



Project Name: SECOND KENYA DEVOLUTION SUPPORT PROGRAM (KDSP II)

Credit No : IDA-7447-KE

Project ID No : P180935

TERMS OF REFERENCE

FOR

**THE SECOND KENYA DEVOLUTION SUPPORT PROGRAM (KDSP II) – FIRM TO
DEVELOP A FRAMEWORK FOR CLEANING COUNTY TAX REGISTERS AND
CADASTERS**

REFERENCE NUMBER: KE-SDD-438464-CS-CQS

OCTOBER 2025

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

Attention: Program Coordinator KDSP II

6th Floor, Teleposta Tower Kenyatta Avenue, Nairobi, Kenya

E-mail: secondkdsp@gmail.com

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 to implement the Second Kenya Devolution Support Program (KDSP II) (Credit Number IDA-7447-KE) over a four-year period starting December 7th, 2023. KDSP II supports a subset of reforms envisaged under the Government's Devolution Sector Plan.

The Program, whose Program development objective (DO) 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 DO, 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 toward enhancing financing 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, that is, the county SPMU. 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 per cent 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.

KRA 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management. This KRA supports national and county government initiatives toward 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.** This KRA supports 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. General Definitions

Unless the context otherwise requires, the following terms whenever used in these ToRs have the following meanings:

1. ***Applicable Law*** means the laws and any other instruments having the force of law in Kenya.
2. ***Consultant*** means a legally established professional consulting firm or entity selected by the Procuring Entity to provide the Services under the signed Contract.
3. ***CRA*** Commission of Revenue Allocation
4. ***Day*** means a working day unless indicated otherwise.

C. Introduction

The Commission on Revenue Allocation (CRA), is an independent Commission with its mandate defined in Article 216 of the Constitution of Kenya 2010. The Commission on Revenue Allocation (CRA) has a constitutional mandate to support County Governments in specifying suitable revenue streams and their policy rationale, as well as in enhancing revenue collections from their own sources.

D. OBJECTIVE OF THE ASSIGNMENT

The 2010 Constitution of Kenya introduced a devolved system of governance that gives the 47 County Governments the power to generate revenues from their own sources. Counties' ability to efficiently use these instruments is central to meeting the overarching principles of the devolved system for effective governance and service delivery at the local level.

A fundamental initial step in administering own source revenue is maintaining tax registers/cadasters. County Governments should compile and maintain a complete database of businesses and individuals required by law to register. This includes businesses and individuals' taxpayers in their own rights. For Counties to maintain accurate and reliable information, there is need to update taxpayer data, clean inactive or duplicate records and provide a mechanism for continuous updating and maintain of the data.

To provide guidelines for County Governments, CRA aims to develop a framework through technical support provided through a consultancy firm. The main objective of the consultancy is to develop a framework for cleaning and updating tax registers and cadasters for county governments. The 47 county governments will use this framework to enhance OSR collection by cleaning tax registers and cadastres, increasing the efficacy of revenue administration and management systems, and implementing suitable revenue enhancement strategies. The consultancy firm is expected to undertake the assignment for 90 days.

E. SCOPE OF THE WORK

The scope of the assignment will cover all 47 county governments and the tasks to be undertaken by the consultancy firm will include desk analysis, assessment of the existing situation in the county governments on taxpayers' registers/cadasters for all the relevant revenue streams, review of various relevant laws and guidelines, develop the framework for cleaning and updating tax registers/cadasters, undertake stakeholder engagements and validation of the framework.

General Task: To develop a framework for cleaning and updating tax registers/cadasters for implementation by the 47 county governments.

Specific Tasks

Task 1: Review and analyze relevant policies, regulatory framework, and Tax registers on own source revenue.

Task 2: Assessment of the existing situation in the county governments on taxpayers registers/cadasters for all the relevant revenue streams, including gathering data and reviewing existing documentation to understand the current challenges on own source revenue; tax payer register data integrity and requirements, desktop research on best practices in tax registers/cadasters including;

- check the available tax register database on;
- adequacy of information held in respect of registered taxpayers/cadasters
- the accuracy of information held in the registration database
- enforcement initiatives to detect businesses and individuals required to register but are not

- check if the County revenue collection systems provides for adequate functionality on data registration and how the data is maintained in the systems

Task 3: Hold Consultations with relevant stakeholders both at the national and county level, including in carrying out the assignment;

Task 4: Undertake a functional analysis through unbundling the OSR mandate, PFM Act and other relevant laws and guidelines to inform the development of the framework for cleaning and updating the tax registers;

Task 5: Develop a framework for cleaning and updating tax registers/cadasters to be used by county governments

Task 6: Undertake a validation exercise for the framework for updating and cleaning tax registers/cadasters

Task 7: Engagement with the relevant Committee of the CRA and Full commission for approval of the framework for cleaning and updating of tax registers/cadasters to be used by county governments.

F. DURATION OF THE ASSIGNMENT

The initial assignment is envisaged to take 90 days, which is three months from the contract commencement date.

The consultancy firm shall provide in the financial proposal the total price for all the activities. For each activity, the consultancy firm shall list all costs associated with the assignment, including (a) remuneration for Key Experts and Non-Key Experts and (b) reimbursable expenses. During the contract period for the assignment, the consultancy firm shall maintain its original financial proposal without any change, including the proposed rates, costs for each cycle, and the total price. The key experts required for each cycle in terms of expertise/field and numbers are provided and shall be maintained for the entire duration of the assignment.

The assessment of the consultancy firm's performance will depend on factors including, but not limited to, meeting the timelines specified in the contract, submitting accurate reports, and meeting the contractual obligations stipulated in the signed contract. The assessment process is expected to be non-discriminatory, transparent, reliable, and feasible, against which the consultant's performance will be measured.

G. SPECIFIC TASKS AND DELIVERABLES

Table 1: Tasks and Deliverables

S/N	Task	Deliverable	Timelines (after contract signing)	Payment schedule (%)

1.	Inception report detailing out the consultant's understanding of the assignment	Inception Report	1 week	10%
2.	Review and analyze relevant policies, regulatory framework, and registers on own source revenue.	Inception Report	2 weeks	40%
3.	Assessment of the existing situation in the county governments, including gathering data and reviewing existing documentation to understand the current challenges on own source revenue and requirements, desktop research on best practices in tax registers/cadasters	Situation Analysis Report including correspondence of stakeholders' consultation	2 weeks	
3	Hold Consultations with relevant stakeholders both at the national and county levels, including in carrying out the assignment		1 week	
4	Undertake a functional analysis by unbundling the OSR mandate, PFMA, and other relevant laws and guidelines to inform the framework development for cleaning and updating the tax registers and cadasters.		1 week	
5	Develop a framework for cleaning and updating tax registers/cadasters to be used by county governments and propose a data model for Tax Registers/Cadasters.	Draft framework for cleaning and updating tax registers	4 weeks	30%
6	Undertake a validation exercise for the framework for updating and cleaning tax registers/cadasters.	Validation workshops report	1 week	10%
7	Engagement with the relevant Committee of the CRA and Full commission for approval of the framework for cleaning and updating of tax registers/cadasters to be used by county governments	Approved Framework & Final Report	1 week	10%

H. MINIMUM REQUIREMENTS FOR CONSULTANT'S QUALIFICATIONS AND EXPERIENCE.

The firm shall have been registered/incorporated as a consulting firm for at least 15 years and shall demonstrate the requisite technical and managerial capacity to undertake the assignment in the submitted company profile.

The evaluation criteria for the consulting firm shall be:

- a. Core business and years in business** The firm shall be registered/incorporated as a consulting firm with core business in the field of public finance management with specialisation in Taxation and in revenue collection and management for a period of a minimum of eight years.
- b. Relevant experience:** The firm shall demonstrate as having successfully executed and completed at least three projects of similar nature, complexity and in a similar operating environment- public sector in the last five years. Details of similar assignments-Name and address of the client, scope, value, and period should be provided, and the submitted Proposal should include an enumeration (Contract or LPO) of these similar past assignments.
- c. Description of Approach, Methodology, And Work Plan:** A description of the approach, methodology and work plan in responding to the terms of reference for performing the assignment, including a detailed description of the proposed methodology and staffing for the assignment. Technical Approach and Methodology, Work Plan, Organization and Staffing; Provide organization structure, team composition and CV and certificates of the Key personnel.
- d. Technical and managerial capability of the firm:** The firm shall demonstrate as having the requisite technical capacity and managerial capacity to undertake the assignment in the submitted company profile(s).

Key Experts will not be evaluated at the shortlisting stage.

The team should be made up of the following skills - an overall team leader and the following team members. A team member can have more than one skill. The table enumerates the skills that are required:

Table 2: Team composition and qualification and experience requirements for the key experts.

Position	Educational Requirements	Responsibility	Experience required
Team Leader	A minimum Master's Degree in Public Policy, Finance; Business; Economics, or Related Disciplines	Overall coordination, guidance, and managing a team to deliver the task	A minimum of 18 years of work experience in Public Policy, Finance, Business Administration, or Economics; out of which 8 years' experience in revenue administration and in developing revenue mobilization strategies in decentralized governance
Public Financial Management	A certified professional accountant with a minimum of Master's Degree in Economics,	To undertake a functional analysis by	A minimum of 15 years of work experience in public financial management out of which 3 years

Position	Educational Requirements	Responsibility	Experience required
Specialist (at least 2 members)	Accounting, Financial Management, or Related Disciplines	unbundling the OSR mandate, PFMA, and other relevant laws and guidelines to inform framework development	in public sector finance, planning, budgeting, and fiscal decentralization
Revenue/Tax Specialist (at least 3 members)	A minimum of a Master's Degree with a focus on Tax or Related Disciplines	To analysis OSR revenue streams, tax administration, tax registers and registration of taxpayers	A minimum of 10 years of work experience in Tax Policy and Administration
Legal Specialist (at least 2 members)	A minimum of a degree in law and a Master's Degree with a focus on Tax or Related Disciplines	To review and analyse relevant policies, regulatory framework, and registers on own source revenue to inform framework development	A minimum of 10 years of work experience in legal, policy, and Administration in subnational revenue.
Public Policy Analyst (at least 4 members)	A minimum of Master's degree in public policy or public administration	Analyse data, and develop recommendations on policy issues for the task.	A minimum of 8 years' work experience in public policy out of which 5 years is working with a devolved system of governance.
Research officers (at least 5 members)	A minimum Degree in economics, finance, accounting, statistics or related disciplines	To gather data and review existing documentation to understand the current challenges on own source revenue; desktop research on best practices	A minimum of 5 years of work experience out of which 3 years in the subnational finance and economic planning departments.

Position	Educational Requirements	Responsibility	Experience required
ICT Specialist (at least 2 members)	A minimum Degree in ICT, or Related Certifications	To design and develop database models based on analysed user requirements on the registers.	A minimum of 7 years of work experience out of which 5 years is related to Database management and revenue system administration.

Table 3: Estimated Time Inputs for Key Experts

S/No	Key and Support Staff	Number of resources	Time-inputs
1.	Team Leader	1	90 days
2.	Public Financial Management Specialist	2	90 days
3.	Revenue/Tax Specialist	3	60 days
4.	Legal Specialist	2	30 days
5.	Public Policy Analyst	4	60 days
6.	Research officers	5	30 days
7.	ICT Specialist	2	60 days

I. ANNEXES TO THIS TERMS OF REFERENCE:

Concept note for Cleaning County Tax Registers and Cadasters for the 47 county governments.

J. RESPONSIBILITIES OF THE CONSULTANCY FIRM

The consultancy firm shall be responsible for:

- (a) providing all the necessary resources to carry out the services, such as international travel, project transportation for visits to counties, subsistence allowances, accommodation, information technology, means for communications, reporting materials, insurance, and any other required resources to facilitate delivery of this assignments.
- (b) The Consultancy firm will be responsible for quality and timely delivery of the assignment.
- (c) Except as the client may otherwise agree in writing, no changes shall be made in the Key Experts engaged in this assignment.

The consultant is expected to undertake activities that will ensure that outputs are consistent with the professional and legal requirements.

K. RESPONSIBILITIES OF THE CLIENT

The client will provide all relevant support to the Consultancy Firm in carrying out the assignment This will include the following:

- i. Introduction to the key stakeholders involved in the project.
- ii. Coordinate and facilitate meetings with Counties and National Government institutions.
- iii. Reviewing deliverables as per the signed off milestones.
- iv. Day-to-day responsibility for supervising the performance of the implementation and support services.
- v. Prescribing the relevant reporting formats to be used by the firm e.g. Inception report.
- vi. Facilitating workshops for evaluation and validation of the draft framework with key stakeholders
- vii. Availing all relevant documents to the consultants and will facilitate coordination with the counties. In addition to the POM and the PAD, already provided with this ToR, the client will provide any other material considered relevant during the development of the guidelines for cleaning taxpayers register and cadasters

L. MANAGEMENT, ACCOUNTABILITY OF THE ASSIGNMENT AND QUALITY ASSURANCE

The Commission on Revenue Allocation (CRA) is the client for the consultancy services. In terms of performance and deliverables, the consultancy firm will carry out the assignment under the direction of CRA, and report to the CEO Commission on Revenue Allocation. The firm shall work closely with CRA for timely delivery of the outputs.

Code of Ethics for the Consultant: It is critical to emphasize the need to be objective and maintain integrity throughout the process. A code of conduct/ ethics for the consultant will be signed by all members before undertaking the assignment. The content of the code of ethics will mainly focus on adhering to the procedures, integrity, and anti-corruption issues. Harsh disciplinary action/ punitive measures will be imposed against non-compliant assessment and quality control for members as well as the involved Counties.

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