Public Disclosure Authorized

Report Number: ICRR0023264

1. Operation Information

Operation ID P161562	**Operation Name** Kenya CAT DDO	
Country Kenya	**Practice Area (Lead)** Urban, Resilience and Land	

Non-Programmatic DPF

L/C/TF Number(s) IDA-62600	**Closing Date (Original)** 30-Sep-2021	**Total Financing (USD)** 182,137,730.83
Bank Approval Date 21-Jun-2018	**Closing Date (Actual)** 30-Sep-2021	

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	200,000,000.00	0.00
Revised Commitment	200,000,000.00	0.00
Actual	182,137,730.83	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Chikako Miwa	Fernando Manibog	Kavita Mathur	IEGSD

2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Program Development Objective (PDO) of the program was "**to strengthen the Government of Kenya's (GoK's) institutional, technical, and financial capacities to manage the impact of climate and disaster risks**" (PD, para 39).

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For the purpose of this ICR Review, the objectives of the operation are taken to be:

1. To strengthen the GoK's institutional capacities to manage the impact of climate and disaster risks.
2. To strengthen the GoK's technical capacities to manage the impact of climate and disaster risks.
3. To strengthen the GoK's financial capacities to manage the impact of climate and disaster risks.

b. Pillars/Policy Areas

The PDO was to be achieved under three pillars (PD, page 4):

Pillar 1: Fortifying institutional, planning and policy frameworks to manage climate and disaster risk.

Pillar 2: Strengthening resilience to climate and disaster risk in the urban and water sectors.

Pillar 3: Building national financial capacity to advance climate adaptation and mitigation, and respond to the impacts of natural hazards.

c. Comments on Program Cost, Financing and Dates

Program Cost. At appraisal, the project was estimated to cost Euro 165.4 million (US$200 million equivalent) (PD, para 1). At project closing, the actual cost was US$182,137,731 (ICR, page 2).

Financing. The operation was financed with an IDA credit. The program was fully disbursed at program closing (ICR, para 17).

Dates. The program was approved on June 21, 2018, became effective on November 27, 2018, and closed as scheduled on September 30, 2021.

No significant changes were made to the PDO and the pillars during implementation (ICR, para 16).

3. Relevance of Design

a. Relevance of Objectives

Country Context. Kenya faces significant climate and disaster risks from extreme climatic events including floods and droughts. Floods have resulted in the greatest loss of human lives, whereas droughts have affected the largest number of people and had the greatest economic impact. On average, a 0.6 percentage point decline in Gross Domestic Product growth was observed in the country in years of poor rains (ICR, para 1). Greater vulnerability of the country's population, infrastructure and economy have resulted from the unmanaged urbanization process, the increasing levels of urban poverty, the growth of informal settlements, the poorly functioning land markets and institutions, the incomplete legal and building regulatory framework, and the low technical capacity to enforce and to build resilient infrastructure (ICR, para 4). The 2008-2011 drought costed an estimated US$12.1 billion, highlighting the importance of disaster risk management (ICR, para 2). Based on the post disaster needs assessment of the 2008-2011 drought, the government initiated a shift toward a more proactive and comprehensive approach to managing disaster and climate risks, including addressing impacts of climate change, to build programs and strategies that strengthen national responses, and put in place contingency financing that would serve to improve post-disaster liquidity needed to meet emergency and recovery needs. This program aimed to support the government's reform program to improve the country's capacity to reduce disaster risks and improve management of the socioeconomic and fiscal impacts of disasters.

Relevance to Government Strategies. The PDO was in line with the government's Medium-Term Plan II for 2013-2017, which included provisions for addressing drought emergencies and food security by prioritizing the implementation of the Ending Drought Emergencies Plan (PD, para 34). The Medium-Term Plan II recognized the importance of managing risks (including from natural hazards) that could threaten overall poverty reduction prospects (ICR, para 10).

Relevance to Bank Assistance Strategies. The PDO was in line with the Country Partnership Strategy (CPS) for FY2014-2018, which was extended to cover until FY2020 (ICR, footnote 8, page 7). The CPS specifically aimed to improve the capacity to manage risks from climate change (outcome 6), to enhance social protection and human development for shared prosperity (domain of engagement 2), as well as to strengthen planning and management of urban growth (outcome 2) to enhance competitiveness and sustainability for poverty eradication (domain of engagement 1) (CPS, figure 5, page 24). The PDO was in line with the Systematic Country Diagnostic (SCD) 2020 which stated that developing a capacity for adaptation and building resilience to climatic shocks were essential components of economic growth in Kenya (SCD, page 82). At program closing, the PDO was aligned with the Country Partnership Framework (CPF) for FY2023-2028, which aimed to increase household resilience to, and national preparedness for, shocks (objective 6). Under the CPF, the World Bank envisioned to build on this Cat-DDO and continue working on strengthening urban resilience in Kenya's secondary cities under the Kenya Integrated Devolution and Urban Support Program (P177048) (CPF, para 86).

Previous Bank Experience. Kenya made notable advances on the design and implementation of disaster risk financing instruments, effectively maximizing finance for development by crowding in private sector risk capital. Through its portfolio of risk financing instruments, the government crowds in approximately US$65 million in private sector risk capital every year to help manage climatic risk (PD, para 37). The World Bank supported the portfolio with the Hunger Safety Net Program (P131305), the micro-level agricultural insurance programs, and the Contingency Emergency Response Components in some projects (PD, para 37). This program was the first IDA Cat DDO and the second Cat DDO in the Africa region (PD, para 41). During preparation, the program drew on key lessons from earlier Cat DDOs and WBG experience in DRM operations, including: (i) Cat DDO operations would need to align actions with government priorities and match the dialogue with technical assistance; (ii) DRM policy would be most effective when based on adequate identification of physical and fiscal risks; and (iii) Cat DDO operations would need to be placed within a broader DRF strategy (PD, para 42).

b. Relevance of Prior Actions

Rationale

Pillar 1: Fortifying institutional, planning and policy frameworks to manage climate and disaster risk. Reforms in this pillar aimed to address the lack of a legal and institutional framework on climate and disaster risk.

Prior Action (PA) 1. The President has approved the Medium-Term Plan (MTP) III (2018-2022) of Kenya's Vision 2030, which promotes a shift from emergency response to a more comprehensive DRM approach.

In the first and second MTP, the national development agenda did not focus on DRM and instead focused almost exclusively on ex-post drought management.

This prior action sought to ensure that the Third MTP (2018-2022) was aligned with the Sendai Framework and adopted its pillars to further advance in the incorporation of DRM into Kenya's investment planning. The MTP III was the guiding document for public investment programming and sharpened the focus on investment strategies to reduce the country's relative vulnerability to disasters as part of the government's overall development strategy. The MTP III went beyond investments in droughts response and recovery and included risk identification and risk reduction. Formally incorporating DRM into Kenya's national development would lead to key medium- to long-term development impacts, including: (i) integrating/mainstreaming of DRM considerations into sustainable development policies, planning and programming at all levels; (ii) development and strengthening of institutions, mechanisms, and capacities that would be able to systematically contribute to building resilience at all levels, in particular at the community level; and (iii) improving generation and use of disaster and climate risk information services, including early warning.

PA 1 was based on analytical underpinnings including *Kenya Vision 2030* by the GoK (2007) and *the Sendai Framework for Disaster Risk Reduction 2015-2030* by UNISDR (2015) (PD, page 27). This prior action addressed one of the main constraints faced by the central government to plan and implement a country program. Therefore, this prior action is rated satisfactory.

PA 2. The Cabinet has approved a National DRM Policy, which establishes, streamlines and strengthens DRM institutions, coordination frameworks, partnerships, and regulations in Kenya.

No legal framework for DRM existed before, thus creating insufficient understanding of roles and responsibilities and poor coordination among national and county governments.

PA 2 was based on analytical underpinnings including *the Global Assessment Report on DRR* by UNISDR (2015) (PD, page 27). This prior action sought to ensure a shared understanding of DRM among the ministries, departments and agencies, thus contributing to articulating their understanding on their own roles and responsibilities and improving their coordination in addressing climate and disaster risks. The prior action resulted in a multi-hazard approach to DRM which considered not only droughts but also floods, strong wind, and earthquakes. The policy dialogue under this prior action contributed to transitioning the government's DRM approach to a more comprehensive one. Therefore, this prior action is rated satisfactory.

Pillar 2: Strengthening resilience to climate and disaster risk in the urban and water sectors. Reforms in this pillar aimed to address the inadequate mainstreaming of DRM in the development planning in the urban and water sectors.

PA 3. The Parliament has approved the National Urban Development Policy which incorporates urban DRM.

No regulatory framework for urban resilience existed before, resulting in insufficient resilient urbanization programs, systems, and investments from the national level to the sub-national level.

PA 3 was based on sound analytical underpinnings including *Investing in Urban Resilience: Protecting and Promoting Development in a Changing World* by the World Bank (2016) and *Strategies to Reduce the Risk of Building Collapse in Developing Countries* by Figueroa Fernandez, Raul H.(2014) (PD, page 27). The prior action was critical for informing activities to improve the lives of the urban poor. The National Urban Development Policy informed national and donor funded programs to guide urbanization, including the Kenya Urban Program, the Kenya Urban Support Program (P156777), the Kenya Urban Resilience Program, the Kenya Informal Settlements Improvement Program, the Kenya Slum Upgrading Program, the Blue Economy, the Affordable Housing Program, and the Building Climate Resilience for the Urban Poor initiative. The prior action incorporated the notion of urban resilience into social and economic development operations in the country. Therefore, this prior action is rated satisfactory.

PA 4. The Parliament has approved the National Land Use Policy which promotes land use practices that increase resilience to climate and disaster risk.

The lack of coordination in the legal and policy framework for land use increased climate and disaster risks, causing haphazard development, underutilization of land, and inappropriate settlement systems.

PA 4 was based on analytical underpinnings including *Risk-Sensitive Land Use Planning Guidebook* by World Bank and Earthquake and Megacities Initiative (2014) (PD, page 27). This prior action aimed to promote efficient, productive, and sustainable use of land. The National Land Use Policy defined the government's measures and parameters to enhance conservation and control of the land, considering the movement of people from rural to urban areas. The environmental and DRM guidelines were established, requiring all new development plans to incorporate DRM and CCA measures. The prior action established the legal and policy framework for land use data management and land use planning at the national and sub-national levels of government. Therefore, the prior action is rated satisfactory.

PA 5. The Water Act 2016 which supports programs for water resources management including disaster management and climate change adaptation has come into operation.

Two of the biggest hazards in Kenya were droughts and flooding, calling for improved water resource management for the society and the economy.

PA 5 was based on analytical underpinnings including *Kenya Post Disaster Needs Assessment 2008-2011 Drought* by Republic of Kenya (2012) (PD, page 27). This prior action aimed to strengthen the regulatory framework of the Ministry of Water, Sanitation, and Irrigation to manage water resources and facilities, including drought and flood risks. Various water management institutions were operationalized based on the prior action, including the National Water Harvesting and Storage Authority for flood risk management. The Water Act enabled specification of mandates for, and improved coordination of, agencies involved in water resource management; thereby, improving inter-institutional collaborations. Further implementation of strategic activities identified in the Water Act were supported by the Kenya Water Security and Climate Resilience Project (P117635). This prior action, thus, is rated satisfactory.

Pillar 3: Building national financial capacity to advance climate adaptation and mitigation, and respond to the impacts of natural hazards. Reforms in this pillar aimed to address the limited budget allocation for and associated investments in DRM.

PA 6. The Parliament has adopted the Kenya National Policy on Climate Finance which aims to enhance the national financial systems and institutional capacity to effectively access, disburse, absorb, manage, monitor and report on climate finance in support of national SDGs.

No instruments to track climate spending existed before, posing challenges to measure how much climate financing was received and where it was directed. The lack of data on climate spending made it harder for the government to advocate for and mobilize concessional climate finance to support their climate agenda.

PA 6 was based on analytical underpinnings including *Kenya Climate Change Act* by the GoK (2016) and *Kenya National Adaptation Plan 2015-2030* (PD, page 27). This prior action developed a climate finance tracking tool to track how adaptation and mitigation funds were used, to identify gaps, and to communicate to donors on climate action funding needs. It was a fundamental step towards a coordinated effort for managing the impacts of climate risks by prioritizing how to identify, attract and use climate finance. This prior action, thus, is rated satisfactory.

PA 7. The National Disaster Risk Financing Strategy, which defines strategic priorities to improve post-disaster financing to enable effective and timely action in the event of a disaster, has been approved.

Multiple ministries had been implementing disaster response programs in an uncoordinated and fragmented manner, resulting in an inefficient and ineffective spending on DRF. For example, agencies were running programs in the same areas to the same beneficiaries, while others in need were missed. Furthermore, these programs had suboptimal reporting and tracking requirements, leaving them open to leakages. There was no use of private capital nor expertise for the agenda.

PA 7 was based on analytical underpinnings including *Kenya Disaster Risk Financing and Insurance: Initial Diagnostic Study* by the GoK (2017) and *Catastrophe Risk Financing in Developing Countries: Principles for Public Intervention* by Cummins, J. David and Mahul, Olivier (2009) (PD, page 27). This prior action aimed to increase the efficiency and effectiveness of disaster related expenditures and to crowd in private financing for DRF. It placed the National Treasury at the center of financing disaster response, which improved coordination across programs. The strategy called for improving transparency and visibility of DRF, enabling the government to attract private sector financing from insurance companies and banks. The government was enabled to utilize private sector capital, discipline, and expertise to off load the cost of response (e.g., insurance payouts from crop / livestock insurance reduce the need for a public sector response) as well as increase efficiency and reduce leakages. The prior action set the government's strategic policy priorities to mitigate the fiscal risks from disasters, understand their DRF expenditures, and strengthen their financial capacities, contributing to improve the management of climate and disaster risks. Therefore, the prior action is rated satisfactory.

Overall, the PAs generally provided information on downstream implementation aspects, with the exception of PA 7 because the ICR provided no evidence on actual mobilization of private capitals for post-disaster financing.

Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

Pillar 1: Fortifying institutional, planning and policy frameworks to manage climate and disaster risk. There were three results indicators (RIs) under this pillar.

RI 1. This measurable indicator tallied the number of disaster risk profiles that were produced to inform the implementation of County Integrated Development Plans and/or Annual Investment Plans. The number of disaster risk profiles was a direct signal of the pillar's achievement and fundamental to progress in strengthen the Government's institutional capacities to manage the impact of climate and disaster risks. Therefore, this indicator is **satisfactory**.

RI 2. This indicator measured the number of county level emergency and/or contingency plans that were adopted to strengthen response capacity. This indicator was verifiable and relevant. Counties would be the first ones to respond to disasters and support affected communities, thus strengthening the critical coordination among the counties, DRM agencies, and other stakeholders through County Emergency Operation Plans. (ICR, para 31). Therefore, this indicator is **satisfactory**.

RI 3. This indicator assessed whether the National Disaster Risk Management Strategy was adopted to strengthen government coordination for climate resilience and DRM. This indicator was verifiable. Therefore, this indicator is **satisfactory**.

Pillar 2: Strengthening resilience to climate and disaster risk in the urban and water sectors. There were four RIs under this pillar.

RI 4. This indicator measured the number of urban resilience strategies that were prepared to enhance city management. This indicator could be verified. It targeted five major cities (Nairobi, Mombasa, Kisumu, Eldoret, and Nakuru) that faced multiple hazards, especially extreme flooding (ICR, para 37). The urban resilience strategies envisioned to contribute to improving economic and social development of the target cities (ICR, para 37). On the other hand, the firm to develop the urban resilience strategies were procured under the ongoing Kenya Urban Support Program (P156777) (ICR, para 38), making the achievement of RI 4 to be causally linked to another parallel operation. Therefore, the relevance of this indicator under this project is **moderately unsatisfactory**.

RI 5. This indicator assessed whether the New Building Code that incorporated multi-hazard resilient design standards was approved. This indicator was measurable. Therefore, this indicator is **satisfactory**.

RI 6. This indicator assessed whether the Physical Planning Handbook was revised to incorporate DRM and climate change adaptation considerations. This indicator could be verified. Therefore, this indicator is **satisfactory**.

RI 7. This indicator assessed whether the National Water Harvesting and Storage Authority was established and operationalized for improved water resource and drought management. This indicator was verifiable. This RI would directly support enhancing the capacity of the line ministry to implement the Water Act 2016 and contribute to the PDO. Therefore, this indicator is **satisfactory**.

Pillar 3: Building national financial capacity to advance climate adaptation and mitigation, and respond to the impacts of natural hazards. There were three RIs under this pillar.

RI 8. This indicator assessed whether a national climate finance mechanism was established to support mobilization, coordination, and tracking of climate finance from both internal and external sources. This indicator was measurable. The national climate finance mechanism would enable the GoK to identify climate finance gaps and better match financing needs to programs, leading to an increased transparency to attract international climate funds (ICR, para 46). Therefore, this indicator is **satisfactory**.

RI 9. This indicator measured the number of households that were eligible for disaster relief through financial protection instruments. The number of households directly measured the Government's financial capacities to manage the impact of climate and disaster risks. On the other hand, the design of the RI had three shortcomings. First, the allocation of existing budgets from the National Treasury was not considered sufficient by the line ministry, which required additional budgets to ensure achievement of the RI (ICR, para 51). Second, it was unclear whether results monitoring of the RI would be required after the endline target of 510,241 households was significantly exceeded when nearly 950,000 households became eligible for disaster relief in 2019/20 (ICR, para 51). Third, this RI focused on measuring beneficiaries of four programs for drought that significantly decreased their budgets due to COVID-19 related demands (ICR, page 37). Therefore, the indicator is **unsatisfactory**.

RI 10. This indicator measured the number of reports on consolidated post-disaster expenditure that were produced annually and submitted to the Budget Department within National Treasury. This indicator could be verified. On the other hand, the change in the covered contents of the reports reduced the relevance of the RI. At appraisal, the target expected to have one consolidated expenditure report per year during the implementation period (ICR, para 52). The RI would measure the financial management capacity of the GoK to consolidate data on post-disaster expenditure from various stakeholders and provide evidence on changes in post-disaster expenditure over time during implementation. However, the GoK decided to prepare expenditure reports of 2019/2020 on the following 5 topics, and changed the RI accordingly: (i) locust infestation, (ii) floods, (iii) droughts, (iv) other minor disasters, and (v) COVID-19 epidemic (ICR, page 11). The number of reports on post-disaster expenditure in 2019/2020 was not a direct measure of the Government's financial capacities to manage the impact of climate and disaster risks. Therefore, the indicator is **unsatisfactory**.

Table. Results Indicators (RIs), the Prior Actions (PAs), baseline, target values, actual change in RI relative to target and RI achievement rating.

RI	Associated PAs	RI relevance	Baseline (including units and dates).	Target (including units and dates).	Actual value as of target date	Actual change in RI relative to targeted change	RI achievement rating
Objective 1. To strengthen the GoK's institutional capacities to manage the impact of climate and disaster risks							
RI 1. Disaster risk profiles produced to inform	PA 1	S	0 (2018)	5 (2021)	6 (August 2022)	Target exceeded.	High

implementation of County Integrated Development Plans							
RI 2. County level emergency and/or contingency plans adopted that strengthens response capacity	PA 1	S	0 (2018)	8 (2021)	6 (August 2022)	Target not realized.	Substantial
RI 3. National Disaster Risk Management Strategy that strengthens government coordination for climate resilience and DRM adopted.	PA 2	S	No (2018)	Yes (2021)	No. Draft Strategy developed but not finalized and adopted. (August 2022)	Target not realized.	Negligible
Objective 2. To strengthen the GoK's technical capacities to manage the impact of climate and disaster risks							
RI 4. Urban resilience strategies prepared to enhance city management.	PA 3	MU	0 (2018)	3 (2021)	0 (August 2022)	Target not realized.	Negligible
RI 5. New Building Code approved that incorporates multi-hazard resilient design standards.	PA 3	S	No (2018)	Yes (2021)	No. The New Building Code has been drafted and is pending approval. (August 2022)	Target not realized.	Negligible
RI 6. Physical Planning Handbook is revised to incorporate DRM and	PA 4	S	0 (2018)	1 (2021)	0. The updated Physical Planning Handbook has been	Target not realized.	Negligible

climate change adaptation considerations.					drafted and national consultations are ongoing to finalize. (August 2022)		
RI 7. National Water Harvesting and Storage Authority established and operationalized for improved water resource and drought management.	PA 5	S	No (2018)	Yes (2021)	Yes (August 2022)	Target realized.	Modest
Objective 3. To strengthen the GoK's financial capacities to manage the impact of climate and disaster risks							
RI 8. Establishment of a national climate finance mechanism to support mobilization, coordination and tracking of climate finance from both internal and external sources.	PA 6	S	No (2018)	Yes (2021)	No. The climate finance tracking system has been successfully established and deployed. The National Climate Change Fund was formulated but not yet adopted. (August 2022)	Target not realized.	Negligible
RI 9. Number of households eligible for disaster relief through financial protection instruments.	PA 7	U	407,877 households (2018)	510,241 households (2021)	During 2018/19 and 2019/20 the number of eligible households exceeded the target.	Target not realized.	Modest

					However, due to the COVID-19 emergency, this number fell to 160,962 households in 2020/2021 and 65,000 households in 2021/22.		
RI 10. Reports on consolidated disaster expenditure produced annually and submitted to the Budget Department within National Treasury.	PA 7	U	0 (2018)	3 (2021)	5 (August 2022)	Target exceeded.	Modest

Rating

Moderately Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To strengthen the GoK's institutional capacities to manage the impact of climate and disaster risks. PA 1-2. RI 1-3.

Rationale

Theory of Change of the objective 1 postulated that the prior actions including supporting the integration of a comprehensive DRM approach into Kenya's third Medium-Term Plan and the creation of a national DRM policy would induce reforms aimed at creating a planning and policy framework for DRM, contributing to outcomes including disaster risk profiles produced to inform implementation of County Integrated Development Plans and/or Annual Investment Plans and county level emergency and/or contingency plans adopted to strengthen response capacity.

Outcomes (ICR paras 22-57 and annex 1):

- 6 disaster risk profiles were produced to inform implementation of County Integrated Development Plans, exceeding the target of 5 plans (120 percent of the target). According to the National Drought

Management Authority, after the program approval, the following 6 counties developed county hazard atlases: Laikipia and Marsabit (2018), Samburu and Isiolo (2019) and Elgeyo Marakwet and West Pokot (2021) (ICR, page 32). The profiles informed development and spatial planning at the counties, by identifying lower risk areas for development (ICR, para 30). The achievement of the RI is rated high.

- 6 county-level emergency and/or contingency plans were adopted that strengthens response capacity, partially achieving the target of 8 plans (75 percent of the target). The County Emergency Operations Plans (CEOPS) were adopted by 6 counties (Lamu, Kisumu, Muranga, Kakamega, Turkana, and Isiolo), while 2 CEOPs (Nairobi and Wajir) were pending approval (ICR, page 9). Approvals were delayed because the CEOPs waited for the National Emergency Response Plan to be updated and the Guidance Note for the national government to assist the counties in developing CEOPs (ICR, paras 31 and 34). Clear improvements in emergency response operations were observed among the counties that had the emergency plans, according to stakeholders consulted (ICR, para 33). Engaging a wide range of stakeholders including the Council of Governors in developing the CEOPs enhanced the understanding of stakeholders regarding their roles and responsibilities and the need for coordination during emergency responses (ICR, para 33). The achievement of the RI is rated substantial.
- The National Disaster Risk Management Strategy that strengthens government coordination for climate resilience and DRM was not adopted, not meeting the target. At program closing, the draft strategy was developed, but not finalized and adopted (ICR, page 10). Finalization and approval of the National DRM Strategy was delayed partially because the DRM Bill that the National Disaster Risk Management Strategy should be fully aligned to was under the legislative to be approved (ICR, para 36). The achievement of the RI is rated negligible.

The achievement of one RI is rated high, one is rated substantial, and one is rated negligible. The disaster risk profiles and CEOPs strengthened institutional capacities of the national- and country-level governments to plan and coordinate to better manage the impact of climate and disaster risks. Thus, the achievement of objective 1 is rated moderately satisfactory.

Rating

Moderately Satisfactory

OBJECTIVE 2

Objective

To strengthen the GoK's technical capacities to manage the impact of climate and disaster risks. PA 3-5. RI 4-7.

Rationale

Theory of Change of the objective 2 postulated that the prior actions including supporting the approvals of the National Urban Development Policy and the National Land Use Policy as well as the operationalization of the Water Act 2016 would induce reforms aimed at building resilient infrastructure and strengthening resilience to climate and disaster risk in the urban and water sectors, contributing to outcomes including urban resilience strategies prepared, the new building code with multi-hazard resilient design standards approved, the Physical Planning Handbook revised, and the National Water Harvesting and Storage Authority established and operationalized.

Outcomes (ICR paras 22-57 and annex 1):

- No urban resilience strategies were prepared to enhance city management, not achieving the target of 3 strategies (0 percent of the target). The RI was not achieved due to procurement delays in contracting the firm under the parallel operation supported by the World Bank, as described in section 4. The urban resilience strategies were expected to be prepared for the five cities by April 2023 (ICR, para 38). The achievement of the RI is rated negligible.
- The new building code that incorporated multi-hazard resilient design standards was not approved, not achieving the target. The new building code was drafted and pending approval. Drafting of the new building code and the hazard maps to inform the multi-hazard resilient designs were delayed due to changes within the lead agency and coordination challenges among multiple state and non-state agencies (ICR, para 41). The achievement of the RI is rated negligible.
- The Physical Planning Handbook was not revised to incorporate DRM and climate change adaptation considerations, not achieving the target. The draft of revised Handbook was developed and waiting for the national consultations to be completed (ICR, page 35). The revision process was delayed because budgets were not sufficiently allocated due to the inadequate understanding by the lead agency and the changing priorities of the Government during the pandemic (ICR, para 43). The achievement of the RI is rated negligible.
- The National Water Harvesting and Storage Authority (NWHSA) was established for improved water resource and drought management, achieving the target. Various water management institutions were operationalized based on the Water Act 2016 (PA5). To complement the capacity of the existing National Drought Management Authority, the NWHSA put emphasis on improving flood management (ICR, para 44). After its establishment in 2019, the NWHSA: (i) developed a 5-year strategic plan covering the period of 2018-2022; (ii) finalized the management structure; and (iii) made progress towards establishing five regional offices across the country (ICR, page 35). In addition, the Water Harvesting and Storage Regulations (2019) were drafted (ICR, para 44). However, the NWHSA would need to further clarify its roles that could overlap with other water sector agencies, as well as strengthen its governance structure and capacity (ICR, para 44). The achievement of the RI is rated modest.

One RI is modestly achieved, while the achievements of three RIs are negligible. Technical capacities of the three ministries responsible for the PAs and the RIs under objective 2 were strengthened to some extent through the program implementation; for example, in terms of stakeholder engagement (ICR, para 39).

However, this is an upstream process. To achieve the PDO, it was critical to strengthen resilience to disaster risk in urban and water sectors; however, the low achievement of the RIs indicated that it was not strengthened as postulated. Thus, the achievement of objective 2 is rated unsatisfactory.

Rating

Unsatisfactory

OBJECTIVE 3

Objective

To strengthen the GoK's financial capacities to manage the impact of climate and disaster risks. PA 6-7. RI 8-10.

Rationale

Theory of Change of the objective 3 postulated that the prior actions including supporting the adoption of the Kenya National Policy on Climate Finance and the approval of the National Disaster Risk Financing Strategy would induce reforms aimed at building national financial capacity to advance climate adaptation and mitigation and respond to the impacts of natural hazards, contributing to outcomes including the national climate finance mechanism established, the households eligible for disaster relief through financial protection instruments increased, and the annual reports on consolidated disaster expenditure produced and submitted.

Outcomes (ICR paras 22-57 and annex 1):

- No national climate finance mechanism was established to support mobilization, coordination, and tracking of climate finance from both internal and external sources, not achieving the target. The operation developed a climate finance tracking tool to track how adaptation and mitigation funds were used, to identify gaps, and to communicate to donors on climate action funding needs (PA 6). Building on the completion of PA6, establishment of the national climate finance mechanism required operationalization of: (i) a climate finance tracking system and (ii) a national climate change fund. The climate finance tracking system was deployed; on the other hand, the National Climate Change Fund was not yet adopted due to internal jurisdiction challenges (ICR, page 11 and para 47). The achievement of the RI is rated negligible.
- 160,962 households were eligible for disaster relief through financial protection instruments, a decrease from the baseline of 407,877 households but not achieving the target of 510,241 households (ICR, para 50). The beneficiaries of four programs were tracked towards achievement of the RI: (i) the Kenya Agriculture Insurance Program; (ii) the Kenya Livestock Insurance Program; (iii) the Hunger Safety Net Program; and (iv) the Food Systems Project jointly implemented by the National Drought Management Authority and World Food Program (ICR, page 37). This RI exceeded the endline target in 2018/19 and 2019/20, almost doubling the target with nearly 950,000 eligible households in 2019/20 (ICR, page 37). However, the RI results decreased to 160,962 households in 2020/2021 due to the reallocation of budgets from the drought programs to the measures responding to the pandemic (ICR, page 37). The low achievement of the RI at program closing was related to the shortcomings in the design of the RI, as described in section 4. In addition, sufficient resilience should have been built into the design of the operation to accommodate external factors. PA 7 aimed to increase the efficiency and effectiveness of disaster related expenditures and to crowd in private financing for disaster risk financing by placing the National Treasury at the center of financing disaster response. The disconnect on how the National Treasury and the line ministries understood budget allocation negatively affected RI achievement (ICR, para 51), thus signaling that coordination and resource mobilization for disaster response financing were not adequately improved. Therefore, the achievement of the RI is rated modest.
- 5 reports on consolidated disaster expenditure were produced annually and submitted to the Budget Department within National Treasury, exceeding the target of 3 reports (167 percent of the target). What RI 10 measured at program closing was changed from what RI 10 aimed to measure at appraisal, resulting in weakening the relevance of RI 10, as described in section 4. Nevertheless, the GoK developed a framework for consolidating and reporting disaster related expenditures, which

enabled the GoK to deliver disaster expenditure reports in a year with many disasters, according to an explanation provided by the task team. Thus, the achievement of the RI is rated modest.

Two RIs are achieved modestly, while the achievement of another RI is negligible. Insufficient evidence was provided regarding to what extent financial capacities of the GoK to manage the impact of climate and disaster risks were strengthened. Thus, the achievement of objective 3 is rated moderately unsatisfactory.

Rating

Moderately Unsatisfactory

Overall Achievement of Objectives (Efficacy)
Rationale

The achievement of objective 1 is rated moderately satisfactory. On the other hand, the achievements of objectives 2 and 3 are rated unsatisfactory and moderately unsatisfactory, respectively. Overall, the achievement of objectives is rated moderately unsatisfactory.

Overall Efficacy Rating

Moderately Unsatisfactory

6. Outcome

Rationale

The PDO was relevant to the Government and Bank strategy for Kenya. The prior actions had appropriate analytical underpinnings and were appropriate first steps along the results chain for realizing the intended objectives. The results indicators were adequate to measure the pillar's achievement in general and could be verified. The relevance of prior actions is rated satisfactory. However, of all 10 RIs, the achievements of 5 RIs are negligible. In particular, progress made in terms of strengthening the resilience in the urban sector and establishing the national climate finance mechanism were negligible and there was little evidence any significant gains were made in these areas. The efficacy is rated moderately unsatisfactory. Thus, the overall outcome is rated moderately unsatisfactory, as the overall outcome rating is brought down by the low efficacy rating.

a. Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

Government ownership/commitment risk. Given that the pandemic negatively affected securing necessary financial resources for implementation (ICR, para 72), there could be a potential risk that the pending actions under the program and the measures laid out in the disaster risk management framework and development plans might not be implemented. Adequate resources should be set aside to advance the reform agenda enhanced by the program (ICR, para 72). The potential risk was mitigated by the GoK's explicit commitment to further invest in integrating climate and hazard resilience into its development planning by establishing disaster risk management as a stand-alone sector, with ending drought emergencies, in the new Medium-Term Plan IV (2023-2027), thereby allocating more budgetary resources and enhancing coordination of disaster risk management activities across sectors (ICR, para 56).

Risk related to institutional support. There could be a potential risk that the institutional and technical capacity of the national and county government agencies might not be sufficient to advance the reform agenda to sustain the program outcomes after program closing. In addition, achievements of some indicators were delayed by challenges related to the legislative framework. The potential risk was partially mitigated by providing continued institutional strengthening support to the National Water Harvesting and Storage Authority through the Kenya Water Security and Climate Resilience Project (P117635).

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

The design of this operation adequately reflected lessons learned from World Bank operations in disaster risk management and four Cat DDOs implemented in Guatemala, Colombia, the Philippines, and El Salvador (PD, para 42). Key lessons learned include: "(i) a successful Cat DDO operation needs to align actions with government priorities and match the dialogue with technical assistance; (ii) DRM policy is most effective when based on adequate risk identification, including both physical and fiscal risks; and (iii) it is important to position the CAT DDO within a broader DRF strategy" (PD, para 42).

The operation drew on consultations with relevant major stakeholders and development partners. The WBG team coordinated closely with GoK entities, the private sector, academia, and civil society on the design of the prior actions and the results indicators (ICR, para 63). It was designed to comply with the Constitution of Kenya that "requires the State and all State organizations to ensure public consultation on all public policies, legislation or any decision that is likely to impact the people of Kenya" (PD, para 74). The WBG team also consulted with key development partners supporting the disaster risk management and disaster risk financing agenda in Kenya (ICR, para 63). The strong donor coordination contributed to securing a financial support from the Global Facility for Disaster Reduction and Recovery to provide technical assistance to enhance the policy dialogue on disaster risk management, the disaster risk financing initiative, and an assessment of regulatory capacity within the built environment (PD, para 75) and a technical and financial support from United Nations Development Program to develop disaster risk profiles to achieve the RI 1 (ICR, para 29).

The analytical underpinnings of the PAs and the RIs were adequate in general. The program design built on an assessment of the country's key disaster risk management and climate change adaptation regulatory and institutional framework (ICR, para 61). On the other hand, it was not explicitly presented how the identified diagnostic findings informed the theory of change. No theory of change was explicitly provided in the Program Document and the ICR to show to what extent the analytical underpinnings contributed to articulate the underlying results chain.

The main risks were not adequately assessed and mitigated at appraisal. The risk associated with the limited institutional and technical capacity was understated (ICR, para 65). The limited experience and knowledge of the GoK on the DPF instrument and the Cat DDO resources resulted in the insufficient budget allocations and the inappropriate attempts to withdraw funds for non-emergencies (ICR, para 62). In addition, the implementation arrangement to achieve the 10 RIs with the 8 responsible agencies was overwhelming for implementation and monitoring the first IDA Cat DDO (ICR, para 64). Furthermore, no risk related to the political will was adequately identified, whereas in order to advance the adoption and approval processes, the program needed to conduct lobbying, workshops, and sensitizations that were not originally planned (ICR, para 65).

In sum, the design of the operation referenced prior experience and lessons learned. The operation was informed by consultation with most major stakeholders. There was close cooperation and coordination with major development partners. On the other hand, the risk mitigating measures were only partially credible and substantive. The program design did not explicitly present the theory of change to show to what extent the analytical underpinnings contributed to articulate the underlying results chain. Thus, the Bank performance at the design stage is rated **moderately satisfactory**.

Rating

Moderately Satisfactory

b. Bank Performance – Implementation

Rationale

The Aide Memoires and the ISRs adequately assessed and reported progress toward achievement of targets using the results framework (ICR, para 69). These reports were based on eight implementation support missions conducted semi-annually, which were more than double of the expected number of three missions (ICR, para 67). The ratings for Progress towards achievement of PDO and Implementation Progress were downgraded based on the actual progress, incentivizing the acceleration of implementation (ICR, para 69).

The stakeholder consultations and donor coordination were adequate in general. With some ministries, departments, and agencies, collaborations were successfully made and additional resources for technical assistances were mobilized where needed (ICR, para 68). However, some lead agencies were not adequately engaged and resisted accepting technical assistance and sharing documents (ICR, para 68). The WBG team tried multiple methods of engagement, including seeking support from other donors, mobilizing technical assistance where possible, sharing global guidance, conducting national workshops, and including the National Treasury for additional support (ICR, para 68).

The planned mitigation measures for the risks identified in the Program Document were implemented but not sufficient (ICR, para 66). The institutional and technical capacity risk was envisaged to be mitigated by parallel technical assistance activities supported by the World Bank and other development partners (PD, para 100). However, there was a limited understanding on the estimated costs and the process for delivery of the technical assistance activities (ICR, para 65). The WBG team invested more than US$650,000 to provide technical assistance in areas including: (i) developing a methodology to improve county disaster risk profiling for better risk-informed decision making; (ii) updating the National Emergency Response Plan, developing Guidance Note for the formulation of the CEOPs, as well as supporting the development of CEOPs; (iii) developing the TORs for firms to develop the urban strategies; (iv) strengthening the DRM Legal Framework, which provided a platform for multi-stakeholder dialogue on the DRM Bill and Policy; and (v) fortifying the regulatory framework for the built environment (ICR, para 66). However, the WBG team underestimated the challenges of supporting the dialogue and the achievement of ambitious outcomes in such large number of agencies, and complex activities.

Identifying and mitigating new and emerging risks to the achievement of the PDOs were not sufficient. The COVID-19 pandemic diverted the GoK's focus from natural disasters to the pandemic, resulting in cutting budgets for the activities contributing to achievements of the RIs. Of the US$ 200 million approved for the operation, US$70 million was withdrawn in response to flooding and landslides in West Pokot County in December 2019, and US$130 million was withdrawn in response to the devastating impacts of COVID-19 in May 2020 (ICR, para 18). The program design already included possible support for health emergencies, so a restructuring was not necessary, according to clarifications provided from the task team.

In sum, there was evidence of periodic monitoring of progress toward achievement of targets for most results indicators. On the other hand, mitigating risks that were identified at design and that emerged during implementation was not adequate. After the pandemic, the DPO shifted its focus to addressing the impacts of COVID-19 within the scope of the original design of the operation. Thus, the Bank performance during implementation is rated **moderately satisfactory**.

Rating

Moderately Satisfactory

c. Overall Bank Performance

Rationale

The Bank performance both at the design stage and during implementation are rated moderately satisfactory. Thus, the overall Bank performance is rated **moderately satisfactory**.

Overall Bank Performance Rating

Moderately Satisfactory

9. Other Impacts

a. Social and Poverty

The ICR (para 58) stated that the expectation of the operation to have a positive poverty and social impact was met, but no specific evidence was presented. Considering that the prior actions and the results indicators focused on strengthening the policy and legal framework and institutional capacities of the government agencies, a longer time might be needed to observe impacts of the operation on social poverty aspects.

b. Environmental

The prior actions did not have significant impact on environment, forests, and other natural resources (ICR, para 59). The ICR (para 59) stated that some achievements of the prior actions and the results indicators, including the National Land Use Policy (PA 4), the revised National Building Code (RI 5), and the improved water resource and drought management (RI 7), but no evidence of such impacts were provided.

c. Gender

The ICR reported impacts on gender aspects superficially; for example, in paras 35 and 42.

d. Other

No other impacts were reported in the ICR.

10. Quality of ICR

Rationale

The ICR presents a coherent account of the program that flows logically. The quality of analysis is adequate. The lessons formulated in the ICR are supported by the evidence and findings of the ICR. The lessons focused on what can be derived from experience with the operation and clearly presented what should be done differently in the future to improve impact. The ICR presents a sufficient and credible evidence based on critical information to support the achievements reported, except for objective 3 as described in section 5. The report followed most of the ICR guidelines and methodology. The task team provided clarifications and additional explanations when the draft ICRR was shared with the Region for review. In sum, the quality of ICR is rated **substantial**.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Relevance of Results Indicators	---	Moderately Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

The ICR (paras 73-76) provided four lessons. Two of them are presented below with rephrasing as these might be relevant for the future IDA Cat DDOs to manage the impact of climate and disaster risks.

1. Designing an IDA Cat DDO with just the appropriate level of ambition can improve efficacy. This operation was the first Cat DDO in IDA countries; however, the strength and number of policy actions and results indicators were at the same level as Cat DDOs in IBRD countries (ICR, para 76). In addition, the operation aimed to strengthen institutional capacities of in terms of three broad areas: human, technical, and financial capacities. As a result, the operation became a burden on the GoK to implement because the operation was designed with an ambition to be a model of other IDA Cat DDOs (ICR, para 64). On the other hand, a programmatic approach is often needed to strengthen disaster risk management and climate resilience in the medium to long term (ICR para 74). Clarifying and limiting a focus of an IDA Cat DDO taking into a consideration of the next phase can reduce potential burdens of implementation.

2. Engaging and sensitizing line agencies continuously from the preparation stage can enhance their understanding of the Cat DDO financing instrument and their commitment to secure resources to implement activities. Under this operation, line agencies had a limited experience in implementing a Development Policy Financing (DPF) operation and its disbursement mechanism that was not linked to the implementation of activities (ICR, para 76). The lack of knowledge on the Cat DDO financing instrument negatively affected line ministries which faced challenges in planning and securing budgets to implement activities to complete prior actions and achieve results indicators (ICR, para 51). The task team prepared the knowledge products on the Cat DDO to help the Government to understand the financing instrument; however, the sensitization effect was not sufficient (ICR, para 76). Scaling up dissemination of the knowledge products, especially during the preparation stage of the operation, could be useful (ICR, para 76). In addition, the ICR recommended that the WBG could address the issue by considering the introduction of a hybrid operation that combines a Cat DDO with another financing instrument. This would enable a country to mobilize sufficient resources to implement activities required before disbursing funding from the Cat DDO (ICR, para 76).

13. Project Performance Assessment Report (PPAR) Recommended?

No