



REPUBLIC OF KENYA
State Department for Housing and Urban Development

MINISTRY OF LANDS, PUBLIC WORKS, HOUSING & URBAN DEVELOPMENT

Second Kenya Urban Support Program (KUSP II)

Project: Second Kenya Urban Support Program (KUSP 2)
Project No.: P177048

Credit No.: 7349-KE; 7350-KE; IDA Grant Number E208-KE

Terms of Reference

For

**Consulting Services for the development of guidelines for harmonised licensing Procedures
and fees by County Governments**

(FIRMS SELECTION)

Contract No.: KE-MOTI-517527-CS-QCBS

DECEMBER 2025

Client:

State Department for Housing and Urban Development
Attn: National Program Coordinator
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6th Floor, Ardhi House
1st Ngong Avenue
Nairobi, Kenya
Tel: +254-02-2729200
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1.0 Introduction

1.1 Background and context

The Government of Kenya, through the Ministry of Lands, Public Works, Housing & Urban Development is currently implementing the Second Kenya Urban Support Program (KUSP2) whose Program Development Objective is to strengthen the capacities of urban institutions to: improve the delivery and resilience of urban infrastructure and services; enhance the private sector engagement in urban planning; and support the transition of refugee camps into integrated host community and refugee settlements. The program is structured into five Result Areas: RA 1: Strengthened Institutions for Urban Service Delivery, RA 2: Integrated Planning for Inclusive and Resilient Urban Areas, RA 3: Inclusive and Resilient Urban Infrastructure and Services, RA 4: Enhanced Private Sector Engagement, and RA 5: Integrated Development for Refugees and Host Communities.

The main objective of result area 4 is to enhance the private sector's contribution to urban planning, including supporting the development and implementation of an engagement framework and promoting urban development plans informed by dialogue with the private sector. In this context, the State Department for Housing and Urban Development has developed the Private Sector Engagement Framework (PSEF) for the implementation of KUSP II by Counties and their Urban Boards. This framework provides a strategic roadmap for municipalities and private sector actors to collaborate in shaping urban development and governance. Its main components include: private sector database, public-private dialogues and private sector diagnostics. The KUSP II PSE Framework represents a critical strategy aimed at fostering collaboration between the municipalities and private sector entities to strengthen the local governance system.

1.2 Rationale and Justification

The private sector, employing over 1.9 million Kenyans (KNBS, 2022), is central to achieving Vision 2030 and driving economic growth. However, under Kenya's devolved governance system, County Governments exercise powers under Articles 186 and 209 of the Constitution to impose taxes, fees, and licenses, resulting in fragmented and inconsistent licensing frameworks across counties. This multiplicity of permits increases compliance costs, hinders cross-county trade, and undermines the ease of doing business. To address these challenges, the County Licensing (Uniform Procedures) Act, 2024 mandates the Council of Governors (CoG) to develop strategies and guidelines to harmonise licensing procedures and fee structures. Standardisation will simplify compliance, enhance transparency, and foster a predictable, enabling business environment, strengthening urban competitiveness and unlocking private sector potential for sustainable economic growth.

2.0 Objective of the Assignment

The primary objective of this consultancy is to support the **Council of Governors (CoG)** in developing strategies and guidelines for the harmonised issuance of licenses and the imposition of fees by County Governments in Kenya. This will ensure the **standardisation of licensing procedures**, promote fairness, and enhance the **ease of doing business** across all counties, cities, and municipalities.

2.1 Specific Objectives

The consulting firm will pursue the following specific objectives:

1. **Standardisation:** To develop and recommend **uniform procedures** for the issuance of business licenses across all counties, cities, and municipalities.
2. **Harmonisation:** To align and harmonise licensing regulations, requirements, and **fee structures** to promote consistency, equity, and transparency across jurisdictions.
3. **Digital Integration:** To support the design of **inter-county integrated digital platforms**, hosted at the Council of Governors, to facilitate real-time exchange of information and streamline licensing processes.
4. **Ease of Doing Business:** To reduce administrative bottlenecks and compliance costs associated with licensing, thereby improving the **business climate** and competitiveness in counties and their urban areas.

3.0 Scope of Consulting Services and Specific Tasks

3.1 Scope of Consulting Services

The scope of the assignment will encompass the 45 KUSP II participating counties and 79 municipalities. The consultant is expected to assess compliance with the **Constitution of Kenya (2010)** and all relevant legal and regulatory frameworks governing the private sector and urban governance.

3.2 Key tasks of the assignment

The specific tasks of the assignment are as follows:

Task 1: Review of Policy, legal, regulatory, and institutional frameworks

The consulting firm will undertake a comprehensive review of the current policy, legal, regulatory, and institutional frameworks governing licensing and fees across counties to identify overlaps, gaps, and inconsistencies that hinder harmonisation

Task 2: Stakeholder consultation

The consulting firm will facilitate structured consultations with key stakeholders, including;

- National Government ministries and agencies
- The Council of Governors (CoG)
- County Governments
- Private sector representatives and business associations
- Civil society organisations and development partners
- Marginalised and vulnerable groups

Task 3: Development guidelines for harmonised licensing procedures and fees

Based on the findings of the regulatory review of the Policy, legal, regulatory, and institutional frameworks and stakeholder inputs, the consulting firm will develop clear and practical guidelines to guide counties in implementing standardised processes. The guidelines will outline step-by-step procedures, templates, and compliance checklists to ensure transparency, fairness, and efficiency

in licensing and fee administration. The firm will also incorporate provisions that align with constitutional requirements, revenue-sharing frameworks, and accountability standards, and develop a communication and dissemination strategy that promotes county-level buy-in and smooth implementation.

Task 4: Digital platform integration

The consulting firm will explore opportunities for integrating harmonised procedures into existing digital platforms and county revenue management systems, involving assessing current e-governance infrastructure, identifying integration pathways, and recommending system upgrades that enhance user-friendliness, interoperability, and security.

Task 5: Capacity building

The consulting firm will design and deliver a customised capacity-building program targeting county officers, policymakers, and system administrators. Training modules will cover the new guidelines, digital platforms, and monitoring frameworks to support continuity beyond the consultancy period.

Task 6: Dissemination of information

The consulting firm will support the dissemination of the harmonized licensing guidelines to ensure wide awareness, ownership, and adoption by counties and key stakeholders. This will involve organizing and facilitating dissemination workshops at both national and county levels targeting county governments, municipal boards, business associations, and relevant national agencies. Dissemination efforts will focus on creating awareness of the revised procedures and fee structures, promoting compliance, and building capacity for implementation within counties.

Task 7: Monitoring, Evaluation and Learning

The consulting firm will establish a robust Monitoring, Evaluation and Learning (MEL) framework that will set out clear indicators to measure the effectiveness of the harmonised processes in terms of efficiency, transparency, compliance, and revenue performance. The MEL Framework will also consider documentation of Best Practices and information sharing towards replication of the best practices.

4.0 Duration and location of the assignment

The assignment will be undertaken within a **duration of six (6) calendar months** from the contract commencement date. The location of the assignment will be in the 45 KUSP II participating counties and 79 municipalities.

5.0 Reporting Requirements and Timelines for Submission for Deliverables:

The successful completion of the consultancy is expected to result in the following deliverables:

5.1 Reporting

1. The Consultant will report to the KUSP II Program Coordinator
2. KUSP II Team will review the submitted reports and issue official comments and approvals

The consultant will be expected to deliver the following outputs:

Table 1: Reporting Requirements and Timelines for Submission of Deliverables

No.	Deliverable	Timelines for submission of deliverables after contract commencement	Format of submission
1	Inception report with detailed methodology and work plan.	2 Weeks	Soft copy and 2 hard Copies
2	Policy, Legislation, Regulatory and institutional review report highlighting gaps, overlaps, and best practices	1 Month	Soft copy and 2 hard Copies
3	Stakeholder mapping and engagement Report.	2 Months	Soft copy and 2 hard Copies
4	First Draft guidelines on Harmonised licensing and fees procedures with a Communication and dissemination strategy for adoption at the county level. It must also have Templates, compliance checklists, and step-by-step procedural tools.	3 Months	Soft copy and 2 hard Copies
5	Digital systems assessment report. Integration roadmap with recommendations on interoperability and security.	4 Months	Soft copy and 2 hard Copies
6	Capacity-building plan and Training report measuring knowledge uptake and capacity gaps	4 Months	Soft copy and 2 hard Copies
7	Monitoring, Evaluation and Learning framework with performance indicators and tools.	6 Months	Soft copy and 2 hard Copies
8	Final technical report of Guidelines on Harmonized Licensing and Fees Procedures and dissemination of information	6 Months	Soft copy and 2 hard Copies

All Reports shall be submitted in the subscribed format to the address below:

Principal Secretary
 State Department for Housing and Urban Development
 P.O. Box 30119-00100
 6th Floor, Ardhi House
 1st Ngong Avenue
 Nairobi, Kenya
 Tel: +254-02-2729200

E-mail: www.housingandurban.go.ke
 Attn. Program Coordinator, KUSIP II

6.0 Payment schedule

The table below highlights the payment breakdown for the consultancy:

Table 2: Proposed payment schedule

No.	Deliverable	Timelines for submission of deliverables after contract commencement	Percentage of the contract amount
1	Submission and Acceptance of Inception report with detailed methodology and work plan.	2 Weeks	20%
2	Submission and Acceptance of Policy, Legislation, Regulatory and institutional review report highlighting gaps, overlaps, and best practices	1 Month	10%
3	Submission and Acceptance of Stakeholder mapping and engagement Report.	2 Months	20%
4	Submission and Acceptance of Draft guidelines on Harmonised licensing and fees procedures with a Communication and dissemination strategy for adoption at the county level. It must also have Templates, compliance checklists, and step-by-step procedural tools.	3 Months	20%
5	Submission and Acceptance of Digital systems assessment report. Integration roadmap with recommendations on interoperability and security.	4 Months	0%
6	Submission and Acceptance of Capacity-building plan and Training report measuring knowledge uptake and capacity gaps	4 Months	10%
7	Submission and Acceptance of Monitoring, Evaluation and Learning framework with performance indicators and tools.	6 Months	10%
8	Submission and Acceptance of Final technical report of Guidelines on Harmonized Licensing and Fees Procedures and dissemination of information	6 Months	10%

The deliverables will be presented to Client in scheduled meetings and acceptance of deliverables recorded in minutes of meeting or communicated through agreed means

7.0 Minimum requirements for the firm’s qualifications and experience of the Firm

The shortlisting criteria for the Consulting Firm will involve:

- a. **Core business and years in business:** The firm shall be registered as a consulting firm in areas such as urban planning, business economics, strategic/business management, public policy, finance, revenue management or related fields for a period of a minimum of ten years.
- b. **Relevant Experience:** The firm shall demonstrate having successfully executed and completed at least two assignments of similar nature, complexity and in a similar operating environment in the last 10 years. Details of similar assignments-Name and address of the client, scope, value, and period should be provided in the submitted Expression of Interest including enumeration of these similar past assignments.
- c. **Technical and managerial capability of the firm:** The firm shall demonstrate as having the requisite technical capacity and managerial capacity to undertake the assignment in the submitted company profile(s). Key experts will not be evaluated at the shortlisting stage.

8.0 Team composition, qualification and experience requirements for the key experts

The Consultant shall have well-qualified and experienced professionals as required and appropriate for completion of the exercise. They should possess necessary resources to undertake services of such nature including equipment and software required to execute the assignment. The key professionals/expert shall personally carry out (with assistance of other non-key staff deemed appropriate) the services as described in this TOR. The key experts to be provided by the Consultants for this assignment will include qualified personnel with extensive international and regional experience are as follows:

Table 3: Key Experts and qualifications and experience requirements

a. Team Leader

- i. A minimum of a master’s degree or higher in Public Policy, Public Administration, Economics, Urban/Regional Planning, or Governance-related fields.
- ii. A minimum 7 years of general experience in governance, public sector reform, institutional development, or regulatory framework development.
- iii. A minimum of 4 years of specific experience in policy formulation and development, strategy planning and implementation, or leading legal and regulatory consultancy assignments, including oversight of multidisciplinary teams in similar operating environments.
- iv. Must be validly registered and holding current annual practicing license from a relevant professional body recognized in Kenya

b. Legal / Regulatory Expert

- i. A minimum of a bachelor's degree in Public/Constitutional Law, Administrative Law, or Governance
- ii. A minimum of 7 years of general experience in legal practice, regulatory compliance, or policy development, preferably within the public sector, urban development, or infrastructure-related projects
- iii. A minimum of 4 years of specific experience in reviewing, drafting, and harmonizing legal and regulatory frameworks; conducting institutional and legislative assessments; advising on governance and compliance matters; and supporting policy or by-law development in similar operating environments, with at least one assignment of similar scope and complexity.
- iv. Must be validly registered and holding current annual practicing license from a relevant professional body recognized in Kenya.

c. Public Finance/ Revenue Expert

- i. A minimum of a bachelor's degree in Public Finance, Economics, Accounting, or a related field.
- ii. A minimum of 7 years' general experience in public finance management, fiscal decentralization, revenue mobilization, or related public-sector financial system.
- iii. A minimum of 4 years' specific experience in conducting financial and economic analyses, designing or reviewing own-source revenue frameworks, taxation systems, tariff structures, and other local revenue instruments in similar operating environments, with at least one assignment of comparable scope and complexity
- iv. Must be validly registered and holding current annual practicing license from a relevant professional body recognized in Kenya.

d. Institutional / Policy Specialist

- i. A minimum of a bachelor's degree in Public Policy, Governance, Institutional Development, Strategic Management or related field
- ii. A minimum of 7 years of experience in policy analysis, planning and regulation setting, institutional reform, or governance strengthening.
- iii. A minimum of 4 years specific experience in similar assignments of carrying out legal and institutional related projects in devolved governance systems.
- iv. Must be validly registered and holding current annual practicing license from a relevant professional body recognized in Kenya.

e. ICT Expert

- i. A minimum of a Bachelor's Degree in Information Technology, Computer Science, Software Engineering, or a related ICT related field.
- ii. A minimum of 7 years of general experience Information and Communication Technology (ICT) systems development, digital transformation, and ICT infrastructure support or any other related field.
- iii. A minimum of 4 years of specific experience in designing and developing ICT systems, database development and management, development of

- digital tools or platforms, ICT capacity building, data analytics, and supporting ICT components of sectoral projects in similar operating environments, with at least one assignment of similar scope and complexity.
- iv. Must be validly registered and holding current annual practicing license from a relevant professional body recognized in Kenya

f. Stakeholder Engagement / Governance Specialist

- i. A minimum of Bachelor's degree in Social Sciences/ Community Development/ Communication/Gender or its equivalent from a university recognized in Kenya
- ii. A minimum 7 years of general experience in social related studies, community development, especially in the maritime sector in east and sub-Saharan Africa
- iii. A minimum of 4 years of specific experience in socio-economic studies, community mobilization, Organizing and facilitating public participation, gender analysis and mainstreaming studies, social assessments, and social management plans in similar operating environment with at least one similar assignment.
- iv. Must be validly registered and holding current annual practicing license from a relevant professional body recognized in Kenya

9.0 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 4.

Table 3: Estimated Time Inputs for Key Experts

S.No.	Key Expert	No.	Time-inputs (staff-months)
1	Team Leader	1	6
2	Institutional / Policy Specialist	1	6
3	Legal / Regulatory Expert	1	4
4	Public Finance / Revenue Expert	1	4
5	ICT Expert	1	3
6	Stakeholder Engagement / Governance Specialist	1	3
Total Staff Months			26

10.0 Management and accountability for the assignment

The Client for the services is the State Department for Housing and Urban Development. The Consulting firm will report to the KUSPII Program Coordinator within the State Department of Housing and Urban Development, under the Leadership of Result Area 4 – Private Sector Engagement.

11.0 Obligation of the client

- (i) The client, State Department for Housing and Urban Development, through the National Program Coordination Team (NPCT) and the Council of Governors (CoG), will provide all the documents, i.e. KUSP 2 PAD and POM and any other developed and available policies that can assist in this assignment.
- (ii) NPCT and CoG will assist in organising meetings with relevant stakeholders as may be required by the consultant firm.

12.0 Obligation of the consultant

- i) The consulting firm will be answerable to the NPCT Coordinator on day-to-day operations, through the Result Area 4 Lead and will work closely with the 45 Counties and 79 municipalities and the project staff in the execution and delivery of this consultancy;
- ii) The consulting firm will be required to make their own travel and accommodation arrangements during consultations with different stakeholders to ensure the assignment is carried on smoothly and seamlessly within the timeframe provided;
- iii) The consulting firm will consult and include inputs from the stakeholders and is responsible for organising, achieving the evaluation and delivering the final report.

13.0 Proprietary rights of client in reports and records.

- I. All the reports, data, and information developed, collected, or obtained from the implementing agencies etc., Client, and other Institutions during this exercise shall belong to the Client. No use shall be made of them without prior written authorization from the Client.
- II. At the end of the Services, the Consultant shall relinquish all data, manuals, reports and information (including the database, codes, and related documentation) to the client and shall make no use of them in any other assignment without prior written authority from the client