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PROJECT PERFORMANCE ASSESSMENT REPORT

KENYA

**ARID LANDS RESOURCE MANAGEMENT PROJECT
(CREDIT NO. 2797-KE)**

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*Sector, Thematic, and Global Evaluation Group
Operations Evaluation Department*

Currency Equivalents (annual averages)

Currency Unit = Kenya Shillings (Kshs)

1998	US\$1.00	Kshs.60.00
1999	US\$1.00	Kshs.70.00
2000	US\$1.00	Kshs.76.00
2001	US\$1.00	Kshs.78.00
2002	US\$1.00	Kshs.75.00
2003	US\$1.00	Kshs.77.00
2004	US\$1.00	Kshs.78.00

Abbreviations and Acronyms

AL	Arid Land
ALRMP	Arid Lands Resource Management Project
ASAL	Arid and Semi-Arid Land
CAP	Community Action Plan
CAS	Country Assistance Strategy
DC	District Commissioner
DCA	Development Credit Agreement
DDC	District Development Committee
DFID	Department for International Development
DRIRP	Drought Preparedness Intervention and Recovery Programme
DSG	District Steering Group
DSU	District Support Unit
EDRP	Emergency Drought Recovery Project
EWS	early warning system
FAO	Food and Agricultural Organization
GOK	Government of Kenya
ICR	Implementation Completion Report
IDA	International Development Association
KFSM	Kenya Food Security Meeting
KFSSG	Kenya Food Security Steering Group
MET	Mobile Extension Team
M&E	Monitoring and Evaluation
MTR	Mid Term Review
NGO	Non Governmental Organization
OED	Operations Evaluation Department
PMU	Project Management Unit
PPAR	Project Performance Assessment Report
PRA	Participatory Rural Assessment
UN WFP	United Nations World Food Programme
UN	United Nations

Fiscal Year

Government: July 1 – June 30

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OED Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Operations Evaluation Department assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, OED annually assesses about 25 percent of the Bank's lending operations. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons. The projects, topics, and analytical approaches selected for assessment support larger evaluation studies.

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and fieldwork conducted by OED. To prepare PPARs, OED staff examines project files and other documents, interview operational staff, and in most cases visit the borrowing country for onsite discussions with project staff and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader OED studies.

Each PPAR is subject to a peer review process and OED management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the borrower for review; the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

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Relevance of Objectives: The extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, and Operational Policies). *Possible ratings:* High, Substantial, Modest, Negligible.

Efficacy: The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Possible ratings:* High, Substantial, Modest, Negligible.

Efficiency: The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. *Possible ratings:* High, Substantial, Modest, Negligible. This rating is not generally applied to adjustment operations.

Sustainability: The resilience to risk of net benefits flows over time. *Possible ratings:* Highly Likely, Likely, Unlikely, Highly Unlikely, Not Evaluable.

Institutional Development Impact: The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Institutional Development Impact includes both intended and unintended effects of a project. *Possible ratings:* High, Substantial, Modest, Negligible.

Outcome: The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project). *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability. *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

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This report was prepared by John R. Heath and John English, Consultant, who assessed the project in February 2005. The report was edited by William Hurlbut, and Rose Gachina provided administrative support.

Principal Ratings

	<i>ICR</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Satisfactory	Moderately Satisfactory	Satisfactory
Sustainability	Likely	Non-evaluable	Non-evaluable
Institutional Development Impact	Substantial	Substantial	High
Bank Performance	Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank. The ICR Review is an intermediate Operations Evaluation Department (OED) product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

<i>Project</i>	<i>Task Manager/Leader</i>	<i>Division Chief/Sector Director</i>	<i>Country Director</i>
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Preface

This is the Project Performance Assessment Report (PPAR) for the Kenya Arid Lands Resource Management Project (Cr. 27970), for which a credit in the amount of US\$22.0 million was approved in December 1995. The project closed on June 30, 2003, after an 18 month extension. An Implementation Completion Report was submitted by the Africa Region on December 30, 2003.

This report was prepared by the Operations Evaluation Department (OED) based on the completion report, the Staff Appraisal Report (Report No. 13692, November 14, 1995), the Development Credit Agreement, and a review of Bank files. An OED mission traveled to Kenya in February 2005 where it discussed the project with Bank staff, relevant government officials, nongovernmental organizations, and beneficiaries. The cooperation and assistance of all stakeholders and government officials is gratefully acknowledged as is the support of the World Bank Country Office in Nairobi.

Following standard OED procedures, copies of the draft PPAR was sent to government officials and agencies for their review and comments. No comments were received.

Summary

The Kenya Arid Lands Resource Management Project grew out of concerns over the high incidence of poverty in the arid lands of Kenya. With increased human and animal populations, the traditional range management practices of pastoralists were becoming less and less sustainable. Also, their attempts to maintain stocking levels and failure to abandon traditional approaches to coping with drought were leading to degradation of the resource base, thus further undermining their long-run livelihoods.

During the late 1980s and early 1990s a donor supported, GOK effort had been made in one district in the arid lands to devise an improved drought early-warning system and to strengthen the capacity of local public entities to respond and coordinate drought-related assistance. The Arid Lands Project sought to improve and scale up this system to cover all the arid districts. Within the overall national goals of reducing poverty and combating the degradation of national resources, the objectives of the project were to improve the management and mitigation of droughts; promote the integration of the population of the arid lands into the mainstream of the country's economy; and address their development priorities through community-driven, small-scale initiatives.

The project placed staff in the target districts and developed the drought monitoring system, which has provided earlier warning of drought emergencies than was possible in the past. The project was instrumental in establishing District Steering Groups (DSGs), which included representation from ministries and from nongovernmental agencies involved in drought relief and related development work. These DSGs helped the various agencies involved in drought emergencies to coordinate their efforts more effectively. Surveys of beneficiaries, NGOs, and donor agencies, show that there has been a marked improvement in the response to drought as a result.

The project implemented a program of community-level projects identified by the communities in a participatory rural appraisal process. These have included wells and water sources for livestock, small-scale irrigation, classrooms, clinics, assistance to low-income households for restocking with small livestock, and community enterprises such as stores, butcheries, and beekeeping. The communities themselves contribute about 30 percent of the cost of the projects and are responsible for implementing them. Most appear to be operating successfully, but there has been some use of inappropriate technology that might prejudice long run effectiveness.

The project supported some improvements to local livestock markets in the arid regions, but these have had only a limited impact in improving the links between the pastoralists, in particular, and the economy as a whole. On the other hand, there has been an increase in herd offtake, suggesting a move towards more commercial rather than subsistence management of herds. Also, through the process of implementing the projects, the communities have had to deal directly with local authorities, contractors, and suppliers, helping them gain confidence and experience.

The overall **outcome** is rated as *satisfactory* as the project has established a drought early warning and response system recognized by all stakeholders as successful in the eleven districts most adversely affected by drought; helped organize response programs

to the 1999-2001 drought through aid agencies and NGOs that saved livestock to the value of at least US\$10 million per annum; introduced a range of measures that assisted pastoralists to better manage their livestock and the range and water resources and to increase herd offtake to the value of about \$20 million per year; and supported community based interventions that improved infrastructure (improving access to health and education services) and helped the poorest to recover from the effects of drought and generated incomes of about \$2 million per year.

Institutional development impact is rated as *high* because, beyond developing the DSGs as focal points in organizing the response to drought, the project has empowered both government staff at the district level and the local communities, and has increased their capacity to tackle emergencies and development problems.

The activities initiated under the project are being carried forward under a Phase II project and the assessment considers that it is premature to make a judgment on the **sustainability** of the operation, which is rated as *non-evaluable*.

The **performance** of both the **Bank** and the **Borrower** is rated as *satisfactory*, based on the soundness of the project concept (except for the Bank's statement of the objectives) and the solid implementation performance.

The following lessons may be derived from this project. First, the success of the project indicates that, in order to effectively respond to natural disasters such as drought, there are two principal requirements: (a) there needs to be a structure in place at the local level through which the relevant government departments and non-governmental actors can meet speedily to address the situation and coordinate their actions; (b) that body needs to have some resources, not necessarily substantial, to fund initial measures to address the identified problems, so that response is not delayed by the need to obtain resources through normal bureaucratic channels.

Second, the statement of project objectives is important. Care should be taken by both the Bank and the Borrower to ensure that the objective statement is clear and does not become blurred by vaguely stated goals. This is especially important when, for example, though the project may be broadly targeted to assist the poor, the nature of its interventions is such that it will be difficult to demonstrate whether it has met a specific poverty objective.

Third, in operations like the ALRMP it is important to design, at the outset, performance indicators to track qualitative as well as quantitative progress on achievement of objectives, or to agree at the outset on specific steps to monitor performance in meeting qualitative objectives.

Vinod Thomas
Director-General
Operations Evaluation

1. Background

1.1 In the past decade Kenya, once the most prosperous country in East Africa, has experienced economic decline, a fall in living standards, and deterioration in the quality of its institutions. Its per capita income of US\$360 in 2003 was lower in real terms than its level in 1990. The economy is heavily dependent on agriculture and in the arid lands livestock is the major economic activity of the population that remains largely pastoralist.

1.2 About 75 percent of the country's land area is classified as arid or semi-arid. The population of the eleven districts covered by the project is about 2 million, or six percent of the national total. This population has about tripled over the past 40 years and been accompanied by substantial increases in animal numbers, camels and small livestock at about the same rate as the population, and cattle by about 1 percent per year. In addition to generally low rainfall, the arid lands are characterized by periodic droughts severe enough to cause significant mortality among livestock, estimated at around 40 percent for cattle, 25 percent for small stock and 15 percent for camels in a severe drought.

1.3 The ability of the pastoral communities to survive through such periods of drought has been dependent on their ability to spread their risks. Traditionally, pastoralists had responded to this by adopting a nomadic style of life, moving to areas where they anticipated (based on experience and understandings with other groups) that feed would be available for their animals. Such movement has been subject to increasing pressure in recent decades as population has increased and as access to the dry-season grazing areas has been lost to agriculture. In addition, in some better watered parts of the arid regions, land has been alienated for ranching, thus further restricting the pastoralists.

1.4 Such pressures have sharpened traditional ethnic and clan rivalries over access to land and water. In addition this part of Kenya borders on Somalia, Ethiopia and southern Sudan, regions of severe unrest which, by the early 1990s, had begun to spill over the border resulting in some banditry and an increase in available weaponry.

1.5 As pressures increased, the nomadic groups have realized that they were becoming disadvantaged by their lack of access to the services provided by the evolving nation states (particularly in education and health) and also by their social, political and economic isolation from the mainstreams of these states. In part the response of the pastoral communities to these pressures has been to adopt a more permanent pattern of settlement, and undertake some cropping for subsistence. However, given their social, political and economic marginality, this has not been an easy process. Relationships with other parts of the society and economy take time to build up and this process is hampered by the poverty of the pastoral groups, the lack of infrastructure where they live and their access to services.

1.6 Almost all the population of the arid lands can be classified as below the poverty line. Infant mortality is twice the national average, school attendance is low and literacy is estimated at below 20 percent compared to over 60 percent nationally.

The contribution of the arid lands to the national economy is low. Situated far from the main commercial centers and the national capital, and with access hampered further by poor infrastructure, the arid-land (AL) populations are isolated from the social and economic mainstream of the country. Consequently their access to markets for their livestock, often their only economic asset, is poor.

1.7 The costs of major droughts are high. It has been estimated that the 1999-2001 drought cost the Kenyan economy in excess of \$2.5 billion, or more than 20 percent of GDP, mostly due to the loss of hydro-power and consequent loss of industrial production. Agricultural losses were estimated at about US\$400 million, of which US\$150 million were in livestock. While crop losses were concentrated in wetter regions, the livestock losses were concentrated in the arid regions. Overall losses in these areas are likely to have been in the order of US\$200 million. This ignores the overall costs associated with drought relief efforts, estimated at about US\$300 million, most of which was covered by aid agencies.

1.8 *Kenyan response.* Kenya elaborated a strategy for the development of the Arid and Semi-Arid Lands (ASALs) in 1979, but only limited progress was made in implementing it in the subsequent decade. The main objectives were to exploit the area's production potential while adequately conserving natural resources, and to help the populations to better integrate into the national economy, i.e. to develop their human resources. These objectives have been reiterated in development plans etc., including in a revised ASAL policy document in 1992. The latter also placed emphasis on drought contingency planning, in order to strengthen the coping mechanisms of the local communities.

1.9 In 1991/92 the country suffered a severe drought and it was clear that the country's existing capacity for coping was inadequate. With UN assistance an emergency program of food relief was undertaken, supported by an IDA financed Emergency Drought Recovery Project (EDRP). This aimed to undertake measures to regenerate productive capacity in agricultural and livestock production in four particularly hard hit districts, and to assist in enhancing institutional capacity at the district level to deal with drought.

1.10 During the late 80's, under UN and Dutch funding, an effort had been made in Turkana district to develop a drought early warning system. This involved monitoring of a number of indicators from around the district. The EDRP extended this approach to cover the four districts, and also established a Project Management Unit (PMU) in the Office of the President, which was to serve as the coordinator for projects dealing with drought, and as the focal point for the development of policy for arid and semi-arid lands.

1.11 Besides the development of the early warning system, the EDRP included a number of measures to provide emergency relief and assistance to agro-pastoral households to recover their livelihoods, including packages of agricultural inputs, livestock vaccination programs, provision of water and drugs and medical supplies, and emergency rehabilitation of roads and water points. The impact of the project was reduced because of delays resulting from bureaucratic procedures of both the

Bank and Borrower, and performance was also handicapped by limitations of local level management capacity. The results of the provision of input packages and of the emergency rehabilitation components were less than satisfactory, but the health and livestock efforts, based more on work with community groups, were more successful.

1.12 The EDRP was prepared rapidly in 1992/93 in response to the emergency and became effective in April, 1993. It was initially envisaged as running for two years but, in the event, was extended for an additional two years. Based on this initial experience it was decided that a more extensive and extended effort to establish a strengthened capacity to deal with drought, and to assist the pastoral population to deal with their changing situation, would be necessary.

2. Project Design

2.1 The Arid Lands Resource Management Project (ALRMP) was designed to build on the initial achievements of the Emergency Drought Recovery Project (EDRP) and to extend the effort to all 11 districts designated as being climatically "arid" (average rainfall under 300 millimeters per annum). Based on the experience of the EDRP, the ALRMP aimed to increase the emphasis on community-based activities, rather than efforts determined in a top-down manner, and to increase the effectiveness of the governmental structures at the district level, especially in their ability to respond to drought and other emergencies. Also, drawing on the evolving ideas on dry land management, it sought to reduce the social and economic isolation of the pastoralists.

2.2 The appraisal report, in its introduction, succinctly and powerfully summarized the challenge facing the project:

"Existing constraints on socio-economic developments in these districts are quite forbidding: the physical environment is fragile and easily degraded; water resources are poor and variable; drought is a recurring feature decimating up to 50 percent or more of the livestock in each severe occurrence; the road network is inadequate and poorly maintained; and levels of illiteracy are high, as are mortality rates. Experience has shown that traditional nomadic pastoral communities, like many other communities, do not always adequately respond to top-down development process, while a few formal and community-based institutions have limited capacities to combat the prevailing constraints.

Neither effective conservation of the natural resource base, nor the development potential of these areas, can be realized unless these constraints are addressed. Further, the development process should accommodate the shifts in priorities from development to survival in times of drought, and vice-versa when normalcy returns. The proposed project addresses these constraints by focusing on drought mitigation, further integration of the AL population into the mainstream of the country's economy, and the promotion

of community-driven, small-scale initiatives to address their development priorities.” (Appraisal Report paras. 2-3)

2.3 However, when the appraisal report formulated its statement of objectives, it chose to frame them much more broadly in a way that, as will be seen, caused considerable problems later when it came to assessing performance in achieving these objectives. The statement read:

“to strengthen and support community driven initiatives to (a) reduce the widespread poverty and enhance food security in the arid districts of Turkana, Marsabit, Mandera, Wajir, Garissa, Tana River, Isiolo, Samburu, and the arid divisions of Baringo district; and (b) conserve the natural resource base in the arid lands through: (i) improving crop and livestock resilience to drought; (ii) increasing economic linkages with the rest of the economy; and (iii) improving basic health services, water supply and other social services.”

2.4 To achieve these objectives the proposed activities of the project were divided into three operational components and an overall project support component:

- *Drought management* (planned expenditure of US\$10.9 million and actual of US\$9.2 million) was to institutionalize drought management at the national and district levels so as to allow effective management of all phases of a drought. These included preparedness through drought monitoring; mitigation by drought contingency planning and rapid reaction; and recovery by means of drought relief activities.
- *Marketing and infrastructure* (planned expenditure of US\$3.4 million and actual of US\$1.8 million) addressed constraints to livestock market linkages between the arid lands and the rest of the economy, including such actions as rehabilitation of stock routes, and development of new, and rehabilitation of existing, market infrastructure.
- *Community Development* (planned expenditure of US\$5.9 million and actual of US\$6.2 million) assisted line departments and other collaborating agencies to adapt their organization and delivery systems to the specific conditions of the arid lands, so as to become more responsive to the communities’ needs and demands, and also supported actions at the individual village level aimed at improving community infrastructure, increasing income earning capacity or mitigating the impact of drought.
- An *Implementation Support Component* (planned expenditure of US\$4.9 million and actual of US\$7.1 million) provided for the establishment, staffing, and equipping of a National Project Coordination Office (located in the Office of the President), and a National Steering Committee. In each district, a District Steering Group (DSG) serviced by a small District Support Units (DSU) of project staff, provided the core of the capacity to mobilize for drought-related measures. The project also included funding for a range of training activities, studies, and provision of technical assistance.

2.5 The project was appraised in mid-1994, approved in December 1995, and became effective in July 1996. It was to be implemented over a period of five years. The initial three years of implementation were marked first by the “El Niño” floods of 1998 and then by an extended drought that began just a few months after the floods had subsided. These floods were unprecedented in recent history in Kenya and caused widespread damage. Many communities had suffered from damage to water sources and numerous cases occurred of streams and rivers shifting their courses and either destroying fields and structures, or leaving small irrigation or other water sources high and dry. The drought only compounded the distress caused by the floods.

2.6 When the Bank and the borrower came to assess progress at the Midterm Review (MTR) in November 1999 the operational emphasis was on coping with these emergencies. It also became apparent that it was difficult to link the actions under the project to the stated objectives. The MTR mission and the borrower agreed that this problem should be addressed by narrowing the objectives of the project. The Implementation Completion Report (ICR), prepared in 2003, summarized the action as follows:

“The MTR in November, 1999 improved the focus of the project objective which was formally amended to be “to build the capacity of communities in the arid districts of Kenya to better cope with drought”. This objective was the focus of implementation performance during the remainder of the project period. The restructuring of the project was done for several reasons, including an explicit intention of the government to address the vulnerability of the populations of the region to improve their ability to manage risk. The region suffered frequent, severe droughts and the El Nino flood which caused the drought management aspect of the project to be raised in importance by the time of the MTR.” (ICR p. 2)

2.7 In the opinion of the assessment, the reason for the change was rather more prosaic. The borrower and the Implementation Unit had a clear idea in their minds of what the project was about and pursued it. It was only at the MTR, when all parties looked more closely at the objectives as stated by the Bank in the Appraisal Report etc., that it became apparent that there was a problem. This was addressed by the ICR at some length in a discussion of “quality at entry.” It explained that:

“The project’s devolved and participative design resulted in the components being seen as a general outline rather than as a blueprint for implementation. Project design was highly innovative – the whole concept of the project was seen at appraisal and during implementation as a process – not as a blue-print. Ideas were to be tried out through the District Steering Groups (DSGs), with local communities brought into decision making. As a result, over time there has been a considerable blurring of the boundaries between the three main components, so that some kinds of investment – e.g. water supply – appropriately occur in each of the three. In addition, project implementation support was in practice divided between the three investment components – even though it appears as a line item in the appraisal cost summary table. The project’s flexible design has generally had a positive effect and has

encouraged initiation of new ways of operating during implementation and managing cash flow. The only significant item which has suffered as a result of this broad-brush approach is monitoring and evaluation, where inadequate detail was provided as to what was required in the baseline studies and the range and type of information to be collected on a regular basis, which has hindered the measurement of project impact.” (ICR p. 3)

2.8 This is a rather long-winded way of saying that the situation was confused. It was clear that, given the activities being undertaken by the project, it would be very difficult to show that they were reducing poverty or conserving the natural resource base, which were the primary objectives in the formal statement (para 2.3). It was, therefore, not surprising that the ICR concluded that the M&E effort had been defective in not generating the right type of information for the purpose.

2.9 Beyond the lack of a clear logical link between the activities and the objectives there was an additional problem, noted by the caveat in the third paragraph of the Appraisal Report, “the development process should accommodate the shifts in priorities from development to survival in times of drought” (floods might also have been added). This has proved to be prescient. Activities had had to switch to survival mode because of the El Niño floods and the drought ongoing at the time of the MTR. Prolonged adverse conditions, forcing project staff to divert their activities to drought mitigation would be likely to lead to an increase rather than a decrease in poverty in the project area. Yet the project’s performance in speeding the response to drought and mitigating its effects might be first rate. How is performance to be assessed? Should drought mitigation trump poverty reduction, although the latter is the principal goal of the country strategy? Or is improved mitigation of the effects of drought a prerequisite for an effective anti-poverty strategy in the arid lands?

2.10 The MTR attempted to solve these problems by narrowing the objective statement to a minimum, focusing on the drought management only. However, this is also not really satisfactory since, although activities under all three of the components (such as improving the operation of the livestock markets, development and rehabilitation of water points, and small-scale irrigation) could be linked in some way to drought mitigation, the aim was really broader – to help the communities both to develop a better basis for improvements in their living conditions and, thereby, to reduce poverty, and to help them better integrate themselves into the national society and economy.

2.11 Thus, neither the appraisal nor the revised MTR statements provide a fully satisfactory statement of objectives against which to assess the performance of the project. However, the appraisal report itself did have a clear statement of the background and the purpose of the project in its introduction, reproduced above. The final sentence of the third paragraph of the appraisal report can be modified to create a statement of objectives:

“Within the overall goals of reducing poverty and combating the degradation of natural resources, the objectives of the project are to: improve the management and mitigation of droughts; promote the integration of the population of the arid

lands into the mainstream of the country's economy; and address their developmental priorities through community-driven, small-scale initiatives.”

2.12 This is a clear, straightforward statement. It is broadly symmetrical with the structure of the project and is consistent with its content, and was clearly in the mind of the appraisal mission when it prepared the appraisal report. The mystery is why a more complex statement was used in the Appraisal and President's reports. None of those involved who have been interviewed can now remember, and the subject is not covered in minutes of formal meetings at that time. The nature of the statement of objectives actually used suggests that the mission responded to suggestions that the statement include an explicit reference to poverty (the overriding country objective as stated in the CAS) and to natural resource management (which was included in the title of the project). The result, however, was that the author of the ICR faced a very difficult task in assessing the extent to which the project had achieved its objectives or its impact, even if the revised, stripped-down MTR statement was used.

2.13 This assessment will, therefore, adopt an “inferred” statement of objectives, as above, based on the opening statement of the appraisal report in assessing the performance of the project. This appears to come closest to the intentions of all parties and is clear and concise. However, the statement in para. 2.11 is a second best solution, since the objectives are qualitative rather than quantitative and not easy to monitor. With hindsight it should have been possible to have developed a statement of objectives incorporating more measurable goals.

3. Analysis

RELEVANCE

3.1 Project relevance is rated as *high*. For the past two decades GOK has pursued a policy in the Arid and Semi-Arid Lands (ASAL) regions of promoting resource conservation, exploitation of productive potential (primarily through livestock), development of human resources, and integration of the ASAL into the national economy, in order to reduce the relative income divide between the ASAL and the rest of the country. At the time of project approval, as at present, the primary objective of the Bank's Country Assistance Strategy (CAS) was on the reduction of poverty and promoting environmentally sustainable development in the country, and it is clear that the project was responsive to these national priorities. The project design drew particularly from the Kenya Poverty Assessment, that had recently been completed, and also on the National Environment Action Plan and the 1990 agricultural sector report.

3.2 The participatory approach that the project supported in its community development activities was also in line with the increasing emphasis on stakeholder participation in the implementation of Bank projects. Today the Bank regards empowerment of the poor as central to the fight against poverty.

EFFICACY

3.3 At the national level the project built on the earlier efforts, particularly the EDRP etc., and established the Kenya Food Security Meeting (KFSM) as a forum bringing together national actors and others, such as the Food and Agriculture Organization, World Food Program, major aid groups, and other relevant NGOs to review procedures and intentions in relation to drought mitigation and recovery efforts. This was supplemented by a more ad hoc group, the Kenya Food Security Steering Group (KFSSG) that met, as necessary, at a working level to try and ensure national-level coordination between these actors.

3.4 At the district level, DSGs, chaired by the District Commissioner, were established. These paralleled the District Development Committees (DDCs) but were more operationally oriented. They met more frequently, generally monthly rather than quarterly, and included, in addition to district department heads, representatives of relevant nongovernmental groups such as major aid agencies operating locally. Unlike the DDCs, however, they did not include political figures, such as the district's MPs or councilors. The DSGs have become the principal venue for coordinated local responses to drought or other emergencies as the various parties have become used to collaborating and, if necessary, can be called together quickly to organize a rapid response. They have also become a venue for discussion of district-level development proposals and related broader issues.

3.5 **Drought management.** Performance in this element of the project was *highly satisfactory*. The project developed the drought early warning system and a drought management system that has been recognized by all parties as successful. The system is based on local monitors (12 or more per district) who are literate members of pastoralist communities and are paid a small stipend. They report on the status of indicators such as pasture conditions, water availability, animal health, trends in livestock movement and farming activities, any conflicts over use of resources, signs of malnutrition, and any other relevant signs. This information is consolidated in district-level "early warning bulletins" and forwarded to the national level for consolidation and dissemination. The "early warning bulletins and alerts have contributed towards reduction in time lapse between reported stress and response to 2-3 weeks."¹

3.6 Strategic Drought Management and Contingency Plans were also drawn up by the DSGs, for each of the 11 districts covered by the project. These have enhanced the ability to respond to emergencies since all parties will have agreed on their role and should have ensured that resources would be available when required.

3.7 The availability of resources for emergencies was further tackled in 2000 when the Development Credit Agreement (DCA) was amended to create a Rapid Response disbursement category that would create a contingency fund and advance funds to the districts as needed. These funds (totaling US\$1.1 million) have been used

1. ADCL Consultants (2002) "Beneficiary Assessment Study of the Arid Lands Resource Management Project" page 15), a sharp reduction on the previous situation.

for facilitating conflict resolution, creating shelter facilities for internally displaced persons, and supporting the transportation of emergency water to communities, emergency repairs to boreholes and provision of fast moving spares.

3.8 Impact evaluations carried out by consultants for the KFSSG² show that the emergency interventions carried out during the project period in the target districts were better targeted and more cost effective than in earlier droughts and resulted not only in saving lives but also saved livelihoods by reducing livestock mortality.

3.9 The assessment of the livestock interventions noted the impact of the strengthened capacity for response created by the existence of the new national and district-level structures.

“The response to this drought was different from previous ones in more ways than one. For the first time in the history of droughts, the Kenya Government was at the centre stage of the response process as opposed to the previous times when response to crisis was UN, donor or NGO driven. In terms of coordination and in terms of contributing resources to ameliorate the crisis, the Kenya government demonstrated a more pro-active and responsive attitude than ever before.

In the past, as was the case in the 1996/7 drought, most donors and NGOs adopted a parallel relief assistance provision system to that of the government. This led to the development of parallel institutional structures such as NGO and donor forums, in exclusion of the government. The mistrust between the government on one side and other stakeholders (UN agencies, the World Bank/IMF, other donors and NGOs) on the other with regard to the approach to food insecurity and drought related crises has been waning as dialogue through the different forums such as the KFSM and the KFSSG has been rising.”³

3.10 *Drought-related interventions.* As noted above, the DSGs provided a focal point for coordination of a range of drought-related livestock interventions. A consultant assessment of the response to the 1999-2001 drought notes that about 60 interventions were proposed in the 11 districts by some 16 agencies, including bilaterals and a range of NGOs. Some 40 projects were actually implemented at a cost of over US\$6 million. The largest expenditure, nearly 50 percent of the total, was for water development – mainly borehole drilling. The largest number of interventions was for “destocking,” where “surplus” animals were bought by the financing agencies and slaughtered locally. The fresh meat from these slaughtered animals was used for local consumption, primarily through schools or emergency food aid activities. Most of the meat was dried to be consumed locally later. Funds were also used to subsidize

2. Acacia Consultants, (2001) “Impact Assessment Report of the Emergency Interventions to Support Livestock during the 1999-2001 Drought in Kenya”; and Stephanie Maxwell and Abdishakur Othowai (2002) “A Review of the Community Based targeting and distribution System used in Kenya in 2000-2002”.

3. Acacia Consultants p.13.

transport for surplus animals to Nairobi, and for emergency provision of drugs and supplementary feeding of small stock (sheep and goats).

3.11 Most of these interventions were supported by grant funding by bilateral donors or NGOs. The modus operandi varied depending on circumstances. For example, under a small program operated by DFID owners of small livestock were paid for surplus animals and supplementary feed to allow them to maintain some of their flocks through the drought so as to allow them to recover more quickly when the drought ended. It is estimated that the benefit-cost ratio for the livestock activities ranged from about 2:1 to 8:1, i.e. the value of animals saved was from two to eight times the cost of the action. Thus, the \$3 million spent on the livestock drought relief efforts (excluding water supplies) is estimated to have generated net benefits of about \$10 million. In addition, there were unquantifiable benefits in the form of reduced mortality and improved animal condition from the emergency water program.

3.12 In the same way, the DSGs formed the focal point of a major food relief effort in response to the effects of the drought. The efforts of the DSGs resulted in effective donor-Government coordination, reduced response times, and these enabled \$300 million of aid to be made available to the areas affected. As a part of the effort a community based targeting system was established that, despite some teething problems, did ensure that adequate food was made available to the most vulnerable groups⁴.

3.13 In summary, the project brought about a significant improvement in the capacity at the central and local level to respond to drought (and potentially other emergencies) with targeted interventions that brought together the resources of both government and aid/charitable institutions.

3.14 **Livestock Marketing and Infrastructure.** The outcome of the project's efforts in marketing and infrastructure are rated as *satisfactory*. It was the main operational element of the project directed at improving the economic links between the arid lands and the rest of the economy. Specifically, the aim of the project was to improve the operation of livestock markets to allow pastoralists to obtain higher prices for animals sold and also to more easily dispose of animals when drought threatens, so as to allow the animals to be sold in good condition and not to have to wait for a distress sale when then drought turns out to be a reality and little feed is available.

3.15 The project improved stock routes through the rehabilitation or improvement of water points, usually operating through a community water users' association, who managed the water point and charged livestock owners (members and non-members) for the use by their animals. Holding grounds were developed in the vicinity of primary and secondary market centers, and, working with local councils and traders' associations, measures such as improvements to market facilities, such as improved pens, crushes and loading ramps, and installation of latrines, have been supported.

4. Stephanie Maxwell and Abdishakur Othawai, pp. 5 -7

3.16 While these measures have been generally welcomed by pastoralists, it is difficult to assess their economic benefit to them. Loading ramps greatly reduce the time required to load animals onto trucks and, if properly managed, help to improve the flow of vehicles in and out of the market area and reduce waiting times. Garissa market, for example, now operates weekly and moves some 3,000 to 5,000 animals per week, a significant number. Available data suggest that there has been an increase in the offtake rate from the herds in the region. However, in a country such as Kenya, where hauls are relatively long and, especially in the sparsely populated arid regions, where roads are in poor condition, the cost savings are marginal in relation to the whole cost of truck transport to the major urban markets or slaughterhouses.

3.16 *Water points.* The approach adopted by the project to improvement of water points has had a notable impact on management of livestock. Funding has been accompanied by the creation of an officially recognized management committee for each water point, and this has meant that there is now a formal management system for these local water sources. Pastoralists who are en route with their herd are now required to pay an agreed fee to water their animals and, by definition, for them to graze in the vicinity, (with different fees for each type of animal). The person in charge also has the responsibility to regulate the access to the watering facility and to negotiate on how long passing herds can stay so as to effectively manage the local water and grazing resource. Thus, a dry season watering point can be closed once a rainy season begins.

3.17 The result has been the evolution of an officially recognized system for management of local water points and grazing. Herders liaise with local water and land management committees before moving their stock to water points or related grazing areas⁵ Related to this is the effort which has designated about 24 areas as grazing reserves equipped with temporary water points as a short-term measure that helps maintain livestock and reduces degradation of range near permanent water points. This development has significantly reduced the potential for disputes and local tensions.

3.18 *Increasing offtake* While the direct livestock savings have been estimated at about \$10 million, this does not include potential benefits resulting from more timely action, i.e. in helping the livestock owners to reduce herds expeditiously, which then enables them to concentrate the remaining resources on the smaller number of animals, thus increasing their likelihood of survival. The improved management of water points and grazing areas also will have had a similar effect. Project data indicated an increase in offtake in the project areas of about 7 percent. This may have resulted from a range of factors including the improved operation of markets and management of water and grazing fostered by the project. In addition, it also reflects an increasing commercial orientation of livestock owners, also fostered by actions such as regularization of water and grazing fees, and increased sedentarization of the pastoral population. Based on the reported offtake rate the value of the increase in livestock marketed would be about US\$20 million per year.

5. ADCL Consultants, page 16.

3.19 *Raising pastoral issues in national policy debates.* Traditionally pastoralists have been somewhat marginalized from the policy-making processes of government. The project has had a positive impact on their relative position by acting as a voice for their concerns in the highest circles. This is important in that major problems facing pastoral communities as they seek to move away from a subsistence lifestyle, such as poor transport links and marketing policies that restrict livestock movements, were beyond the scope of the ALRMP.

3.20 These issues (road conditions and transport costs) are just two of a number of issues that were beyond the scope of the project, but which have a significant impact on the financial returns to pastoralists. Several steps would significantly benefit them, such as the modification of some regulations such as the prohibition of night transport and the widespread quarantine restrictions. Also, the privatization of the main slaughterhouse near Nairobi would expand the market for mature animals, as would increased efforts to develop export markets.

3.21 **Community development.** The performance of the community development activities supported by the project was *satisfactory*. More than 1,200 small village level projects were undertaken supporting a range of activities; restocking of small ruminant herds (usually about 20 animals per households to those who lost their flocks due to *force majeure*) accounted for about 32 percent of expenditure; educational facilities (classrooms) (28 percent); income-generating activities such as women's groups running small stores or craft production (15 percent); agriculture, primarily purchase of irrigation pumps (13 percent), water facilities (5 percent), and a number of other activities promoting human or animal health or improved technology.

3.22 It is estimated that the income earning activities resulted in increased incomes of participants of about \$1 per day for the womens' groups, to 1 to 4 dollars per day for the use of irrigation pumps. On an annual basis, the activities generated incomes about equal to the sums invested, or \$2 million.

A principal feature of the community development component of the project has been the use of participatory approach to the development of Community Action Plans (CAPs) and activity identification and design, carried out primarily by trained Mobile Extension Teams (METs)., At the community level, this has included identifying beneficiary groups for each activity, and forming sub-committees to take responsibility for different aspects of project implementation. The community, through a management group is also expected to be responsible, using contractors if necessary, for any construction or procurement of equipment and for subsequent maintenance and operation of the facilities developed. In addition, to ensure community buy-in to the undertakings, the community is required to come up with about 30 percent of the estimated cost of the project before the project contributed its funds and work could begin.

3.23 However, as the Beneficiary Assessment points out, the participatory approach is time consuming:

“The participatory approach....involves initial PRA carried out in each community, prioritization of problems, listing priorities for micro-projects, screening and approval by DSG, training of community leaders, and assuring the community contribution before any work is done. The participatory approach to community development is a slow and painstaking process. The extended participatory dialogue with the community, starting at the planning stage, leading to empowerment, and finally to ownership, takes time. The mobilization of the 30% contribution in funds from the communities too, takes time. Most Community Development Officers of ALRMP have been working painstakingly towards affecting the participatory process.”⁶

3.24 An important indirect benefit, linked to the PRA approach, which is widely remarked but not quantified, has been the reduction of conflict between groups and communities. With the collapse of law and order across Kenya’s borders in the adjacent areas of Somalia and southern Sudan, it was perhaps inevitable that illegal arms should appear in the arid land regions accompanied by banditry, livestock rustling, and other criminal activity that has had adverse impact on the local population. In addition, conflicts over water and grazing resources have been exacerbated by population growth and drought. The Beneficiary Assessment notes that

“as a result of [early] experiences ALRMP, upon realizing that development could not proceed until some of the local emergency problems were resolved, undertook the lead in conflict resolution and assisting victims with emergency measures. Although not part of the original work plan, these measures became an important entry point for ALRMP, meeting with unprecedented success. The credible manner with which ALRMP handled these emergency situations and the transparent response not only resolved some of the immediate problems, but determined the future relationship between ALRMP and the communities. In Turkana, for example, following the escalation of raids by the Pokot, ALRMP took the lead in setting up a coordinating secretariat which included not only GOK officials but also the lead NGOs operating in the district. ALRMP was instrumental in facilitating various peace meetings that were convened in the area. In Wajir, ALRMP evacuated women and children from the Gurar community until the emergency was resolved.”⁷

3.25 On the basis of the above, Efficacy is rated as *substantial*.

EFFICIENCY

3.26 The project was primarily aimed at institutional strengthening and developing processes to enable those living in an environment characterized by a high degree of risk and uncertainty to better cope with these challenges, both individually and as groups. As such, the efficiency of project interventions cannot be readily assessed.

6. ADCL Vol. V p.11.

7. ADCL p.11.

3.27 The costs of establishing the structures supporting the drought early warning systems and the capacity to respond as necessary to emergencies, have been significant. However, as noted earlier, in the view of major international partners in drought relief, the capacity of the Kenyan government to effectively lead the drought relief efforts was substantially increased by this project. It was also noted that the role of government in leading the effort is indispensable to success. On the basis of the findings of the evaluative studies, the project's activities enabled other actions (NGOs and bilateral donors) to operate much more effectively than before.

3.28 In summary, the project established in the eleven districts most adversely affected by periodic drought an early warning and response system recognized by all stakeholders as successful, helped organize response programs through aid agencies and NGOs that saved livestock to the value of at least \$10 million. It introduced a range of measures that assisted the pastoralists to better manage their livestock and range and water resources, and increase herd offtake to the value of about US\$20 million per year. It also supported community based interventions that improved community infrastructures, helped the poorest recover from the effects of the drought and generated incomes of about \$2 million per year. Therefore, on balance, the audit rates efficiency as *substantial*.

INSTITUTIONAL DEVELOPMENT IMPACT

3.29 At the district level the role of the DSGs in providing a focal point in organizing the response to drought and other emergencies has been noted. But beyond the capacity development of the DSG, the changes have empowered the staff of the line departments. For professional staff in these departments in mid-career, a posting to one of the arid districts, far from the major population centers, and climatically unattractive, was not seen as a pathway to higher things. But the DSG structure, allied to the availability of some funds through ALRMP to support local initiatives, has created a technical role for the professional staff of the line agencies that was missing before. It has provided an organizing framework that has fostered interdepartmental collaboration and it has also shifted the focus from the more politically oriented DDC to the technically oriented DSG where the members feel that they have greater opportunity to solve problems in an expeditious and professionally satisfying way.

3.30 At the community level, the project's approach has had a similarly catalytic impact. The PRA approach and that of placing the community in charge of implementing the sub-projects has required them to focus in detail on the operational implications of the choices to be made, and the requirement for the community to finance 30 percent of the cost draws attention to the cost of the intervention and to the costs and benefits of alternatives. By having to hire contractors, purchase the required materials, and supervise implementation the community has to develop the necessary skills to manage the implementation of small development activities. In meeting with such groups, it is clear that this experience has increased their confidence and has helped them develop normal, "commercial" relations of equality with a wider range of actors in the economy and society. The communities have proved, at least to themselves, that they can do things and this has reduced their shyness in approaching figures in authority. At the same time, the communities recognize that they have

responsibilities. They can no longer have a hands-off attitude toward infrastructure etc. built by others, as has so often characterized locally focused development efforts in the past.

3.31 It was reported to the mission that District Commissioners transferred from Arid Lands districts to non-project districts, have wished that they had a coordinating group like the DSG, especially when faced with emergencies, such as floods. In the longer term the Project Co-ordination Office might have its remit broadened to become an office of emergencies and special programs, thus building on the experience and expertise gained by the project. Overall, the institutional development impact of the project has been *high*.

SUSTAINABILITY

3.32 The assessors consider that, in this case, sustainability is *non-evaluable*. The activities initiated under the project are being carried forward, with IDA assistance, under the phase II project, so it is, in effect, premature to make a judgment on the operation as a whole.

3.33 However, there are elements of the project where the actions and approaches introduced under ALRMP appear likely to be long lasting. These are, in particular, where the actions of the project had a significant impact on the thinking and approach of the affected groups. Major external actors, such as international organizations, bilateral donors, and NGOs, operating at the district level in the arid areas of Kenya, clearly believe that there has been a significant change for the better under the ALRMP. A continuation of this state of affairs will be dependent on a continuation of an adequate level of support from central government, including continued recognition that the arid lands and their resident population is a priority for government.

3.34 The benefits noted from the empowerment of the professional staffs at the district level and of community groups will not automatically continue. In both cases the groups have seen how the changed approach to district-level organization and methods of operation have had positive benefits for them and they will undoubtedly try to continue in the same vein. However, if there is no support from the broader governmental system in providing some resources, either through government's own resources, or through mobilization of external assistance, the improvements introduced by the project will gradually atrophy.

3.35 At the community level there is also reason for concern about the sustainability of some of the micro-projects such as irrigation pumps. These are small operations and, in many cases, members have limited experience in maintaining such equipment. Thus, it is not a foregone conclusion that the groups will be able to adequately maintain the equipment so that it lasts for a reasonable period and to maintain the discipline necessary to ensure that funds are set aside to finance a replacement when it becomes necessary.

3.36 The continued support under the phase II project should help more firmly anchor these changes into the fabric of government operation and community life, but will not be automatic.

OUTCOME

3.37 **Drought management and mitigation.** The project successfully scaled up the pilot early warning system to cover all 11 districts. The DSGs were developed as the locus for district-level emergency response and demonstrated the ability to coordinate a range of activities in a way that clearly marked an improvement over earlier efforts. In fact, there are reports that District Commissioners from the arid land districts, transferred to non-arid land districts have noted the absence of an effective mechanism such as the DSG for coordinating and initiating local emergency or development actions and have attempted to set up something similar.

3.38 **Integrating the population of the arid lands into the national mainstream.** While the specific livestock marketing and infrastructure efforts only appear to have had a limited impact on improving the efficiency of the marketing system, there has been an increase in the sales of animals (offtake). While this cannot be solely attributed to the project, elements of the project have contributed to achieving this overall objective. Methods taken to reduce conflict and the PRA approach to community activities have resulted in the development of more positive relationships between local communities and groups and the government authorities. This has meant that the local groups see the authorities more as being there to help them rather than just another problem to be overcome. It is clear that the local groups want to be responsible for themselves, as far as is possible, something indicated by their willingness to raise 30 percent of the cost of the activities supported, even when their resources are obviously meager. At the same time, putting them in charge of the implementation of the micro-projects has increased their confidence, both in their ability to manage projects and also in their relationships with other economic actors, e.g., contractors, suppliers, and dealers. This in itself is a major step in integrating them into the mainstream.

3.39 **Promote community-driven, small-scale initiatives.** The project has developed a successful approach, using PRA methods, to working with marginalized local communities to identify their priorities and to draw up community action plans to begin to achieve them. In addition to the micro-projects implemented at the community level, the project has supported these efforts by organizing training for village level workers, such as health workers, birth attendants and animal health workers. However, as noted above, there remains some risk that the community will not be able to adequately maintain and continue to operate the facilities developed with the assistance of the project.

3.40 Based on these achievements, the project has achieved most of its major relevant objectives efficiently, with only minor shortcomings and merits a *satisfactory* rating.

BANK PERFORMANCE

3.41 On balance, Bank performance is rated as *satisfactory*. The major shortcoming in the Bank performance was in the appraisal process. The overall design of the project, based on a process approach to the issue of fostering development in the arid land region and increasing the effectiveness of both public and private responses to drought, was sound. This has been demonstrated by the project's results. On the other hand, the Bank cloaked the project with a statement that obscured the objectives of the operation and which was not consistent with the content and modus operandi of the project. The result was that, at the MTR and at completion there were considerable difficulties in showing that the outcome had achieved the objectives as formally stated. In both cases, the initial response was to take the position that the monitoring and evaluation was inappropriate, a position not supported by the assessment.

3.42 During implementation, the Bank performance was fully satisfactory. There was admirable continuity in Bank staffing with the same project officer in post from identification to completion, much of the time being resident in Nairobi. This level of continuity is not always desirable, as a second opinion and approach can be helpful, but in this case the result was beneficial. Bank staff built up a close and collegial working relationship that kept the focus on approach and the need to develop and generally instill in field level staff the essentials of the PRA method. Despite the problems over the objectives, the focus was kept on the institutional aspect of the project and the temptation to push for targets, so as to be able to demonstrate progress in tackling poverty, was avoided.

BORROWER PERFORMANCE

3.43 Borrower performance was fully *satisfactory*. The core of the project's central staff in the Office of the President had been assembled under the EDRP. Under the ALRMP this staff was expanded, drawing staff from a range of other parts of the bureaucracy, and developed into a coherent team that has provided clear leadership for the project. This central staff provided effective guidance and training for the district-level operations.

3.44 At district level, staff clearly did a good job in pulling together, both the ALRMP district teams and also the METs, providing training and guidance to the latter in the participatory approach to low-income communities. The district ALRMP leadership also fostered satisfactory relationships with the DCs and line departments in order to achieve the effective operation of the DSGs, particularly in the successful development of the drought early warning systems. They also fostered the change in attitudes toward the beneficiary groups necessary for the effective implementation and support of the participatory methods.

3.45 Much of the implementation of the project took place at a time of considerable tension between GOK and the donor community. However, GOK met its financial commitments to the project during the project period. There were some initial

problems with the release of funds to the district level that caused delays in implementation. However, the Ministry of Finance responded by overhauling the system and project implementation was speeded up. The ministry also collaborated with the Bank to allow the creation of Contingency Funds, held at the district level, which permitted more rapid response to drought-related emergency situations.

4. Evaluation Findings

STATEMENT OF PROJECT OBJECTIVES.

4.1 This assessment has noted several times that, during the implementation of this project, considerable problems were caused because the Bank, during its internal review of the appraisal report, did not give adequate consideration to the report's statement of objectives. It should have been clear that, although the project was directed at poor households, and in a region where the fragile resource base is a major concern, it was likely not to be possible to clearly measure the impact of the activities being undertaken by the project on reducing poverty, or on conserving the natural resource base since the components of the project were designed to create an effective drought early warning and response system; improve the links between the pastoralist communities in the arid lands and the rest of the Kenyan economy and society; and to undertake small, community-based micro-projects, responding to the stated priorities of the poor, largely pastoral communities.

4.2 The assessment has noted that the project had a significant, but indirect effect in strengthening the linkages between the local communities and the rest of Kenyan society and economy. First, by establishing an approach that assisted them to translate their concerns and priorities into actionable plans in which they could be assisted by government. Second, by developing an approach through which they could develop skills appropriate to more commercial/professional relationships with the rest of society, and which gave them the confidence to build on their initial experience. In so doing, the actions of the project also reduced the need for the local groups to rely on a political patronage type for support. It is perhaps ironic that the principal problem faced in initially assessing the performance of the project was that Bank staff, presumably unwittingly, broadened what might have been a narrow, focused statement of objectives into a broader one emphasizing the politically more salient objectives of poverty reduction and resource conservation. That is, in this instance Bank staff did not follow the philosophical direction of the approach and interventions fostered by the project.

MONITORING AND EVALUATION

4.3 The appraisal report for ALRMP listed 19 key indicators. Fourteen of these related to project implementation, rather than impact, while five assess impact, such as percentage decline in common diseases or percent decrease in cattle and goat pneumonia (see Annex A). However, none were directed at the qualitative aspects of the project, such as the responsiveness of district-level agencies. The project and the Kenya Food Security Steering Group have commissioned consultants to carry out

studies on the effectiveness of project operations. These have examined the effectiveness of livestock interventions and food distribution during the 1999-2001 drought and a beneficiary assessment of those assisted by the project. These studies included both feedback from project beneficiaries and the views of persons in government or in collaborating agencies on the effectiveness and relevance of the project's activities. Given the nature of the project activities it is the assessors' view that this approach to assessment is the most appropriate means of addressing the evaluation of project effectiveness.

4.4 The M & E work might have been extended to have better assessed the poverty focused activities. First, a more detailed assessment might have been done of a sample of community level activities to determine whether they are commercially viable, taking into account the cost incurred by the beneficiaries and the 70% of cost granted by the project. Second an assessment could have attempted to assess whether the most disadvantaged were benefiting from the activities, or if the benefits were being captured by the better off members of the group.

LEVEL OF TECHNOLOGY

4.5 The participatory approach used by the project has ensured that there is a clear acceptance of ownership by the implementing community. However, this can have a downside that should be kept under review. Since a mini-project has to be implemented by the community, or by contractors under their control, the technology adopted must be one with which they are familiar. In most instances, this is likely to mean a fairly basic level. This can have downsides. At one of the sites visited by the assessment mission, the local community had selected a site at which to dam a small stream to provide water for the community and for their animals. The community had done a good job of selecting the site as the pond was said to contain water at all times, and this was the case at the time of the mission's visit toward the end of the dry season. The dam had a small spillway, but no other drain. The community had attempted to prevent animals from the immediate catchment area, but obviously had not been entirely successful as waste was visible close to the water. Without any ability to flush out the water body, there is a risk of the water becoming contaminated. Unfortunately, because of the design, it would now be difficult to install a drain to allow the pond to be flushed out, if necessary.

4.6 For some micro-projects, e.g., construction of schoolrooms and clinics, the project applies the basic governmental standards, e.g., for the minimum size of room. The project should review the full range of micro-projects it is supporting to consider whether minimum standards should be developed for others as well, to ensure that the effectiveness of individual efforts are not undercut because easily avoidable problems are overlooked.

4.7 Similarly, the project has assisted a number of farmer groups to purchase pumps to extract water from the Tana River for small-scale irrigation. The farmers have constructed their own channels that are often not very effective. The project should encourage the farmers to hire a surveyor to redesign the layouts and improve water use.

Distribution Of Support

4.8 Projects such as ALRMP will always be faced by many more deserving groups looking for assistance than they can accommodate, given the resources at hand. Given the pressures that there will be to continue to assist those groups that already have a relationship with the project, it is desirable that there be some agreement at the outset on guidance that could be used, if necessary, to limit the level of support to any one group, if others that have received less support are capable of effectively using more. Projects such as ALRMP, which assist local communities and groups, should have some agreed guidelines regarding how much assistance it is reasonable to provide to an individual or group.

5. Lessons

5.1 **Lesson 1.** The success of the project indicates that, in order to effectively respond to natural disasters such as drought, there are two principal requirements: (a) there needs to be a structure in place at the local level through which the relevant government departments and non-governmental actors can meet speedily to address the situation and coordinate their actions; (b) that body needs to have some resources, not necessarily substantial, to fund initial measures to address the identified problems, so that response is not delayed by the need to obtain resources through normal bureaucratic channels.

5.2 The creation of the District Steering Groups (DSG) was the key to the success of the project. Chaired by the District Commissioner, these included district department heads and representatives of relevant non-governmental groups, such as major aid agencies operating locally. The DSGs meet regularly, usually monthly, so that lines of communication are well established and the different parties are aware of each other's activities. They can also be called together quickly if an emergency develops, and the collegiality developed in the groups has been an important factor in quickly resolving issues as they arise and in ensuring that efforts are well targeted.

5.3 **Lesson 2.** The statement of project objectives is important. Care should be taken by both the Bank and the Borrower to ensure that the objective statement is clear and does not become blurred by vaguely stated objectives. This is especially important when, for example, though the project may be broadly targeted to assist the poor, the nature of its interventions is such that it will be difficult to demonstrate whether it has met a specific poverty objective.

5.4 In the ALRMP, field operations were targeted toward assisting the most disadvantaged groups (pastoralists) in a region (the arid lands) where the incidence of poverty was and is particularly high. However, the objective of the project was to increase the resilience of these groups in the face of drought and other emergencies, through increasing the capacity of government (nationally and locally) to respond to emergencies, improving the linkages between these groups and the rest of the economy and society, and supporting community-driven, small-scale initiatives

designed to meet their priority needs of the communities and to strengthen their ability to work as a group to tackle problems. In this case, the project period was one of adverse conditions, so the outcome could have been satisfactory even if the incidence of poverty had not been reduced. The issue is would the situation of the beneficiaries have been worse without the project? The beneficiary assessments show that this was the case.

5.5 **Lesson 3.** In operations like the ALRMP it is important to design, at the outset, performance indicators to track qualitative as well as quantitative progress on achievement of objectives, or to agree at the outset on specific steps to monitor performance in meeting qualitative objectives.

5.6 The appraisal report for ALRMP listed 19 key indicators. Fourteen of these related to project implementation, rather than impact, while five did assess impact, such as percentage decline in common diseases or percent decrease in cattle and goat pneumonia. However, none were directed at the qualitative aspects of the project, such as the responsiveness of district-level agencies. There may be some qualitative aspects of a project such as ALRMP that cannot be effectively tracked by means of a simple indicator, such as numbers completed. However, the need could be met by some other means, such as by agreeing to undertake beneficiary assessments, on an agreed schedule that would include feedback from beneficiaries or other stakeholders.

Annex A. Performance Indicators

Outcome / Impact Indicators:

Indicator/Matrix

1. Drought monitoring and management system resulting in better targeted and earlier interventions in arid districts, which will result in reduction in need for food aid and economic losses due to drought.
2. Community-driven marketing initiatives result in better integration in national economy, increasing animal offtake in particular and in incomes for arid lands populations in general.
3. Community microprojects result in capacity building of arid lands communities and sustainable investments which will increase incomes and decrease incidences of common diseases and child mortality.
4. Natural Resource base of the arid lands conserved through the maintenance and strengthening of traditional pastoral systems of land and water use.

Achievement

During the severe 1999-2001 drought, the project shortened the response time, promoted effective government-donor coordination and created a community-based targeting system, allowing vulnerable groups improved access to food supplies. (WFP Assessment)

Offtake estimated to have increased to 7% per year. Community implementation of Over 1200 micro-projects has also required them to interact much more directly in commercial transactions and with the wider economy.

Over 1200 micro-projects have been implemented benefiting some 180,000 people and addressing needs identified by the communities. Directly productive projects produce over \$2 million in income per year.

In the absence of a general land use planning and pro-pastoralists land tenure policy encompassing creation of permanent grazing reserves for use during drought, the option adopted by the project has proved effective.

Source: Assessment.

Output Indicators:		Target	Actual at Completion
Indicator			
Number of monthly drought reports		822	822
Emergency Drought Contingency funds available	Available		\$1.1 million provided
District drought contingency plans		10	11
Livestock actions			
drought grazing reserves holding grounds/stock routes		10	24
- number identified and planned		48	62
- number implemented		48	53
Percentage decrease in cattle and goat pneumonia		5%	15%
Increase in off-take of animals		0.5%	7%
Community development actions			
community health workers trained and operational		700	750
staff participating in initial training		2300	2900
Community Microprojects	No specific target		1200
Increase in percentage of vaccination coverage		5%	11%
New water supply units operational		100	779
traditional birth attendants trained and operational		1800	1269
Number of demonstration plots		9,000	9,000
Percentage increase in yields of major crops		3% pa	5%
Percentage decline in common diseases		3% pa	4%
Percentage decline in child mortality rate		5% pa	5% to 7% pa

Source: Implementation Completion Report.

Annex B. Basic Data Sheet

ARID LANDS RESOURCE MANAGEMENT PROJECT (CREDIT NO. 2797-KE)

Key Project Data (*amounts in US\$ million*)

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as % of appraisal estimate</i>
IDA Credit	22.0	19.4	88.0
Government	3.1	4.9	158.0
Cofinancing	-	-	-
Total project cost	25.1	24.3	246.0

Project Dates

	<i>Original</i>	<i>Actual</i>
Appraisal		June 13, 1994
Board approval		December 14, 1995
Effectiveness	July 12, 1996	July 12, 1996
Mid Term Review	September 15, 1999	October 4, 1999
Closing date	September 30, 2001	June 30, 2003

Staff Inputs (staff weeks)

	<i>Actual/Latest Estimate</i>	
	<i>Nº Staff weeks</i>	<i>US\$US\$('000)</i>
Identification/Preparation	40.6	124.7
Appraisal/Negotiation	109.8	270.8
Supervision	83.6	509.3
ICR	15.0	50.0
Identification/Preparation	249.9	954.8

Mission Data

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	
				<i>Implementation status</i>	<i>Development objectives</i>
Identification/ Preparation	June 1994				
Appraisal/ Negotiation	July 27, 1994	8	Task Manager, Operations Officer, Anthropologist, Financial Management Specialist, Procurement Specialist, Lawyer, Credit Specialist, Drought Management Specialist		
Supervision					
Supervision 1	April 19, 1997	4	Task Manager, Livestock Adviser, Anthropologist, Range Management Specialist	S	S

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	
				<i>Implementation status</i>	<i>Development objectives</i>
Supervision 2	August 7, 1998	4	Team Leader, Livestock Adviser, Range Management Specialist, Rural Development Specialist	S	S
Supervision 3	October 23, 1999	7	Task Team Leader, Social Development Specialist, Procurement Specialist, Financial Management Specialist, NRM Specialist, M&E Specialist, Livestock Adviser	S	S
Supervision 4	May 8, 2000	1	Task Team Leader	S	S
Supervision 5	December 18, 2000	1	Task Team Leader	S	S
Supervision 6	February 12, 2001	3	Livestock Adviser, Social Development Specialist, M&E Specialist	S	S
Supervision 7	September 20, 2001	4	Task Team Leader, Operations Officer, Social Development Specialist, Financial Management Specialist	S	S
ICR					
	January 15, 2003	4	Agricultural Economist (2), Livestock Specialist, Financial Analyst	S	S
	September 20, 2002	2	Task Team Leader, Agricultural Economist	S	S

Performance Rating: S:Satisfactory

Other Project Data

Borrower/Executing Agency:

FOLLOW-ON OPERATIONS			
<i>Operation</i>	<i>Credit no.</i>	<i>Amount (US\$ million)</i>	<i>Board date</i>
Arid Lands Resource Management Project – Phase Two	3795-KE	60.0	June 19, 2003