



Project Name: SECOND KENYA DEVOLUTION SUPPORT PROGRAM (KDSPII)

Credit No: IDA-7447-KE

Project ID No: P180935

TERMS OF REFERENCE

FOR

**INDIVIDUAL CONSULTANT TO DESIGN A MODEL FOR COUNTY ASSEMBLY
FISCAL BUREAU AND DEVELOPMENT OF A FRAMEWORK AND
GUIDELINES ON COUNTY FISCAL BUREAU, THE ORGANIZATIONAL
STRUCTURE AND STAFF ESTABLISHMENT**

REFERENCE NUMBER: KE-DD-552272-CS-INDV

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Client: State Department for Devolution P.O. Box 30004 - 00100 Nairobi.

Attention: Program Coordinator KDSPII

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A. Background

The Government of Kenya has received an International Development Association (IDA) Credit in the amount of EUR140.7 million (US\$150 million equivalent) from the World Bank for implementing the Second Kenya Devolution Support Program (KDSP II) (Credit Number IDA-7447-KE) over a four-year period, starting December 7th, 2023. KDSP II is supporting a sub-set of reforms envisaged under the Government's Devolution Sector Plan.

The Program, whose Program development objective (PDO) is to “strengthen county performance in the financing, management, coordination, and accountability for resources”, supports a series of key interventions (at the input and output levels) that contribute to intermediate outcomes and, in turn, contribute to outcomes. To achieve the PDO, the Program is expected to significantly improve outcomes in the participating counties under three key result areas (KRAs) outlined below:

- **KRA 1: Sustainable Financing and Expenditure Management.** This KRA supports efforts towards enhancing financing to, and expenditure management by counties. In this KRA, the national-level activities, supported through investment project financing (IPF) entail the development of frameworks and guidelines for county revenue mobilization, policy to support financing for service delivery units, and structures and tools to support counties' institutionalization of shared project management functions. The expected outcomes will include an improved revenue mobilization agenda (for example, increased revenue collection, enhanced accuracy of fiscal forecasting, and expansion of revenue base), timely communication on releases of conditional grants, automation of the county exchequer requests, and implementation of pending bills action plans. The relevant disbursement linked indicators (DLIs) under this KRA are on (i) the average number of days it takes for the National Treasury, Office of the Controller of Budget, and the Central Bank of Kenya to process a county exchequer requisition once submitted; (ii) participating counties that have increased their own source revenue by at least 5 percent annually, over and above the rate of inflation; and (iii) participating counties that have prepared and are implementing action plans to reduce their stock of pending bills and maintain it at minimal levels.
- **KRA2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management.** This KRA supports national and county government initiatives towards strengthening intergovernmental coordination, institutional performance, and Human Resource Management (HRM). The national-level activities, financed through the IPF, will support the development of policy and administrative procedures for the operationalization of intergovernmental, intercity, and inter-municipality forums. The IPF will also support the development of guidelines, including county HR and skills audits, model organization structures for customization by counties, and performance management. DLIs under this KRA will target counties implementing recommendations of HR, skills, and payroll audits, aligning county staffing with departmental functions in select sectors, and improving the credibility of the payroll. The relevant DLIs under this KRA are on (i) participating counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the human resource management information system; and (ii) participating counties that are enhancing accountability for results through an integrated performance management framework.
- **KRA 3: Oversight, Participation, and Accountability.** KRA 3 will support improvements in oversight, participation, and accountability. The IPF component will

support the development of guidelines on project stocktaking, community-led project management committees, and climate change risk screening and preparedness (including assessment of the climate resilience of existing infrastructure assets). It will also support the rollout of the county (public Investment Management (PIM) framework. The expected outcomes include the establishment of project management committees, county compliance with the PIM framework, and developing and operationalizing a county investment dashboard with a citizen feedback interface (which is used to improve public investments). Additionally, it is expected that county assemblies will establish a Fiscal Bureau to strengthen the role of the legislatures in budget scrutiny and oversight. The relevant DLI under this KRA is on Participating counties that have established public investment management dashboards with citizen feedback mechanisms.

B. Objective

The Senate, pursuant to Article 96 of the Constitution, plays a critical role in representing counties and protecting their interests, particularly by strengthening devolution. Recognizing that county assemblies are central to the legislative and oversight functions in public finance management, the Senate seeks to enhance their capacity to effectively institutionalize and execute the budget process at the county level. By supporting the establishment of County Assembly Fiscal Bureaus, the Senate ensures that county assemblies are better equipped to analyze budgets, provide fiscal oversight, and enhance accountability in public resource management. Similarly, SOCATT (K), as the professional body for technical officers in county assemblies, is committed to harmonizing legislative and procedural practices while building the technical capacity of county assemblies. The establishment of County Budget Offices aligns with SOCATT (K)'s mandate to strengthen institutional frameworks, staff competencies, and budget analysis capacity within county legislatures. A structured fiscal bureau will provide specialized technical support to County Assembly Committees, ensuring data-driven decision-making, financial scrutiny, and informed legislative interventions in budget matters. In this context,

The general objective of the consultancy is to design a model for the County Assembly Fiscal Bureau and develop a framework and guidelines to institutionalize the Budget Process at the County level through a proposed organizational structure and staff establishment for the County Budget Offices.

The specific objectives include:

- i. To conduct sensitization meetings with the Clerks of County Assemblies and Senate senior management with a view to communicating the importance and structure of the Fiscal Bureau Offices.
- ii. To conduct a sensitization meeting with County Assembly Service Boards and officers from the Parliamentary Budget Office on the establishment of County Assembly Fiscal Bureaus, their functions and collaboration with the Parliamentary Budget Office.
- iii. To conduct validation of the guidelines and curriculum for CAFB with Parliamentary Budget Officers, County Assembly management, and the technical officers currently undertaking fiscal affairs
- iv. To hold quality review meetings with the Multi-Agency Technical Team for approval of deliverables.

The consultant is expected to undertake the exercise for a period of three months (90 days) commencing in December, 2026.

Scope of Work

The State Department of Devolution (SDD) in consultation with the Senate/SOCATT team, will engage the consultant, who will report to the Senate/SOCATT team on a day-to-day basis on the following activities.

- i. Conduct an extensive review of County assemblies with established Budget offices and the mode of operation;
- ii. Map out the relevant cadres of staff who run a budget office and objectively propose a staff establishment to run the said office;
- iii. Develop the framework and guidelines on specific functions of fiscal Bureaus in relation to the legislative County Budgets processing and approvals and other economic matters; and
- iv. Development of the organizational Structure and Staff Establishment of the county Fiscal Bureau in consultation with State Department of Public Service (SDPS.)
- v. Conduct capacity needs assessment for the technical officers of the county fiscal Bureaus
- vi. Develop a County Assembly Fiscal Bureau training Curriculum

C. Deliverables

- i. An inception report: outlining the consultants' understanding of the assignment, the purpose and scope of the assessment as set out in the Terms of Reference, the methodology, and timelines.
- ii. The staff establishment and organizational structure to support the proposed C.A. Fiscal Bureaus.
- iii. The guidelines for the rollout of the C.A. Fiscal Bureaus.
- iv. Capacity needs assessment report.
- v. Monthly progress reports detailing the processes undertaken in the performance of the assignment, including research on the Counties with institutionalized budget offices and mode of operations; The rationale on the operations of the budget offices; feasibility of implementation in counties, including any foreseeable challenges and proposed mitigation strategies.
- vi. Final Report: Detailing all inputs and the final deliverable.

D. Qualifications of Consultant

Specific qualifications

Educational Requirements	Experience required
The preferred consultant for this assignment shall have a Master's degree in one of the following fields: Economics, Public Policy, Public Finance, or	Work experience i. At least 15 years of relevant experience in Public Finance Management in or for public entities or in a legislative environment.

Educational Requirements	Experience required
any other related discipline from a recognized university;	ii. At least 5 years of experience in capacity building/coaching for national institutions and counties. iii. Knowledge of Kenyan Public Finance Laws and attendant regulations iv. 10 years' experience working with County Assemblies, the Assembly, and the roles of all technical officers within devolved units. v. Any experience in designing organizational structures/staff establishment' vi. Experience working in a developing country is considered a strong asset vii. Have fluency in English, demonstrated through excellent writing and communication skills Technical Skills and Knowledge i. A sound understanding of the Budget Process in Kenya. ii. Knowledge of the role of bicameral Parliamentary Systems in the budget process. iii. Demonstrated knowledge of developing countries' context. iv. Knowledge of Public Finance Management procedures, processes and standards is required, specifically for upstream PFM (planning and budgeting) in MTEF/PBB settings. v. Strong analytical and critical thinking skills are required, particularly in macroeconomics, legislation, public finance management and social sector financing. Competencies - Capacity to effectively work and mediate in interinstitutional and political contexts. - Capacity to manage multicultural teams.

E. Responsibilities of the client

The Client will avail all relevant documents to the consultants and will facilitate coordination with the counties. Documents to be provided by the client will include:

- i. Program Operation Manual (POM)
- ii. Any other material considered relevant during the procurement process.
- iii. To provide quality control during implementation

Further, the client shall facilitate all consultations and discussions between the consultant and activity stakeholders, including mobilizing participants from the County Assemblies and relevant partners.

F. Responsibilities of the Consultant

The Consultant shall be responsible for the provision of all the necessary resources to carry out the services. The Consultant is expected to undertake activities that will ensure that outputs are consistent with the professional and legal requirements.

The consultant will submit electronic versions of the draft and revised versions of each deliverable; this may include a report and/or draft versions of the guidelines/organizational structure. The report should be submitted to the KDSP II Program Coordinator with copies to the World Bank, Senate, and SOCATT(K)

A final copy of the organizational structure and guidelines will be delivered both in soft and hard copies. The consultant will submit soft copies to the KDSP II Program Coordinator, with copies to the World Bank, Senate, and SOCATT(K). The hard copy, signed off by the consultant as the final output of the consultant, will be submitted to the KDSP II Program Coordinator at Teleposta Towers, 6th Floor.

G. Payment schedule

The total duration of the assignment will be 90 days. The proposed payment schedules are based on satisfactory performance as presented in the following table;

S/No	Deliverables	Timelines after contract commencement	Percentage of the contract amount
1.	An inception report , outlining the consultants' understanding of the assignment, the purpose and scope of the assessment as set out in the Terms of Reference, the methodology, and timelines.	10	10
2.	Develop Capacity Needs Assessment Report	20	20
3.	Draft Organization structure and staff establishment; draft guidelines for a fiscal bureau.	30	35
4.	Conducting the Trainer of Trainers; Final report , detailing all inputs and the final deliverable(s). Final Organization structure, staff establishment, & guidelines.	30	35

H. Management and accountability of the assignment

State Department of Devolution (SDD) through the Senate and SOCATT (K) is the client for the consultancy services. In terms of performance and deliverables, the consultant will carry out the assignment under the direction of and report to the Senate and SOCATT (K), who shall coordinate the engagement, with whom the consultant shall work closely to ensure timely delivery of the outputs as per the Terms of Reference (TORs). The World Bank and the KDSP II National Program Coordination Unit (NPCU) will provide quality assurance to the outputs of the consultant.

I. Code of Ethics for the Consultant

A code of conduct/ ethics for the consultant will be signed before undertaking the assignment. The content of code of ethics will mainly focus on adhering to the procedures, integrity and anti-corruption issues.

J. Confidentiality and Data Ownership.

The consultant shall adhere to the World Bank Data Privacy and Protection regulations and all the relevant confidentiality and data ownership laws and regulations of Kenya throughout the consultancy period and will protect the confidentiality of participating counties at all stages. All data is confidential and is the property of the State Department for Devolution (SDD) through the Senate and SOCATT (K). No data or other information from this consulting services contract will be released to third parties without the written prior approval of SDD through Senate and SOCATT (K). The consultant will provide all reports and deliverables in English. All documents are proprietary to and shall be collected and stored at the SDD for future reference. The consultant may not distribute any data collected under the assignment to any entity without express written prior approval from the Client.