

Kenya Petroleum Technical Assistance Project (KEPTAP)

Introduction to the Project

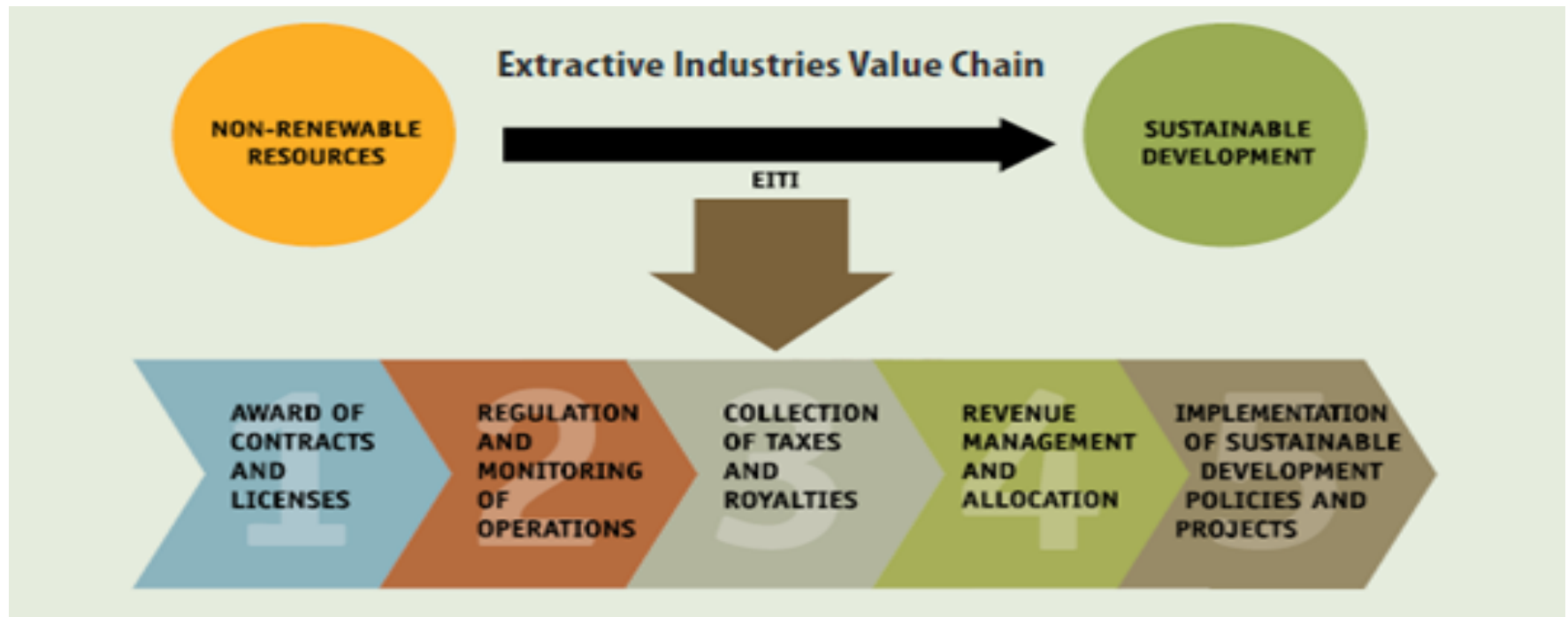


What is KEPTAP

- Government requested a Credit from the World Bank to support the development of its petroleum sector in May 2013.
- The **project development objective** (PDO) is to strengthen the capacity of the GoK to manage its petroleum sector and wealth for sustainable development impacts
- **Rationale for WB involvement:** global experiences in all aspects of development of extractive industries
- **Financing:** Currently US\$50 mil credit to be implemented over a 6 year period: Project runs up to 28 February 2021 (*6 years from effectiveness*)
- The financing agreements signed in August 2014 and the project became **effective** in October 2014.
- The Project will be **executed** by the GoK, with support from WB

Extractive Industries Value Chain

Petroleum development is about more than petroleum alone, hence integrated cross-sectoral approach is necessary for achieving sustainable development. Thus Project Steering Committee with high-level representation (GOK priority to streamline institutional efficiency)



Transparency and Accountability across the whole chain

KEPTAP Description

COMPONENT A: Petroleum Sector Reforms and Capacity Building
(estimated costs US\$36.68m).

Objective: to strengthen the capacity of key institutions involved in development of the petroleum in order to promote investment in the sector while ensuring that proper safeguards and safety standards are in place.

- Sub-component A.1. – Petroleum Resource Deals
- Sub-component A.2 – Petroleum Vision, Policy and Communication
- Sub-component A.3 Legal and Regulatory framework, Institutional Reforms, Capacity Building
- Sub-component A.4. Managing the impacts (Health & Safety reforms, Environmental and Social reforms, Gender aspects, Oil Spill preparedness) - *Strategic Social & Environmental Assessment*: http://www.nema.go.ke/index.php?option=com_content&view=article&id=600:keptap-project&catid=135:keptap-project&Itemid=703

KEPTAP Description cont'd

COMPONENT B: Revenue and Investment Management Reforms and Capacity Building (estimated costs US\$ 6.65m).

Objective: to strengthen capacity of institutions responsible for managing and investing revenue streams from the petroleum sector.

- Sub-component B.1. Capturing the Value (petroleum fiscal framework, capacity to administer and manage the revenues and transparency and accountability reforms)
- Sub-component B.2. Managing Revenues (revenue sharing, fiscal mechanisms and economic management policies, and economic governance)
- Sub-component B.3 Public financial and investment management (strengthening public financial management, robust PIM system “investing in investing”)

KEPTAP Description cont'd

COMPONENT C: Sustainable Impact of Oil and Gas Industry – Reforms and Capacity Building (estimated costs US\$ 3.2million).

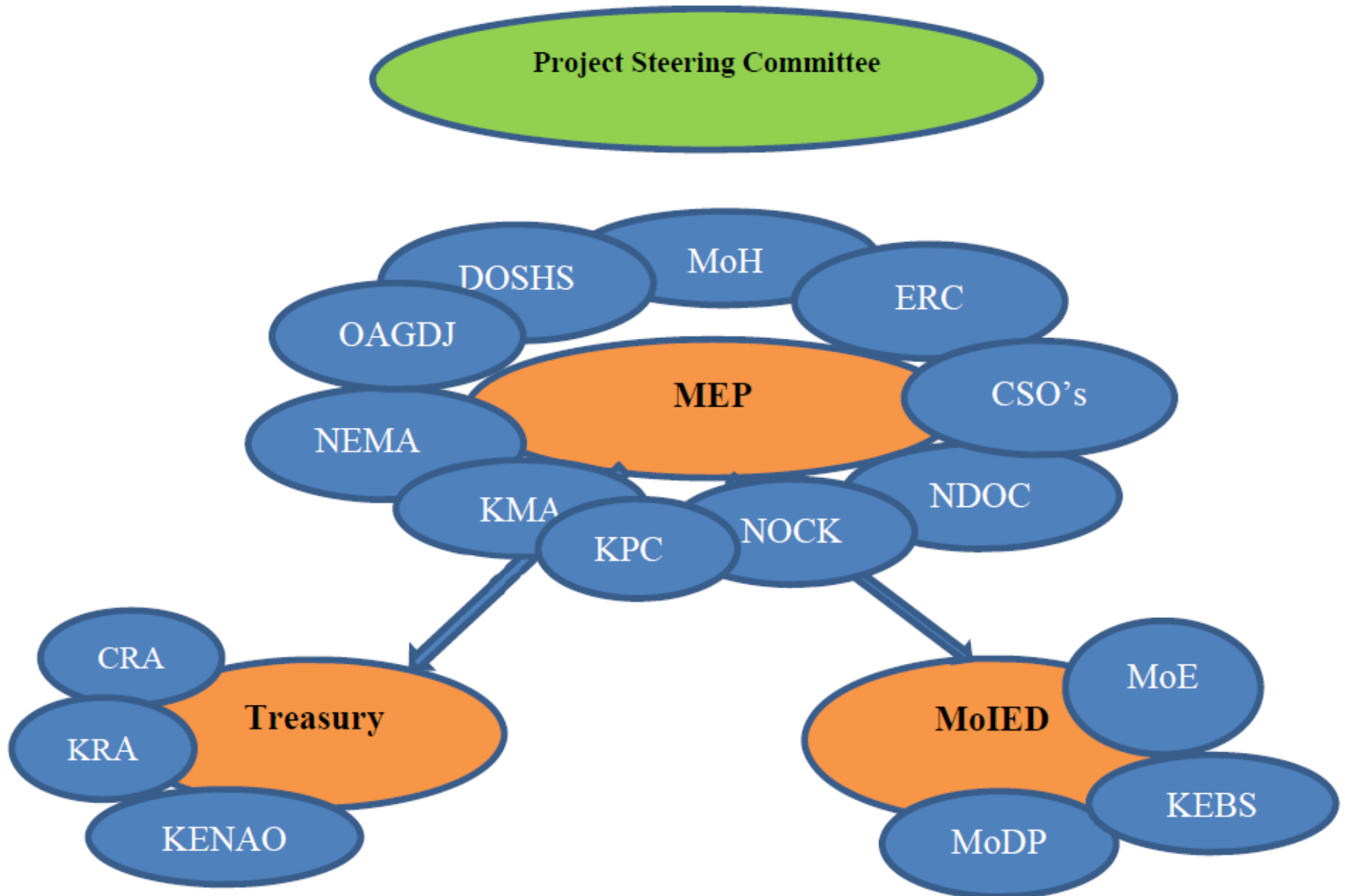
Objective: to strengthen capacity of institutions that play a role in promoting linkages of petroleum sector with rest of the economy.

- Sub-Component C.1: Strengthen Upward and Downward Linkages (stimulating Local Goods and Services procurement, stimulate development of downstream oil and gas industry by following up on Petroleum Master Plan)
- Sub-Component C.2. Education and Skills Development (stimulation of Local Skills development, development of sector-specific Vocational Training, development of sector-specific Academic and Technical College programs). In collaboration with other donors – foreseen that WB role will be minimal

Project Focus

- ✓ Project predominantly focuses on central government
- ✓ Project will be evaluated during the mid-term review (2017)
- ✓ Based on additional funding and project performance other activities and beneficiaries may be considered
 - Engagement with community through CSOs (breakdown benefits & impacts of the O&G including the value chain, gender issues around the sector (men, women, youth, social & other impacts), interpret legal framework around O&G as well as legal tools to address issues around O&G challenges, help them define and prioritize development projects some of which are implemented by private sector players for the SLTO)
- ✓ What are the O&G needs & priorities in Turkana (cap building and other)?

Project Implementation Structure



Project Roles & Responsibilities

Project Steering Committee (PSC) - chaired by MEP, representatives of all institutional beneficiaries: (1) provide priority setting to the project; (2) ensure coherence and synergy in policy decisions across institutions

Project Management Unit - housed in MEP. Responsible for day-to-day project management: coordination between beneficiaries on technical level, fiduciary management, monitoring and evaluation of execution, and reporting to the Project Steering Committee

Project Implementation Teams: responsible for procurement and financial reporting, contract monitoring etc, and oversee implementation of respective components

Beneficiaries (implementing agencies): responsible for input to Procurement Plan, preparation of TORs, proposal evaluation, managing contracts, implement respective activities

WB: Knowledge support, supervision of Project in line with fiduciary responsibilities, Operational Policies and Safeguards.

Project Status

- Actual implementation begun in Jan 2015 with the appointment of a Project Manager, and now with Finance and Procurement Specialists since August 2015
- Main challenge – many beneficiaries thus delayed take off and slow decision making.
 - Addressed through PIT & PSC meetings
- WB team has advisory role, plus clearances in procurement process and training plans

Business Opportunities

- Procurement follows WB guidelines available online:
http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant_GLs_English_Final_Jan2011_Revised_July1_2014.pdf
- Scope: goods and services. See Project GPN published in February 2015 –
<http://www.worldbank.org/projects/procurement/noticeoverview?id=OP00031651&lang=en>
- Most recently published PP and further revision Q4/2015
- Project Appraisal Document (PAD) for full project details:
http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/07/10/000333037_20140710085735/Rendered/PDF/PAD8310PADOP14010Box385278B00OUO090.pdf

Asante Sana!

Q & A