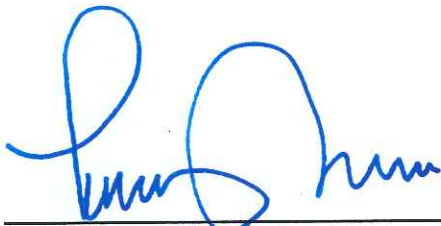
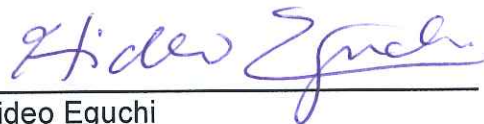


RECORD OF DISCUSSIONS
ON
PROJECT FOR FORMULATION OF COMPREHENSIVE
DEVELOPMENT MASTER PLAN IN THE MOMBASA GATE CITY
IN
THE REPUBLIC OF KENYA
AGREED UPON BETWEEN
MOMBASA COUNTY GOVERNMENT
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

Mombasa, Dec. 3rd. 2014



H.E. Hassan Ali Joho
Governor
Mombasa County Government
Republic of Kenya



Hideo Eguchi
Chief Representative
Japan International
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Witness



Kamau Thugge
Principal Secretary
National Treasury
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In response to the official request of the Government of the Republic of Kenya (hereinafter referred to as "GOK") to the Government of Japan, the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions with Mombasa County Government (hereinafter referred to as "MCG") and relevant organizations to develop a detailed plan of the Project for Formulation of Comprehensive Development Master Plan in the Mombasa Gate City (hereinafter referred to as "the Project").

Both parties agreed the details of the Project and the main points discussed as described in the Appendix 1 and the Appendix 2 respectively.

Both parties also agreed that MCG, the counterpart to JICA, will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of GOK.

The Project will be implemented within the framework of the Agreement on Technical Cooperation signed on April 29, 2004 (hereinafter referred to as "the Agreement") and the Note Verbales to be exchanged between the Government of Japan (hereinafter referred to as "GOJ") and GOK.

The effectiveness of the record of discussions is subject to the exchange of the Note Verbales and approval of JICA.

Appendix 1: Project Description
Appendix 2: Main Points Discussed

PROJECT DESCRIPTION

I. BACKGROUND

The city of Mombasa is one of the largest economic centers for Kenya and it plays an important role for East and Central African Regions as the gate city of the Northern Corridor. The Mombasa Port handles import and export not only for Kenya, but also neighboring countries such as Uganda, South Sudan, Rwanda, Burundi and east part of the Democratic Republic of the Congo. Due to the rapid economic development of the region, the Mombasa Port is expanding its capacity. In addition to this, the population of the city of Mombasa is increasing. Rapid urbanization raised issues such as housing problems and lack of infrastructures for the appropriate urban development.

Though it is important to have a plan to develop the city appropriately, there is no valid Master Plan for urban development, since Mombasa Physical Plan formulated in 1971 expired in year 2001. In this context, the GOK requested GOJ to implement a project to formulate a Comprehensive Development Master Plan in the Mombasa Gate City in order to promote appropriate urban development.

Urban development in Mombasa takes place within a context of a complicated institutional and legal framework. This compounded by current lack of City Master Plan has led to unfettered, uncoordinated and haphazard urban development, marked by increased informality in the city's economy, dysfunctional infrastructure, inefficient spatial economy and degraded environment among others.

Within this background, it was necessary to provide a context and framework for future decisions concerning strategic and structural development of the City as well as management of future urban growth.

II. TARGET YEAR

The target year of the Comprehensive Development Master Plan in the Mombasa Gate City is 2040.

III. TARGET AREA

The Project will cover the area of the City of Mombasa, it will be taken into consideration to cover the surrounding area that are deeply relevant to the appropriate development of the City of Mombasa.

IV. OUTLINE OF THE PROJECT

1. Title of the Project

Project for Formulation of Comprehensive Development Master Plan in the Mombasa Gate City

2. Expected Goals which will be attained after the Project Completion

(1) Goal of the Proposed Plan

Comprehensive Development Master Plan in the Mombasa Gate City is approved by Mombasa County Government and National Government of Kenya and implemented.

(2) Goal which will be attained by utilizing the Proposed Plan

Comprehensive Development Master Plan in the Mombasa Gate City promotes social economic growth and investments in Mombasa. Hence, The City of Mombasa will play a vital role for economic growth in the country and East Africa Region as the gateway of Northern Corridor and the Regional Hub.

3. Outputs

Comprehensive Development Master Plan in the Mombasa Gate City including an implementation and management program, and Prioritize intervention areas/ flagship projects, is formulated.

4. Activities

- (1) Review and analysis of the current situation
- (2) Review of the policy, related plans and social economic data
- (3) Review of existing rules and regulations and to analyze existing urban development master plan
- (4) Review of the existing infrastructure and facilities
- (5) Review and analysis of urban social services (public education, health facilities, community facilities etc)
- (6) Review and analysis of Socio-economic condition and existing sector plan
- (7) Analysis of development potentials, challenges and constrains toward future development in the City of Mombasa
- (8) Implementation of Traffic Survey
- (9) Setting of socio-economic framework and future demand forecast
- (10) Formulation of development vision in line with County Integrated Development Plan and Kenya Vision 2030
- (11) Analysis by preparing alternative development scenarios
- (12) Formulation of integrated development strategies
- (13) Conducting Strategic Environmental and Social Assessment of development strategies
- (14) Formulation of Structure plan including Land use
- (15) Analysis of alignment between the land use plan and each sector's basic concept (Road/Transportation, Power, water supply, sewage system, telecommunication, environmental management)
- (16) Formulation of comprehensive urban development master plan
- (17) Analysis of institutional arrangement, legal framework for planning and implementation of the master plan
- (18) Human resource development through technical transfer of master planning
- (19) Holding seminars to share the progress and results of the Project

6. Input

- (1) Input by JICA

(a) Dispatch of Missions

Assignment of principal members of missions

- 1) Urban Planning
- 2) Land Use Planning
- 3) Infrastructure
- 4) Housing
- 5) Public Private Partnership
- 6) Urban Transport
- 7) Logistics
- 8) Power Planning
- 9) Water Supply/Sewage Planning
- 10) Tourism/Cultural Heritage Preservation
- 11) Institutional System/Capacity Development
- 12) Socio-economic analysis
- 13) Environmental and Social Considerations

(b) Training

JICA will organize training courses on the Urban Development in Nairobi and Japan, which will be held during the Project period.

Input other than indicated above will be determined through mutual consultations between JICA and MCG during the implementation of the Project, as necessary.

(2) Input by MCG

MCG will take necessary measures to provide at its own expense:

- (a) Services of MCG's counterpart personnel and administrative personnel as referred to in IV-7;
- (b) Suitable office space with necessary equipment;
- (c) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the equipment provided by JICA;
- (d) Information as well as support in obtaining medical service;
- (e) Credentials or identification cards;
- (f) Available data (including maps and photographs) and information related to the Project;
- (g) Running expenses necessary for the implementation of the Project;
- (h) Expenses necessary for transportation within the Republic of Kenya of the equipment referred to in IV-6 (1) as well as for the installation, operation and maintenance thereof; and
- (i) Necessary facilities to members of the JICA missions for the remittance as well as utilization of the funds introduced into the Republic of Kenya from Japan in connection with the implementation of the Project

7. Implementation Structure

The Project organization chart is given in the Annex 1. The roles and assignments of relevant organizations are as follows:

(1) MCG

(a) Project Director

County Executive member in charge of County Planning will be responsible for overall administration and implementation of the Project.

(b) Project Manager.

Chief officer in charge of County Planning will be responsible for the smooth implementation of the Project.

(2) JICA Experts

The JICA experts will give necessary technical guidance, advice and recommendations to MCG on any matters pertaining to the implementation of the Project.

(3) Steering Committee

Steering Committee (hereinafter referred to as "S/C") will be established in order to facilitate inter-organizational coordination. S/C will be held when the JICA missions submit the reports and/or whenever deems it necessary. A list of proposed members of S/C is shown in the Annex 2.

(4) Working Group

Working Group (hereinafter referred to as "W/G") will be established in order to promote the coordination between Kenyan side and JICA missions. W/G will be held whenever deems it necessary, and hold workshops in order to monitor the progress of the Project. Members of W/G shall be selected before beginning of the Project.

8. Beneficiaries

Direct beneficiaries will be people of Mombasa (day population: 1,500,000, night population: 938,370). This project will also be contributing directly or indirectly to the people of Kenya and in the socio-economic development of Kenya.

9. Duration

The Project will be carried out for approximately twenty-four (24) months.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Project Period																								
S/C	▲							▲							▲								▲	
Reports	▲							▲							▲								▲	▲
		IC/R						PR/R							IT/R								DF/R	F/R
Dissemination Seminar																							▲	

Notes:

S/C: Steering Committee, IC/R: Inception Report, PR/R: Progress Report, IT/R: Interim Report, DF/R: Draft Final Report, F/R: Final Report

10. Reports

JICA will prepare and submit the following reports to the MCG in English.

- (1) 30 copies of Inception Report at the commencement of the first work period in the Republic of Kenya
- (2) 30 copies of Progress Report at the time about eight (8) months after the commencement of the first work period in the Republic of Kenya

- (3) 30 copies of Interim Report at the time of fifteen (15) months after the commencement of the first work period in the Republic of Kenya
- (4) 30 copies of Draft Final Report at the end of the last work period in the Republic of Kenya
- (5) 30 copies of Final Report within one (1) month after the receipt of the comments on the Draft Final Report

11. Environmental and Social Considerations

- (1) MCG agreed to abide by 'JICA Guidelines for Environmental and Social Considerations (April 2010)' in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

V. UNDERTAKINGS OF MCG AND GOK

1. MCG and GOK will take necessary measures to:

- (1) Ensure that the technologies and knowledge acquired by the Republic of Kenya nationals as a result of Japanese technical cooperation contributes to the economic and social development of the Republic of Kenya, and that the knowledge and experience acquired by the personnel of the Republic of Kenya from technical training as well as the equipment provided by JICA will be utilized effectively in the implementation of the Project; and
- (2) Grant privileges, exemptions and benefits to members of the JICA missions referred to in IV-6 (1) above and their families, which are no less favorable than those granted to experts and members of the missions and their families of third countries or international organizations performing similar missions in the Republic of Kenya.

Other privileges, exemptions and benefits will be provided in accordance with the Agreement on Technical Cooperation signed on April 29, 2004 between the GoJ and the GOK.

VI. EVALUATION

JICA will conduct the following evaluations and surveys to mainly verify sustainability and impact of the Project and draw lessons. The MCG is required to provide necessary support for them.

1. Ex-post evaluation three (3) years after the project completion, in principle
2. Follow-up surveys on necessity basis

VII. PROMOTION OF PUBLIC SUPPORT

For the purpose of promoting support for the Project, MCG will take appropriate measures to make the Project widely known to the people of the Republic of Kenya.

VIII. Misconduct

If JICA receives information related to suspected corrupt or fraudulent practices in the implementation of the Project, MCG and relevant organizations shall provide JICA with such information as JICA may reasonably request, including information related to any concerned official of the government and/or public organizations of the Republic of Kenya.

MCG and relevant organizations shall not, unfairly or unfavorably treat the person and/or company which provided the information related to suspected corrupt or fraudulent practices in the implementation of the Project.

IX. MUTUAL CONSULTATION

JICA and MCG will consult each other whenever any major issues arise in the course of Project implementation.

X. AMENDMENTS

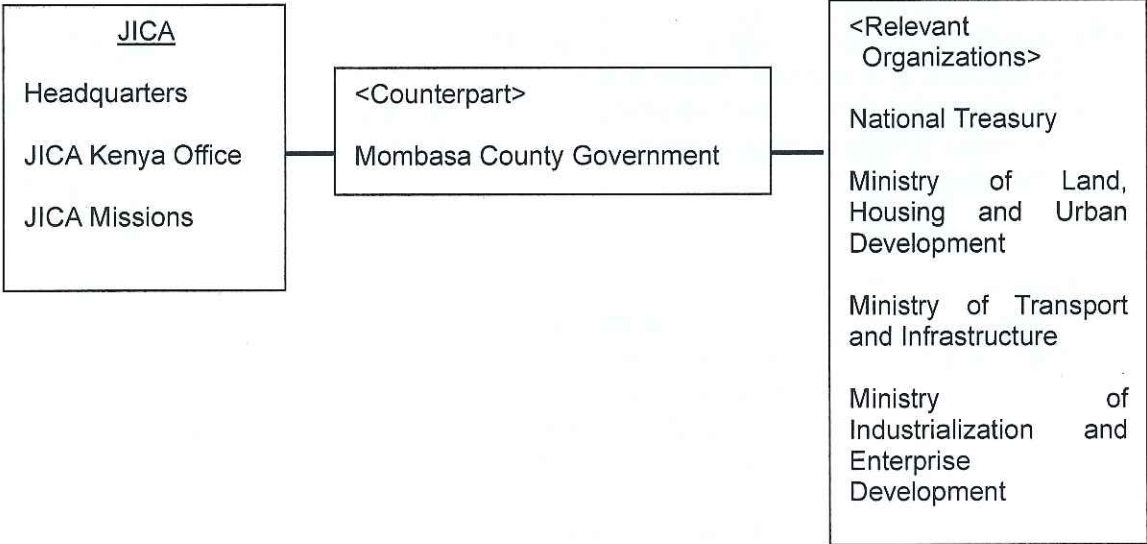
The record of discussions may be amended by the minutes of meetings between JICA and MCG.

The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the record of discussions.

Annex 1 Project Organization Chart

Annex 2 A List of Proposed Members of Steering Committee

Project Organization Chart



A List of Proposed Members of Steering Committee

1. Function

The Steering Committee will be held when the JICA missions submit the reports and/or whenever the necessity arises in order to fulfill the following functions:

- (1) To monitor and supervise the entire project;
- (2) To discuss and approve the reports;
- (3) To coordinate among the relevant organizations; and
- (4) To review and exchange views on major issues arising from or in connection with the Project.

2. Members

- | | |
|-------------|--|
| (1) Chair | : Governor, Mombasa County Government |
| (2) Members | : Mombasa County Government |
| | : National Treasury |
| | : Ministry of Land, Housing and Urban Development |
| | : Ministry of Transport and Infrastructure |
| | : Ministry of Industrialization and Enterprise Development |
| | : JICA Kenya Office |
| | : JICA expert team |

The chair may invite necessary representatives of relevant ministries other than described above.

MAIN POINTS DISCUSSED

1. Authorization of the Master Plan

MCG committed with sincerity that they take all the responsibilities for the approval of the Master Plan formulated in the Project once it would be approved by S/C.

2. Coordination with other Organizations

MCG confirmed that they will coordinate all the related ministries, concerned bodies and development partners to avoid any duplication of the projects for the effective development in the targeted area.

3. Target year of the Master Plan

Both sides agreed that the target year of the Master Plan formulated in the Project should be 2040.

4. Mutually complementary relationship with "Project for Formulation of Master Plan on Logistics in Northern Economic Corridor"

The output of the Project can be utilized by the "Project for Formulation of Master Plan on Logistics in Northern Economic Corridor (hereinafter referred to as "Northern Corridor M/P")" which JICA will implement in Kenya and Uganda. The Project and Northern Corridor M/P could be complementally cooperated.

5. Management of workshops

Both sides agreed that workshops should be managed by MCG and staff of MCG should make presentations in the workshops with assistance of JICA experts.

Both sides agreed that member of workshops would be carefully selected by MCG and informed to JICA Kenya office in written by the commencement of the Project.

7. Capacity development of MCG

Both sides agreed that on-the-job training through daily works with JICA experts and training courses in Nairobi and Japan should be carried out in the Project.

8. Assignment of counterparts, secure office space and running expenses

Kenyan side agreed to provide necessary human resources, space and budget to implement the Project as follows:

- 1) to assign the counterparts for the Project and inform JICA of members of the counterpart staff in writing;
- 2) to secure counterpart staff's travel expenses for the Project; and
- 3) to secure office space for the Project team during the Project period and running expenses to use the space(water, electricity etc.).

9. Provision of related information, data and Map

Kenyan side agreed to provide necessary information including maps of targeted area to implement the Project.

10. Information disclosure

Both sides agreed that the final report will be open to public after the approval by S/C.

During the Project, seminars/conferences will be held in order to share the progress and outputs of the Project with stakeholders related to Mombasa urban development.

11. TOR of Environmental and Social Considerations

The project should include Terms of Reference (TOR) for Environmental and Social Considerations in line with the JICA Guidelines as follows:

- 1) Review of existing development plans, development projects, studies, and public and private investments;
- 2) Analysis to identify constraints to development, factors of promoting development;
- 3) Analysis of alternatives for achieving the goals of the Project;
- 4) Consideration of contents of developed policy and plans;
- 5) Scoping (clarify extremely important items on environmental and social impacts and its evaluation methods at the time of decision making of Master Plan);
- 6) Confirmation of existing environmental and social conditions of the proposed projects area in Master Plan as a baseline data (land use, natural environment, culture and lifestyle of indigenous people and their communities, local economy and socio-cultural environment and others);
- 7) Confirmation of legal framework and institution of Kenya on environmental and social considerations, and examination of the experiences of SEA study in Kenya;
 - A) Laws, regulations and standards related to environmental and social considerations (environmental impact assessment, resettlement, public participation, information disclosure and others);
 - B) SEA Study reports conducted in Kenya development projects, and other relevant information;
 - C) Gaps between the "JICA Guidelines for Environmental and Social Considerations (April 2010)" and legal framework of Kenya on environmental and social considerations;
 - D) Outlines of relative agencies and institutions responsible for the implementation of the projects;
- 8) Prediction of likely impacts of proposed projects in Master Plan;
- 9) Evaluation of likely impacts of the projects above 8) and comparative analysis of alternatives of proposed projects, including 'without project' option;
- 10) Examination of the mitigation measures (to be avoided, minimized and compensated);
- 11) Examination of the monitoring methods (monitoring items, frequencies and methods); and
- 12) Support to hold stakeholder meetings.