

**Annex 1 CDP Consultancy Terms of Reference**

**REQUEST FOR PROPOSAL  
COMMUNITY DEVELOPMENT PLAN (CDP)  
MAGADI SODA EXPANSION PROJECT  
KENYA**

**INTRODUCTION:**

The intent of International Finance Corporation (IFC) environmental and social safeguard policies ([www.ifc.org/enviro](http://www.ifc.org/enviro)) is that local communities are not only protected against any negative impacts of a project, but that to the extent possible they positively benefit from the development of a project in their area. Thus, IFC places considerable emphasis on the implementation of community development programs that can be linked to and catalyzed by projects it finances.

The Board of the International Finance Corporation (IFC), the private sector investment arm of the World Bank Group, recently approved proposed IFC investments for the Magadi Expansion project consisting of a \$23 million A loan and \$4 million C subordinated loan for IFC's own account. As part of IFC's due diligence on the Magadi Soda Company (MSC) expansion project, it was noted the significant contribution that Magadi brings to local communities through a variety of community development initiatives that are undertaken each year (see Annex A). However, it was also noted that some of these activities are *ad hoc*. Along with the activities of the Community Relations Officer, a community development plan that identifies community needs, identifies roles and responsibilities, sets targets, identifies potential further sources of finance to assist with wider economic development and community development needs, and communicates outcomes will help in managing community expectations. Given the commitments that the company has already made to local community development, it will be important for the consultant to understand the breadth and variety of existing /proposed interactions with local communities, and to be able to work with representatives of all stakeholder groups in the identification and development of a robust and practical CDP.

Thus, IFC has discussed with MSC the need to develop a targeted and focused community development plan that prioritizes community development needs in the area. This would ultimately assist in greater impact for the programs that are prioritized and developed as part of this plan

**IFC and Magadi Soda Company (MSC) therefore seek the services of a specialist consultant to lead the development of a targeted community development plan (CDP).** Development of the CDP will be funded jointly by IFC's Corporate Citizenship Facility ([www.ifc.org/ccf](http://www.ifc.org/ccf)) and Magadi Soda Company.

**PROJECT DESCRIPTION:**

Magadi Soda Company (MSC) is a Kenyan soda ash producer with 300,000 tpa of nominal capacity, and 2001 sales of \$31 million. Magadi is one of Kenya's oldest companies, operating for about 85 years utilizing Lake Magadi's trona to produce sodium carbonate (soda ash). The venture, an expansion of an existing IFC-financed project, consists of the construction of a new plant and associated off-plot projects that would produce up to 365,000 tons annually of higher purity soda ash for export, primarily to the glass packaging sector in Magadi's existing markets. The new plant will be constructed over a 27-month period (the total project cost for this expansion is estimated at \$97 million). The existing plant would continue to operate at full capacity throughout project implementation, and, thereafter, produce about 75,000 tons annually of lower quality soda ash for about 5 to 10 years after the new plant initiates commercial operations. To stay in business in the medium-to-longer term, Magadi needs to implement this project. Its existing lower-grade soda ash product will face shrinking markets as demand shifts to higher purity soda ash. Without this project, Kenya will lose one of its most important exports and leave unutilized a valuable renewable natural resource - the trona reserves in Lake Magadi. Moreover, the closure of the company's operation in a remote part of Kenya would leave the surrounding community without basic life-sustaining services and development.

Magadi provides direct permanent employment to about 400 people and temporary employment to another 100. At its peak, the construction of the project would require about 350 additional employees. Secondly, the company is an integral part of the local Masaaï community, helping it to cope with depressed economic conditions and develop socially and economically. Magadi provides health, water, education, and transportation services to the township and promotes entrepreneurship among the community members. The company maintains a hospital, three primary schools and one secondary school, housing for employees, teachers and medical personnel and an 86 km road to Magadi and has reserved 40% of the stalls in the public market for locals. It is exploring business opportunities in tourism and ways of diversifying income sources, away from livestock raising into bee-keeping and maize mills - especially for local women.

#### **TERMS OF REFERENCE:**

The following Terms of Reference (TOR) have been prepared to assist the specialist consultant in this task. Successful implementation of the TOR will result in the preparation of a targeted Community Development Plan (CDP) that will:

- provide an overall framework and guidance to Magadi (and other stakeholders) on how best to take a proactive and consistent stance on community development initiatives
- identify and analyze all community development activities/projects already being carried out by MSC (including scheduling, costing and responsibility for implementation)
- prioritize those community development activities that have the most impact and identify those that should be improved, expanded and potentially eliminated
- clearly identify and delineate the roles and responsibilities of Magadi staff, government, local authorities, civil society/local NGOs and other stakeholders in relation to managing community development activities in the area

- identify opportunities for synergies with other community-based development in the area (i.e., with aid agencies such as DfID, USAID, UNDP, Ford Foundation, etc)
- identify potential additional sources of finance and technical assistance support (including any that would be available via IFC – such as APDF)
- describe the consultation and stakeholder engagement process that already exists and then identify gaps and strengthen participatory engagement on project-related CDP priorities
- describe how MSC's community development initiatives should be monitored and evaluated.

*Coordination with IFC and Magadi Soda Company* – The specialist consultant will work closely with the Magadi senior managers, IFC Project Manager and with Magadi's Community Relations Officer in developing this plan. IFC social development specialists and CCF staff would also play advisory role and provide input as activities progress.

*Timing* – CDP development (including stakeholder engagement phase) would take at the most 12 months time. Please include a suggested timetable in your proposal.

*Development of Summary Case Study* -- In addition to the development of the CDP, the specialist consultant will also write a 10-page summary case study outlining lessons learned and results achieved. This summary case-study would be prepared for external distribution (i.e., via IFC and CCF websites).

Please submit proposals by December 15, 2003 to:

Mr. Lakhdeep Babra, Sr. Environmental Specialist & Project Manager  
International Finance Corporation (IFC)  
Nairobi, Kenya  
Email address: [Lbabra@ifc.org](mailto:Lbabra@ifc.org)

For more information on IFC's services in environment and social development, go to: [www.ifc.org/enviro](http://www.ifc.org/enviro)

For more information on IFC's Corporate Citizenship Facility, go to: [www.ifc.org/ccf](http://www.ifc.org/ccf)

### **SPECIALIST CONSULTANT REQUIREMENTS:**

- Significant (10+ years) experience in designing effective community development programs in African or other rural settings
- Proven experience and ability to work with the private sector in identifying and delivering community development
- Solid skills and knowledge in social development including participatory development; rural livelihoods
- Knowledge of and work in Kenyan rural communities (especially Masaai communities)
- Familiarity with IFC and its operations preferred
- Excellent written and verbal communication skills (in English)
- Verbal fluency in Swahili preferred

## **ANNEX A**

### **MAGADI SODA COMPANY AND COMMUNITY DEVELOPMENT**

Magadi Soda has long been a "good corporate neighbor" to its surrounding communities. There are few negative social impacts on local communities (i.e., there is no involuntary resettlement related to this project nor is there restriction of access to land or other natural resources). As such, MSC supports a variety of positive community activities and has established a committee through which they regularly consult with the Group Elders who represent the 4 Group Ranches of the area. The local Chiefs and Councilors are provided with free accommodation at Magadi so that MSC can be in regular touch with them. MSC also provides free office space and housing to two NGOs, Intermediate Technology Development Group (ITDG) and the Semi-Arid Rural Development Program (SARDEP). Both of these NGOs are bilaterally funded (Danish and Dutch respectively) and are engaged with the Group Ranches in developing a variety of socio-economic focused projects (e.g., handicrafts, water management, education, housing construction, women's groups, micro enterprise). It will be important for the consultant to understand the breadth and variety of existing /proposed interactions with local communities, and to be able to work with representatives of all stakeholder groups in the identification and development of a robust and practical CDP.

The following list highlights some of the key initiatives MSC supports within the community: famine relief food; twice weekly train water supply; permanent town water supply; hospital open to all comers (70% subsidized); immunization campaign; eye clinics; repair to community posho (grain) mill; free passenger coach on train; free housing and services to Rotary Doctors who run clinics in the Group Ranches; scholarships for local children at Magadi School and other schools in Kenya; support two local students to attend university overseas; adult literacy classes; printer/copier to the school; and construction materials for school construction in the Group Ranches.

Magadi recognizes that there is need for consultation with a wider cross-section of the community and a need to build and strengthen mutual trust. Thus, Magadi Soda has employed a Community Relations Officer to bring focus to the community work and add resources to the Human Relations Department. This will also ensure that culturally appropriate consultation with local communities is systematic and on-going. The Community Relations Officer will build on the work already started and seek to manage the issues which no doubt arise when the Pure Ash project gets underway.

## ANNEX B

### COMMUNITY DEVELOPMENT PLAN (CDP) CONTENTS – A framework

The CDP should contain, at a minimum, the following:

- **Executive Summary** -- The Executive Summary should concisely summarize relevant socio-economic baseline data; results of public consultation and stakeholder engagement; key issues; proposed schedules and responsibility for implementation; estimated costs and budgets; and the monitoring and evaluation process.
- **Introduction and Project Description** -- Provide a summary description of the MSC project (including both the construction and on-going operational phases), its context and components that have relevance to aspects of the CDP.
- **Principles and Objectives of the Community Development Plan** -- Provide a concise statement of principles and objectives that will guide the implementation of the CDP. Provide an overview of the strategy for implementation of community development initiatives. This might include the maximization of local hiring and the procurement of goods and services, encouraging local sub-contracting and SME development, employee training and development programs, HIV/AIDS programs (including testing and prevention programs), etc.
- **Methodology** -- Describe the methodology that will be used to prepare the CDP (collation of relevant socio-economic baseline data, participative consultation and planning processes, identification and prioritization of projects, etc.).
- **Legal Framework** -- Provide a summary of the legal framework concerning local communities and relevant to the implementation of the CDP. This should include land tenure issues and access to natural resources.
- **Socio-Economic Circumstances & Needs Assessment** -- Considerable useful baseline data has already been gathered in various studies (which should be reviewed). However, there may be a need for additional information concerning the socio-economic circumstances and livelihoods of nearby community members. This information needs to be presented as a baseline for implementation of the CDP. It will also be vitally important as a benchmark for subsequent monitoring and evaluation of the CDP.
- **Organizational Framework and Administration** -- Describe existing and proposed organizational frameworks that will be used to implement and administer the CDP (including identification of agencies that might be responsible for overall co-ordination of activities). The role and responsibilities of Magadi's Community Relations Officer needs to be assessed and clearly defined. Any training and skills development requirements for Magadi and other staff involved with community development must also be identified.
- **Public Consultation and Stakeholder Engagement** – Working closely with MSC's Community Relations Officer, provide an inventory and description of the key stakeholder groups that have been informed and consulted about the MSC

- project. Key stakeholders are persons or groups who are affected or can affect the outcome of the project and also who would have an interest in the CDP. These can be the project itself, affected communities, local organizations, NGO's and government authorities. Please review adequacy of public consultation and disclosure undertaken to-date as part of ongoing community relations, preparation and disclosure of ERS including: the types of information disseminated, and the forms this took (oral, brochure, report, posters, radio, etc.), and the means of dissemination; the location and dates of meetings; an overview of the issues discussed. Ultimately, identify gaps and provide suggestions for improvement (if any) of ongoing consultation related to communicating CDP activities, outputs, limitations, etc.
- **CDP project identification** -- Describe the process by which projects were identified and prioritized for implementation. This should include detailed summaries of relevant prioritized CD activities (perhaps as Annexes to the CDP).
  - **Timing & Implementation** -- Provide a schedule for implementation of projects including target dates and responsibilities.
  - **Costs and Budgeting** -- Provide an estimate of costs and a budget for implementation of specific projects that comprise the newly formed community development program. This should include identifying any new sources of funding (project and potentially any external sources). Possible linkages with local NGO's and international aid agencies (USAID, DfID, UNDP, Ford Foundation, etc) should be investigated.
  - **Monitoring and Evaluation** -- Describe the process and frequency that will be undertaken for on-going monitoring and evaluation.

## RESOURCES

The following should be referred to in preparing the CDP:

- IFC Environmental Review Summary (ERS) on the Magadi Expansion Project (disclosed to the public on September 13, 2002)
- A number of community-related reports as outlined in the ERS
- IFC - Doing Better Business through Effective Public Consultation and Disclosure: A Good Practice Manual (1999)
- IFC - Investing in people: Sustaining Communities Through Improved Business Practice: A Community Development Resource Guide for companies (1998)