



Consultancy to conduct a feasibility study and develop sustainable financing options for Integrated Water Resources Management (IWRM) in targeted Arid and Semi-Arid Counties of Kenya

RfP Reference: IUCN-2024-07- P04379-01

Welcome to this Procurement by IUCN. You are hereby invited to submit a Proposal. Please read the information and instructions carefully because non-compliance with the instructions may result in the disqualification of your Proposal from this Procurement.

1. REQUIREMENTS

1.1. A detailed description of the services and/or goods to be provided can be found in Attachment 1.

2. CONTACT DETAILS

2.1. During the course of this procurement, i.e. from the publication of this RfP to the award of a contract, you may not discuss this procurement with any IUCN employee or representative other than the following contact. You must address all correspondence and questions to the contact, including your proposal.

IUCN Contact: tenders.kenya@iucn.org

3. PROCUREMENT TIMETABLE

3.1. This timetable is indicative and may be changed by IUCN at any time. If IUCN decides that changes to any of the deadlines are necessary, we will contact you.

DATE	ACTIVITY
July 15 th 2024	Call/Request for RfP
July 30 th 2024	Deadline for submission to IUCN (“ Submission Deadline ”)
August 30 th 2024	The planned date for the contract award and start date
September 7 th 2024	Inception Report (see the requirement on the ToR)
October 30 th , 2024	Submission of draft report (see the requirement on the ToR)
TBC	Presentation of the draft report to the key stakeholders for comments
November 30 th 2024	Submission of the final report (see the requirement on the ToR)

3.2. Please email the IUCN contact to confirm whether or not you are intending to submit a proposal by the deadline stated below.

4. COMPLETING AND SUBMITTING A PROPOSAL

4.1. Your Proposal must consist of the following three documents:

- Signed Declaration of Undertaking (see Attachment 2)
- Technical Proposal (see Section 4.4 below)
- Financial Proposal (see Section 4.5 below)

Proposals must be prepared in English.

4.2. Your Proposal must be submitted by email to the IUCN Contact (see Section 2). The subject heading of the email shall be [RfP Reference – bidder name]. **RfP- Consultancy to conduct a feasibility study and develop sustainable financing options for Integrated Water Resources Management (IWRM) in targeted Arid and Semi-Arid Counties of Kenya.**

4.3. The bidder name is the name of the company/organisation on whose behalf you are submitting the proposal, or your own surname if you are bidding as a self-employed consultant. Your proposal must be submitted in PDF format. You may submit multiple emails suitably annotated, e.g. Email 1 of 3, if the attached files are too large to suit a single email transmission. You may not submit your Proposal by uploading it to a file-sharing tool.

IMPORTANT: Submitted documents must be password-protected so that they cannot be opened and read before the submission deadline. Please use the same password for all submitted documents. After the deadline has passed and within 12 hours, please send the password to the IUCN Contact. This will ensure a secure bid submission and opening process. Please DO NOT email the password before the deadline for Proposal submission.

4.4. *Eligibility*

Not Applicable

4.5. *Technical Proposal*

The technical proposal must address each of the criteria stated below explicitly and separately, quoting the relevant criteria reference number (left-hand column). Proposals in any other format will significantly increase the time it takes to evaluate, and such Proposals may therefore be rejected at IUCN's discretion. Where CVs are requested, these must be of the individuals who will actually carry out the work specified. The individuals you put forward may only be substituted with IUCN's approval. IUCN will evaluate technical proposals with regard to each of the following criteria and their relative importance:

IUCN will evaluate technical proposals with regards to each of the following criteria and their relative importance:

	Description	Information to provide	Relative weight
1	Understanding of the task/scope of work	Application	20%

2	Expert specialization & work experience	CVs and relevant qualification(s)	40%
3	Demonstrated experience and expertise in undertaking similar assignments.	Portfolios, reports, websites	40%
TOTAL			100%

4.6. *Financial Proposal*

4.6.1. The financial proposal must be a fixed and firm price for the provision of the goods/services stated in the RfP in their entirety.

4.6.2. *Prices include all costs*

Submitted rates and prices are deemed to include all costs, insurances, taxes (except VAT, see below), fees, expenses, liabilities, obligations, risks and other things necessary for the performance of the Terms of Reference or Specification of Requirements. IUCN will not accept charges beyond those clearly stated in the Financial Proposal. This includes applicable withholding taxes and similar. It is your responsibility to determine whether such taxes apply to your organisation and to include them in your financial offer.

4.6.3. *Applicable Goods and Services Taxes*

Proposal rates and prices shall be exclusive of Value Added Tax.

4.6.4. *Currency of proposed rates and prices*

All rates and prices submitted by Proposers shall be in USD .

4.6.5. *Breakdown of rates and prices*

For information only, the price needs to be broken down as follows:

	Description	Quantity	Unit Price (US\$)	Total Price (US\$)
1	Daily Rate (& Work Days)			
	TOTAL			

4.7. Additional information not requested by IUCN should not be included in your Proposal and will not be taken into account in the evaluation.

4.8. Your proposal must remain valid and capable of acceptance by IUCN for a period of 90 calendar days following the submission deadline.

4.9. *Withdrawals and Changes*

You may freely withdraw or change your proposal at any time prior to the submission deadline by written notice to the IUCN Contact. However, in order to reduce the risk of fraud, no changes or withdrawals will be accepted after the submission deadline.

5. **EVALUATION of PROPOSALS**

5.1. *Completeness*

IUCN will firstly check your proposal for completeness. Incomplete proposals will not be considered further.

5.2. *Technical Evaluation*

5.2.1. *Scoring Method*

Your proposal will be assigned a score from 0 to 10 for each of the technical evaluation criteria, such that '0' is low and '10' is high.

5.2.2. *Minimum Quality Thresholds*

Proposals that receive a score of '0' for any of the criteria will not be considered further.

5.2.3. *Technical Score*

Your score for each technical evaluation criterion will be multiplied with the respective relative weight (see Section 4.4) and these weighted scores added together to give your proposal's overall technical score.

5.3. *Financial Evaluation and Financial Scores*

The financial evaluation will be based upon the full total price you submit. Your financial proposal will receive a score calculated by dividing the lowest financial proposal that has passed the minimum quality thresholds (see Section 5.2.2) by the total price of your financial proposal.

Thus, for example, if your financial proposal is for a total of CHF 100 and the lowest financial proposal is CHF 80, you will receive a financial score of $80/100 = 80\%$

5.4. *Total Score*

Your proposal's total score will be calculated as the weighted sum of your technical score and your financial score.

The relative weights will be:

Technical: 70%
Financial: 30%

Thus, for example, if your technical score is 83% and your financial score is 77%, you will receive a total score of $83 * 70\% + 77 * 30\% = 58.1\% + 23.1\% = 81.2\%$.

Subject to the requirements in Sections 4 and 7, IUCN will award the contract to the bidder whose proposal achieves the highest total score.

6. **Explanation of procurement procedure**

6.1. IUCN is using the Invitation Procedure for this procurement. This means that only invited bidders may submit a proposal. IUCN typically invites from four to six bidders to submit a proposal.

6.2. You are welcome to ask questions or seek clarification regarding this procurement. Please email the IUCN Contact (see Section 2), taking note of the deadline for submission of questions in Section 3.1.

6.3. All proposals must be received by the submission deadline in Section 3.1 above. Late proposals will not be considered. All proposals received by the submission deadline will be evaluated by a team of two or more evaluators in accordance with the evaluation criteria stated in this RfP. No other criteria will be used to evaluate proposals. The contract will be awarded to the bidder whose proposal received the highest Total Score. IUCN does, however, reserve the right to cancel the procurement and not award a contract at all.

6.4. IUCN will contact the bidder with the highest-scoring proposal to finalise the contract. We will contact unsuccessful bidders after the contract has been awarded and provide detailed feedback. The timetable in Section 3.1 gives an

estimate of when we expect to have completed the contract award, but this date may change depending on how long the evaluation of proposals takes.

7. Conditions for participation in this procurement

- 7.1. To participate in this procurement, you are required to submit a proposal, which fully complies with the instructions in this RfP and the Attachments.
 - 7.1.1. It is your responsibility to ensure that you have submitted a complete and fully compliant proposal.
 - 7.1.2. Any incomplete or incorrectly completed proposal submission may be deemed non-compliant, and as a result you may be unable to proceed further in the procurement process.
 - 7.1.3. IUCN will query any obvious clerical errors in your proposal and may, at IUCN's sole discretion, allow you to correct these, but only if doing so could not be perceived as giving you an unfair advantage.
- 7.2. In order to participate in this procurement, you must meet the following conditions:
 - Free of conflicts of interest
 - Registered on the relevant professional or trade register of the country in which you are established (or resident, if self-employed)
 - In full compliance with your obligations relating to payment of social security contributions and of all applicable taxes
 - Not been convicted of failing to comply with environmental regulatory requirements or other legal requirements relating to sustainability and environmental protection
 - Not bankrupt or being wound up
 - Never been guilty of an offence concerning your professional conduct
 - Not involved in fraud, corruption, a criminal organisation, money laundering, terrorism, or any other illegal activity.
- 7.3. You must complete and sign the Declaration of Undertaking (see Attachment 2)
- 7.4. If you are participating in this procurement as a member of a joint venture, or are using sub-contractors, submit a separate Declaration of Undertaking for each member of the joint venture and sub-contractor, and be clear in your proposal which parts of the goods/services are provided by each partner or sub-contractor.
- 7.5. Each bidder shall submit only one proposal, either individually or as a partner in a joint venture. In case of joint venture, one company shall not be allowed to participate in two different joint ventures in the same procurement nor shall a company be allowed to submit a proposal both on its behalf and as part of a joint venture for the same procurement. A bidder who submits or participates in more than one proposal (other than as a subcontractor or in cases of alternatives that have been permitted or requested) shall cause all the proposals with the bidder's participation to be disqualified.
- 7.6. By taking part in this procurement, you accept the conditions set out in this RfP, including the following:
 - It is unacceptable to give or offer any gift or consideration to an employee or other representative of IUCN as a reward or inducement in relation to the awarding of a contract. Such action will give IUCN the right to exclude you from this and any future procurements, and to terminate any contract that may have been signed with you.

- Any attempt to obtain information from an employee or other representative of IUCN concerning another bidder will result in disqualification.
- Any price fixing or collusion with other bidders in relation to this procurement shall give IUCN the right to exclude you and any other involved bidder(s) from this and any future procurements and may constitute a criminal offence.

8. Confidentiality and data protection

- 8.1. IUCN follows the European Union's General Data Protection Regulation (GDPR). The information you submit to IUCN as part of this procurement will be treated as confidential and shared only as required to evaluate your proposal in line with the procedure explained in this RfP, and for the maintenance of a clear audit trail. For audit purposes, IUCN is required to retain your proposal in its entirety for 10 years after the end of the resulting contract and make this available to internal and external auditors and donors as and when requested.
- 8.2. In the Declaration of Undertaking (Attachment 2) you need to give IUCN express permission to use the information you submit in this way, including personal data that forms part of your proposal. Where you include personal data of your employees (e.g. CVs) in your proposal, you need to have written permission from those individuals to share this information with IUCN, and for IUCN to use this information as indicated in 8.1. Without these permissions, IUCN will not be able to consider your proposal.

9. Complaints procedure

If you have a complaint or concern regarding the propriety of how a competitive process is or has been executed, then please contact procurement@iucn.org. Such complaints or concerns will be treated as confidential and are not considered in breach of the above restrictions on communication (Section 2.1).

10. Contract

The contract will be based on IUCN's template in Attachment 3, the terms of which are not negotiable. They may, however, be amended by IUCN to reflect particular requirements from the donor funding this particular procurement.

11. About IUCN

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together. Headquartered in Switzerland, IUCN Secretariat comprises around 1,000 staff with offices in more than 50 countries. Created in 1948, IUCN is now the world's largest and most diverse environmental network, harnessing the knowledge, resources and reach of more than 1,300 Member organisations and some 10,000 experts. It is a leading provider of conservation data, assessments and analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards. IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, indigenous people's organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people's well-being.

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12. ATTACHMENTS

Attachment 1 Specification of Requirements/Terms of Reference



ToR for a feasibility study and development of sustainable financing options for Integrated Water Resources Management in targeted arid and semi-arid counties of Kenya

1. Scope and objectives of the consultancy

STAWI seeks the services of a consultant to undertake a feasibility study and develop a sustainable financing option for Integrated Water Resources Management in targeted arid and semi-arid counties of Kenya. The financing options will help leverage the dwindling public financing for water resources management, mainly for watershed protection measures and/or nature-based solutions that will increase water supply for domestic and productive uses.

The purpose of the consultancy is to determine the social, technical and economic feasibility of developing a sustainable financing model in multiple basins. The feasibility study will allow sustainable financing goals to be defined and economic and financial benefits from NbS activities to be clearly estimated and presented to key stakeholders.

The objectives of the consultancy are:

1. Document any existing and/or promising initiatives to financing WRM in Kenya.
2. Identify and analyze any bottlenecks or barriers and enablers to sustainable financing for WRM in ASAL settings.
3. Undertake a feasibility study on the potential sustainable financing models for watershed management in ASAL settings.
4. Based on data, evidence and/or practice in the ASAL context, propose the most viable option through criterion to be agreed upon by the stakeholders.
5. develop a strategy for the agreed and/or preferred financing options.
6. Highlight any necessary pre-conditions for the success of the selected models.

The basis for designing a sustainable financing model is based on understanding the contextual status of basins (ecological and socio-economic), hydrological dynamics and investment opportunities. The feasibility assessment will focus on:

1. Quantifying the ecosystem services that are critical to primary stakeholder interests.
2. Modelling and mapping of priority areas and interventions for NbS investments and actions in basins related to these ecosystem services.
3. Undertaking an economic analysis to determine costs and benefits derived from NbS activities compared to "business-as-usual" scenarios to build a business case.

The feasibility assessment will benefit from among others the work of basin and sub-catchment PES schemes, water funds, water trust funds, permitting and licencing systems, and ecosystem management credits.

Potential locations include but are not limited to: one or more sub-catchments of the Tana River, one or more sub-catchments upstream of Ewaso Ng'iro and Kerio rivers, and one or more sub-catchments of the Athi and Rift Valley basins.

2. Background

The International Union for Conservation of Nature (IUCN) is one of the subcontractors to the USAID funded STAWI - Sustainable, Transformational and Accessible Water Interventions – project that is implemented by DAI. The main goal of STAWI is to improve water security for both domestic and productive purposes in areas of recurrent crises. STAWI targets two resilience zones in Kenya, where vulnerability to recurrent crises is high. In the targeted arid counties (Turkana, Marsabit, Samburu, Isiolo, Wajir and Garissa), STAWI's investments aim to build resilience to shocks and reduce humanitarian assistance caseloads. In the targeted semi-arid counties (Kitui, Makueni and Taita Taveta) investments aims to strengthen resilience to avert a return to dependence on humanitarian assistance. These 9 ASALs (Arid and Semi-Arid Areas) are within the following four (4) catchment areas of Kenya: Ewaso Ng'iro North, Tana, Athi and Rift Valley (see the two maps).



STAWI aims to increase the ability of counties and communities to safeguard sustainable access to adequate quantities and quality of water for sustaining livelihoods, human well-being, and socio-economic development. Improving water security therefore depends on achieving the following four interrelated objectives.

1. Improve governance of water resources and services.
2. Increase sustainability of water service delivery
3. Improved management, efficiency and equitable access to water used for productive purposes.
4. Improved collaboration and learning across stakeholders and strengthened capacity of county governments for learning and adaptation.

In support of STAWI program goals, IUCN is working with STAWI team, Water Resources Authority (WRA) and the 9 Counties in addressing water resource management, leveraging its experience in enhancing the governance of water resources and services, supporting the following: 1] development and subsequent implementation of the Basins Water Allocation Plans; 2] supporting the establishment of the multi-stakeholders platforms – the Basin Water Committees; 3] strengthening Water Resources Users Associations (WRUAs); 4] reviewing and/or supporting the development of the Sub-Catchment Management Plans (SCMPs) including implementation of priority actions those related nature-based solutions for watershed restoration; and 4] assessment of the potential financing options to leverage on public financing for integrated water resources management especially for watershed protection measures.

Water Resources Regulations, 2021 under Water Resources Authority (WRA)

The Water Resources Regulations, 2021 provides for a water conservation levy, amounting to 5 percent of the monthly water use charge. The monies collected by the Water Resources Authority (WRA) as the water conservation levy shall be segregated from the water use charges (which are used for administration purposes by WRA) and reported on separately and, on the basis of agreements entered into between the Authority and county government

entities and water resource users associations and used to finance part of the costs of the implementation of catchment or sub-catchment soil and water conservation plans. This levy has not been implemented because the matter is before a Court of law.

Water Sector Trust Fund (WaterFund), 2016

Similarly, the Water Sector Trust Fund (WaterFund) established by the Water Act, 2016 is mandated to assist in financing water supply, sanitation, and water resources management projects in the underserved and marginalised rural and urban areas. The WaterFund provide conditional and unconditional grants to Counties and to assist in financing the development of and management of water services in the marginalised and underserved areas including:

- Community level initiatives for the sustainable management of water resources,
- Development of water services in rural areas considered not to be commercially viable for provision of water services by licensees,
- Development of water services in the under-served poor urban areas, and
- Promote research activities in water resource management and water services, sewerage and sanitation.

One of the challenges with this WaterFund is that it is largely supported and/or funded by the development partners hence it is not adequate and not sustainable financing mechanism.

The Green Water Credits Model

In the past, several studies have been conducted and projects undertaken to establish sustainable payment for ecosystems services (PES) in the arid lands' watersheds. In 2007 for instance, the Green Water Credits (GWC) program designed and implemented an investment mechanism for small holder farmers, livestock keepers and pastoralists that allowed credits to smallholder farmers that promoted sustainable nature based solutions (NbS) activities in the upper Tana River. The GWC approach was further elaborated in several reports through topics that included: Hydrological Modelling, Willingness to Pay Study, Institutional Analysis, Financial Mechanisms Assessment, Carbon Capture Estimation, and Cost benefits Analysis. While the GWC model demonstrated significant potential for developing sustainable PES for watersheds, it faced limitations, including: 1) limited spatial targeting of studies; 2) low integration of diverse land use types; 3) narrow definition of a sustainable financing strategy for the PES; and 4) unclear governance and institutional structures for managing the PES schemes.

Nature-based Solution (NbS) for Water

In 2020, IUCN developed a Global Standard for NbS, outlining what constitutes an effective NbS. The IUCN Global Standard for NbS is a tool to help governments, communities, business and NGOs implement strong, effective NbS projects that are ambitious in scale and sustainable, prevent misuse and safeguard people and planet. While intervention activities can be focused on the site scale, the robustness, applicability and responsiveness of the solution should take into consideration the broader systems at play. For the case of water security, the scale is catchment or basin and/or sub-catchment levels and blending NbS with built water infrastructure. Hence NbS for water security is building on Integrated Water Resources Management (IWRM) approach.

3. About IUCN

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analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards.

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4. Description of the assignment

The assessment of the potential financing options will explore or identify sustainable sources of finance and a financing strategy for NbS for water and/or implementation of sub-catchment management plans (SCMPs). The consultant will develop a technical and business case that is most compelling to the context in northern Kenya. The consultant will have input on shaping the geographic scope, tasks, and outputs through contract.

Key tasks will include:

- 1) Outreach to key stakeholders and stakeholder meetings.
- 2) Data collection – both primary and secondary.
- 3) Field visit.
- 4) Preparation of feasibility plan/strategy that encompasses environmental services modeling, cost estimate for the preferred financing option.

Options could include accurately pricing water abstractions, dedicating funding from built water infrastructure projects in the area to catchment management and exploring the potential for payment for ecosystem services (PES) schemes and/or water funds. Some of the key steps or elements for developing a water fund includes:

- 1) identify basins, sub-basins or sub-catchments that have major water resource use for economic gain,
- 2) identify the various economic uses of water resources within the sub basins of interest,
- 3) identify the water challenges in the basin that affects the major water abstractors,
- 4) collect data to ascertain the challenges and status,
- 5) have a meeting with the abstractors and discuss strategies to address the challenges for them to pay for the ecosystem services,
- 6) identify water resources management activities that can be done by the WRUAs and WRA to ensure the water abstractors for economic benefits continue to receive adequate water in good qualities as the environmental flows are also considered. These activities could include increasing water storage according to water demands, increase water use efficiency activities, soil and water conservation activities, riparian zone conservation, installation of automatic river gauges for monitoring water abstraction, and addressing point source pollution,
- 7) conduct cost-benefit analysis for investment for a horizon of the next 10 years using RIOS model. This is to assess economic viability of the project,
- 8) carry out sensitivity analysis to assess the impact of specific uncertainty on the overall viability,
- 9) hold stakeholders' meetings to give feedback on the predicted economic benefits of conservation activities vs financial implications for each proposed interventions for the basins e.g. the extent to which sediment reduction in the water system lowers the cost of water

treatment. This is to demonstrate benefits of conservation to water users in terms of economics,

9) agree on the institutional framework for the coordination and the management of the water fund,

10) agree on the amount payable per key stakeholders and the payment modalities, and

11) implement the water fund, monitor and report its effectiveness.

5. Duration of the assignment

This assignment will be undertaken from month of August to November 2024.

6. Main deliverables

Deliverable	Timeline	Description
Inception report	Within one (1) week upon signing the contract	The report should contain the following: 1) The approach and/or clear methodology to be followed; 2) Data Collection tools 3) Annotated outline for the final report; 4) Preliminary list of key documents to be reviewed/analysed; 5) A list of potential key informants (institutions) to be interviewed. 6) Delivery workplan for the assignment
Draft report	After two (2) months upon signing the contract	The draft report based on the annotated outline developed during the inception phase, highlighting key findings on the feasibility study and a strategy for the implementation of the preferred financing options for integrated water resources management
Presentation of the draft report to key stakeholders/project partners, for comments and approval	TBC	1) Summaries or highlights of key messages on the feasibility study and the strategy 2) Power point slides
Final report submitted	After two (2) weeks of the finalisation of the stakeholder's consultation and incorporation of their comments	A feasibility study report and a strategy for the implementation of the preferred financing option that encompasses environmental services modelling, cost estimate for implementing integrated water resources management and/or NbS for water.

7. Payment schedule

The payment will be made in three instalments based on deliverables described in section 6 above, as follows: 10% upon signing the contract, submission and acceptance of the inception report; 40% upon submission and acceptance of the draft report; and the balance (50%) upon submission and acceptance of the final report.

8. Competency – skills and experience

In case of a consultancy firm at least a Masters' level of education and 10yrs relevant experience in socioeconomics or environmental or natural resources economics of the team leader with the following experiences among or within team members:

- Experience in the analysis and/or assessment of sustainable options for financing water plans.
- Experience in conducting hydro economic analyses.
- Experience in modelling water environmental services.
- Experience and knowledge about ecosystem services.
- Experience in economic valuation including cost-benefit analyses.
- Experience in water management, water related policies and water economics.
- Knowledge of environmental, social, and economic problems in the ASAL areas of Kenya

9. Supervision and coordination

The consultant will report to and work under the supervision of IWRM Technical Advisor, IUCN STAWI Project.

