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EXPRESSION OF INTEREST

RIVERS IN KENYA'S ECONOMY

Terms of Reference – 24th April 2020

WWF the global conservation organization is one of the largest conservation organizations in the World. WWF has been working in Kenya since 1962 alongside the government, civil society, private sector organizations and local communities to contribute towards providing an enabling environment for the achievement of sustainable natural resource management. Our mission is to stop degradation of our planet's natural environment, and build a future in which humans live in harmony with nature.

1. Summary

This document outlines the requirements for the production of a report detailing the breadth and depth of the role freshwater plays in supporting the economy of Kenya and the livelihoods of its people, considering water and the river-related resources that are beyond water as a commodity. This report will subsequently form the cornerstone of a wider strategy to engage stakeholders from government, the financial and private sectors, and others to collectively and appropriately consider freshwater-related risks and opportunities in Kenya and lessons to other African Countries, that are also characterized as water scarce to pay attention to increasing freshwater related stress.

2. Background

Kenya, like many countries in Africa, may not achieve the Sustainable Development Goals, other national obligations (Vision 2030) and development targets if emerging water risks and increasing stress levels are left unabated. More than 40% of Kenya's gross domestic product (GDP) is derived from natural resource sectors such as agriculture, forestry, fishing, tourism and mining¹; these sectors both impact and are dependent upon freshwater. The Mara River basin alone, although home to only 1.4% of the Kenyan population, supports some of the most profitable economic activities in Kenya including tourism and agriculture which collectively contribute between 10-15% to the country's GDP.²

Kenya is home to some of the great "water towers" of East Africa which includes the Aberdare Ranges, Mt. Kenya, Mt Elgon, Cherangani Hills and the Mau Complex - part of the broader hydrological heartbeat of Africa, in some quarters referred to as "the Blue Heart of Africa". The latter covers critical freshwater sources comprising 10% of Africa's land area that generates 50% of the continent's water runoff. The freshwater situation in Kenya mirrors scenarios in the rest of Africa; population pressure, the lack of planning and the commensurate increase in the demand for resources have placed undue pressure on these water source areas. The demand for water resources is expected to increase against declining trends in quality and quantity caused by increasing population, increasing industrial and irrigation activities, catchment degradation, climate change impact and pollution. According to projections made by the 2030

¹ UNEP, 2014. *Green Economy Assessment Report – Kenya*. UNEP, Nairobi.

² Nelson, PJ, Nyarangi J, Maritim, Z, n.d. The Trans-boundary Mara River Basin Strategic Environmental Assessment. Prepared for: LVBC, WWF, USAID and the Governments of Tanzania and Kenya.



Water Resources Group, Kenya could face a 30% gap between practically available water supply and demand by 2030 based on current water demand and future national development plans. The pressures facing water resources in Kenya are rooted in factors such as the development needs of a growing population, a context of weak governance and general lack of appreciation of the value of freshwater for national as well as regional economic growth, livelihoods and nature.

3. Valuing rivers

Water is the world's most precious resource but it is invariably undervalued relative to its wide range of uses and benefits. Globally, water resources are not managed in a way that reflects their full values – and this pattern of neglect has consequences. WWF believes it is important to shine a light on a parallel and equally critical challenge: the consistent failure of economies and societies to value rivers for their full spectrum of benefits. The value of water and the value of rivers are intertwined but are not the same. While rivers have primarily been regarded as sources of water for irrigation and hydropower, they provide a far broader set of benefits for people and economies. These benefits include – but exceed – the value of the water flowing down them. Yet typically these benefits of naturally functioning rivers are not understood or valued, so they do not become a priority for decision makers - until they are lost.³

Despite some examples of successful collaboration on water flows and quality over the years between WWF and communities as well as government (county and national level), WWF-Kenya believes there is still insufficient understanding of the importance of freshwater to the nation's economy and society, and of the trade-offs implicit in development decisions. Continued single sector decision-making will adversely impact businesses, communities, and livelihoods.

WWF-Kenya's objective to secure key freshwater ecosystems and their associated forest catchments requires: relevant sectors to attach a value to water; water to be integrated into financial and economic decision making; key policy, legal and institutional frameworks that create an enabling environment for sustainable management of natural resources to be adopted and implemented; development pathways to integrate environmental and social safeguards.

As a response to decision-makers' lack of recognition of the importance of securing key water sources, and in an effort to pave the way towards a recognition of the funding opportunities that can be unlocked through bankable water solutions, WWF-Kenya is commissioning this report. To catalyze changes in policy and management, the value of rivers needs to be framed in terms that are compelling for those making decisions. Rivers have traditionally been valued as providers of water supply or hydroelectric power. But the full value of rivers is far larger and includes a set of benefits that are often invisible to decision makers.

Within the broader framing of 'valuing rivers', WWF has developed an approach called 'Rivers in the Economy' (RitE) that attempts to capture the paradigm shift of valuing rivers for a broader set of values. The RitE process tries to highlight the range of values delivered by healthy rivers and to communicate these to stakeholders and decision makers in the language they use and through examples and trends that resonate with them. The aim of a RitE process is to help decision makers and stakeholders identify and then understand how rivers' diverse – and often hidden – values support their own interests.

³ Opperman, J. J., S. Orr, H. Baleta, M. Dailey, D. Garrick, M. Goichot, A. McCoy, A. Morgan, L. Turley and A. Vermeulen. 2018. Valuing Rivers: How the diverse benefits of healthy rivers underpin economies. WWF.



4. Purpose

The purpose of this report is to answer this question: ‘What do water, rivers, wetlands and lakes contribute to the economy of Kenya?’ This study will focus on freshwater-reliant sectors within Kenya such as agriculture, tourism, fishing and public water supply. It will identify what and how much is being produced and what is the value of this production in terms of income, jobs, and public revenues. It will also investigate the broader economic linkages and multipliers from these water-reliant sectors. As a result, this study will provide baseline information about the role of rivers in key sectors in Kenya’s economy. This information is critical. Decision makers in Africa and across Kenya lack a comprehensive understanding of the value and interdependence of the shared resource of rivers to the economy. Identifying and sharing this baseline information is a first step to being able to model scenarios for how water management and other decisions may impact on different economic sectors and towns across the region.

The report described in these terms of reference will be the cornerstone of a wider stakeholder engagement and advocacy effort. WWF-Kenya will use the ‘rivers in the economy’ report to bring together diverse stakeholders, to collate their perspectives on the risks and opportunities associated with development in the catchment and to influence decision makers to ensure that environmental health is considered alongside social and economic development (since this is what that very social development and economic growth is dependent upon). The report will also be vital for engaging non-governmental actors who share in Kenya’s water risk, for example foreign retailers dependent on Kenya’s export horticulture sector, or the financial sector with assets and lending in sectors exposed to water risk, thereby enabling WWF to make a more evidence-based case for encouraging their involvement in advocacy and to highlight the funding opportunities that can be unlocked through bankable water solutions. The report will form the basis for improved water governance, better spatial planning processes, investments in green infrastructure and the protection of critical water towers. Ultimately, this will feed into the wider systems-related ambition to create a sustainable economy, of which the environment – including rivers and freshwater ecosystems – will form a central part.

5. Objective

The objective of this piece of work is to collate information (using a combination of desktop research, interviews and stakeholder validation) in a compelling report and accompanying policy briefs demonstrating the importance of healthy, functioning freshwater ecosystems to the people, economy and environment of Kenya. The report will include among other things:

- provide an overview of the hydrology and economy of Kenya, including consideration of the impact of climate change;
- institutional set-up and policy gap analysis;
- investigate sectoral contributions to GDP, foreign exchange, employment and investment so that business case arguments can be made to government and other stakeholders;
- sector-by-sector assessment of water dependency, e.g. GDP contributions from rainfed versus irrigated agriculture, the indirect water risk or ‘water footprint’ of key manufacturing sectors, tourism dependence on freshwater ecosystems etc.;
- analysis of the various business sectors, including financial resource flows and drivers of decision-making. Exposure analysis of the financial sector to water risks and enlisting potential

sources of commercial value for financial institutions from financing solutions that can mitigate some of these risks;

- and in-depth discussion of the shared risks for all key stakeholders, including actors in the value chain.

6. Geographical scope

The scope of the report is the Republic of Kenya; only the Kenyan portion of transboundary freshwater bodies will be considered. Parts of the analysis will have a national focus (for example sector-by-sector water dependence; see section 5). There will also be a particular focus placed on the following Rivers to highlight their particular importance:

- Lake Naivasha: Malewa and Gilgil rivers (see below regarding existing study)
- Mara River (see below regarding existing study)
- Athi -Galana River
- Tana River (see below regarding existing study)
- Tsavo
- Ewaso Ngiro South and North
- Nyando
- Yala
- Kuja
- Nzoia
- Turkwel
- Migori

Please note that the inception meeting will include a discussion about the possibility of including the north of Tanzania within the scope of this report.

7. Approach

The research approach will involve a combination of desktop research and stakeholder engagement (via telephone or in-person interviews, followed by a stakeholder validation workshop). Further details regarding the nature and sequencing of these is to be discussed at the inception stage. Stakeholder engagement will involve:

- Government stakeholders, from national to county level.
- Private sector stakeholders, from relevant economic sectors (including but not limited to tourism, industry, subsistence farming, export-oriented agriculture, agro-processing, fishing, construction, manufacturing, mining, energy, transport, finance).
- Civil society stakeholders, including organisations working on environmental, social and livelihoods-related topics.
- Stakeholders from academia, both within Kenya and internationally.

The report will build on and update work already done relating to the role of the following in the economy of Kenya: [Lake Naivasha \(2012\)](#), the [Mara river basin \(2019\)](#) and the [Tana river basin \(2015\)](#).

8. Outputs and target audiences

We envisage several outputs that deliver on the objective listed above:

- To be published:



- A 'rivers in the economy' report, written in a compelling way and including illustrative stories making tangible the importance of healthy, functioning freshwater ecosystems to the people, economy and environment of Kenya.
- Several policy briefs summarising the findings of the 'river in the economy' report, including infographics. Note: the inclusion of these briefs in the contract will be subject to inception discussions with the chosen contractor regarding timelines.
- Internal deliverables:
 - Inception report including detailed work plan. This report will give an overview of the top water management and development issues facing Kenya, and should include mapping of relevant stakeholders for engagement.
 - Progress report, detailing progress against work plan.
 - Draft 'rivers in the economy' report.

The target audiences for the study include policy makers, economic planners, water management and other agencies, private sector stakeholders from relevant economic sectors, the financial sector, retailers sourcing produce from Kenya, civil society organisations and the media. Policy briefs will be used to engage policy makers. WWF-Kenya will create a stakeholder engagement plan to ensure the roll-out and appropriate use of the report and briefs.

9. Consultant profile

The team should collectively offer solid relevant experience in: water stewardship; river basin management and/or governance; policy and regulations; economic, social and environment impact assessments; renewable energy; corporate engagement; participatory development. Skills should include understanding of public and private sectors in a developing country context; data gathering and processing; ability to synthesise information; report-writing. Desirable: knowledge of the Kenyan context.

10. Process

Timescale

6 Months, starting from May 2020.

Anticipated deliverables and timings

Note: exact deliverables and timings to be established during the inception meeting.

Phase	May	June	July	Aug	Sep	Oct
Inception						
Inception meeting/call						
Deliverable: inception report including detailed work plan		D1				
Research						
Data gathering (desktop research and interviews)						
Deliverable: progress report				D2		
Workshop: validation with WWF and key stakeholders						
Report						
Deliverable: first draft Rivers in the Kenyan Economy report					D3	



Deliverable: Rivers in the Kenyan Economy report						D4
Deliverable: policy briefs						D5

Submitting expressions of interest

This is a competitive process. If you are interested, please submit your proposal (approx. 5 pages) by **Monday 25th May** by email to kenya.procurement@wwfkenya.org, detailing your proposed method, timeline and budget, as well as CVs of the proposed team members, recognizing that there will be scope to revise the approach if your proposal is successful and after further discussion with WWF. Please Indicate the TOR title as your e-mail subject, "***Rivers in Kenya's Economy***"

Contracting timeline

The proposals will be assessed by an internal panel shortly after the deadline of **Monday 25th May**. This is with a view to holding an inception meeting in late May 2020, depending on availability on the WWF and contractor side (note: this meeting will involve the virtual participation of WWF staff members from the UK and other countries, but the contractor is welcome to join in person in Kenya if preferred).

Appendix 1

Selected examples of other water or river in the economy studies:

- [Lower Mekong](#)
- [Mara river basin](#) (policy brief)
- [Neretva and Trebišnjica river basins](#)
- [Kafue Flats, Zambia](#)