highly qualified and experienced professionals, equipped with the necessary skills and expertise to successfully complete the tasks outlined. They should have access to the required resources, including relevant equipment and software, to carry out services of this nature. The key professionals/experts will be responsible for personally overseeing and executing the services described in this Terms of Reference (TOR), with the assistance of support staff as deemed appropriate. The key experts to be provided by the consultants for this assignment are as follows:

a) Institutional strengthening Expert/Team Leader

- 1) A Minimum of a Master's Degree in either, Public Administration/Human Resource, Sociology, Development Studies, Urban and Regional Planning, Environmental Studies or any relevant social science discipline.
- 2) At least twelve (12) years of professional experience in institutional capacity assessment and capacity building assignments in the Global South, and preferably in East Africa.
- 3) Demonstrated experience with projects and policies in the informal urban environment, housing and community development related work.
- 4) A minimum of five (5) years specific experience working with donor-funded projects and/or government agencies implementing similar projects in a leadership position.
- 5) Must be validly registered and holding current annual practicing license from a relevant professional body recognized in country of origin.

b) Urban Planner / urban development expert

- 1) A minimum of Master's degree in Urban and Regional Planning/Spatial planning, urban development, urban policies or its equivalent
- 2) Must have a minimum of eight (8) years of practical experience in Urban Development and Land use planning in the Global South, and preferably in Kenya.
- 3) A minimum of five (5) years specific experience working in informal settlement upgrading policies and program implemented by public authorities.
- 4) Must be validly registered and holding current annual practicing license from a relevant professional body.

c) Human Resource Expert

- 1) Minimum of a Master's Degree in Human Resources Management (HRM) or any relevant HRM discipline.
- 2) A Minimum of ten (10) years of general experience in undertaking capacity assessment, development and working in the informal built environment in the global South, and preferably in East Africa.
- 3) A minimum of five (5) years specific experience working with donor-funded projects and/or government agencies implementing similar projects.
- 4) Must be familiar with provisions of Public Service Human Resources Management procedures/policies/ and guidelines

d) Monitoring and Evaluation Expert

- 1) Minimum of a Master's Degree in Project planning and Management/Monitoring and evaluation, Development Studies or any relevant discipline
- 2) At least eight (8) years of professional experience in monitoring and evaluation and community development related work in the Global South, and preferably in East Africa.
- 3) Experience with institutional capacity assessment and capacity building assignments
- 4) A minimum of five (5) years specific experience working with donor-funded projects and/or government agencies implementing similar project.

e) Sociologist/Community Development Specialist

- 1) A minimum of a Master's degree in Development Studies, Sociology/Community Development or its equivalent.
- 2) Must have a minimum eight (8) years of general experience in community development, especially in urban informal settlements and slums, in East Africa, and preferably in Kenya.
- 3) A minimum of five (5) years specific experience in socio-economic studies, community mobilization, Organizing and facilitating public participation, gender analysis and mainstreaming studies within Kenya with at least two (2no.) similar assignments.

f) Civil Engineer

- 1) A Minimum of Master's degree in engineering or built environment discipline and Bachelor' degree in Civil Engineering.
- 2) Must be validly registered and holding current annual practicing license from a relevant professional body
- 3) A Minimum of eight (8) years general experience in civil engineering sector,
- 4) A minimum of 5 years' specific experience in Undertaking, supervising works in slums and informal settlements, particularly in water and sanitation or roads.

The Team Leader will be in charge of reporting and coordination of all activities, and will be the main contact person in the team vis-a-vis the Client.

10. Estimated Time Inputs for Key Experts

The number of key experts and the estimated time input for each key expert for the assignment are presented in Table 3.

Table 3: Estimated Time Inputs for Key Experts

S/No	Key and Support Staff	No.	Estimated Input staff- months
1	Team Leader	1	6
2	Urban Planner	1	4
3	Sociologist/Community Development Specialist	1	4
4	Human Resource Expert	1	4
5	Civil Engineer	1	2
6	Monitoring and Evaluation Expert	1	3
	Total	6	23

11. Administration of the Consulting Services

The client will designate The National Project Coordinator as the Consultant’s Supervisor, who shall be responsible for coordination of activities of the consultant. On a day-to-day work basis, the consultant shall work and report to the Head of component 3.

The Client will provide to and collaborate with the Consultant in making available the following documents relevant to the project subject to the extent of availability of such information:

- a) Access to KISIP II existing Information on the informal settlements
- b) KISIP II Project Appraisal Document (PAD)
- c) The Sessional Paper No 2 on Slum Upgrading and Prevention Policy of 2016
- d) The National slum Upgrading and prevention strategy 2024-2034
- e) KISIP2 Project Operations Manual (POM)

The Client will also assist the Consultant to obtain other relevant information and materials from Government departments and state authorities as far as possible. However, it is the duty of the Consultant to check availability, quality and suitability of this information. The information, data, reports etc. as mentioned above will be available for the consultant’s unlimited use during execution of the proposed services.

12. Responsibilities of the Consultant

The Consultant shall be responsible for the provision of all the necessary resources to carry out the Services such as, project transportation for visits in counties, subsistence allowances, accommodation, information technology, and means for communications, organization of the workshops, reporting materials, insurance and any other required resources as per the contract.

The consultant is expected to undertake activities that will ensure that outputs are consistent with the professional and legal requirements. All outputs will be presented using modern techniques/technology and will form part of the digital land information systems for informal settlements being generated by the Project. It is also required that the data is generated through a consultative process that guarantees authenticity and ownership.