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Report No. 14681

IMPLEMENTATION COMPLETION REPORT

KENYA

**RURAL SERVICES DESIGN PROJECT
(CREDIT 1974-KE)**

JUNE 25, 1995

**Agriculture and Environment Operations Division
Eastern Africa Department
Africa Region**

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CURRENCY EQUIVALENTS

At Appraisal:	KShs 1.00 = US\$ 0.0541
	US\$ 1.00 = KShs 18.5
	US\$ 1.00 = SDR 0.745
At Completion:	KShs 1.00 = US\$ 0.0217 (December 1994)
	US\$ 1.00 = KShs 46.00
	US\$ 1.00 = SDR 0.714

WEIGHTS AND MEASURES

1 square kilometre (km ²)	=	0.39 square mile
1 hectare (ha)	=	2.47 acres
1 metric ton (t)	=	2,204.62 pounds
1 litre	=	1.06 quarts

FISCAL YEAR

GOK & IDA: July 1 - June 30

ABBREVIATIONS AND ACRONYMS

AFC	Agricultural Finance Corporation
ASAL	Arid and Semi-Arid Lands
ERD	External Resources Division (of MOF)
FAO	Food and Agriculture Organisation of the United Nations
GOK	Government of Kenya
ICR	Implementation Completion Report
IDA	International Development Association
ILO	International Labour Organisation of the United Nations
KARI	Kenya Agricultural Research Institute
KVDA	Kerio Valley Development Authority
KWS	Kenya Wildlife Service
M&E	Monitoring and Evaluation
MOA	Ministry of Agriculture
MOCD	Ministry of Co-operative Development
MOF	Ministry of Finance
MOLD	Ministry of Livestock Development
MPND	Ministry of Planning and National Development
MTW	Ministry of Tourism and Wildlife
NGO	Non-Governmental Organisation
PRC	Project Review Committee
RSDP	Rural Services Design Project
SAR	Staff Appraisal Report
TA	Technical Assistance
UNDP	United Nations Development Programme

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RURAL SERVICES DESIGN PROJECT

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IMPLEMENTATION COMPLETION REPORT

KENYA

RURAL SERVICES DESIGN PROJECT (Cr. 1974-KE)

PREFACE

1. This is the Implementation Completion Report (ICR) for the Rural Services Design Project in Kenya, for which Cr. 1974 in the amount of SDR 15.5 million (equivalent to US\$20.8 million) was approved on December 22, 1988. The Credit became effective on September 1, 1989. The IDA contribution of US\$20.8 million constituted 59 percent of the total project cost of US\$35.5 million; UNDP contribution was US\$5.4 million, farmers contributed some US\$0.8 million and the Government -- US\$8.9 million. The UNDP provided cofinancing for four sub-projects through a parallel funding mechanism. Some US\$ 0.3 million was contributed by FAO through a technical cooperation program.

2. The Credit closed on December 31, 1994, against the original closing date of December 31, 1993. Final disbursement took place on June 6, 1995. A total amount of SDR 15.4 million was disbursed under the Credit; however, in the last two years of its implementation, SDR 4.4 million (of the SDR 15.4 million) was transferred from the project to finance activities undertaken within the context of the Emergency Drought Recovery Project (Cr. 2460-KE), to assist rural populations affected by droughts. This ICR¹ was prepared by the staff of FAO/CP on behalf of the Agriculture & Environment Operations Division (AF2AE), Eastern Africa Department and was reviewed by Ms. S. Ganguly, Division Chief, AF2AE and Mr. G. Tata, Acting Projects Adviser, AF2. It is based on materials in the project files, the feed back received from the Government and the findings of the FAO/CP mission which visited Kenya in December 1994. The Borrower participated in the preparation of the ICR by providing information/ comments and contributing to the mission's Aide-Memoire; the Government has also prepared a completion report for the project. A copy of the Government's written assessments of the project's performance is available in project files.

¹ The ICR was modified to reflect the input of various Bank staff who reviewed the draft report prepared by the FAO/CP Completion Mission, and may not mirror the FAO/CP mission's assessment of the project's performance, sustainability and some of the lessons of experience.

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RURAL SERVICES DESIGN PROJECT

(CR. 1974-KE)

EVALUATION SUMMARY

Introduction

1. Between 1980 and 1988, the Bank Group extended two loans and six credits totaling US\$150 million to the agricultural sector in Kenya. The sub-sectors financed included, agriculture, fisheries and forestry. In addition, through the International Finance Corporation (IFC), the group provided funding by loan and/or equity, exceeding US\$55 million to 4 agro-based enterprises involved in pulp and paper production, tanning and oil crop development.
2. The Rural Services Design Project (RSDP) was initiated with the aim of resolving the constraints to agricultural development through the implementation of pilot sub-projects in eleven identified areas, which offered the potential for subsequent replication. RSDP was based on two useful lessons gained from the experience of implementing several development projects in the agriculture sector in Kenya, namely: (a) pilot efforts to establish the most effective technical and organizational approaches should precede implementation of projects on an expanded scale; and (b) project design must account for the Government of Kenya's (GOK) limited institutional and management capacity. However, with the benefit of hindsight, it appears that RSDP's design did not fully reflect the significance of the second lesson.

Project Objectives and their Realization.

3. The over-arching objective of RSDP was to test effective approaches to, and assess the feasibility of, innovative investments in order to resolve constraints to Kenya's agricultural development; the pilots would evaluate the potential for replicating agricultural investments designed to improve the productivity and incomes of the rural populations, particularly the smallholders. Another important and related objective was to establish a programmatic investment mechanism and to strengthen institutional procedures and the capacity to generate ideas which could be developed into concrete subprojects.
4. The objectives of the project were in line with the Bank's overall sector strategy and the lessons from several preceding operations in the sector. However, the achievement of these objectives was partially hindered by project design deficiencies, inadequate counterpart funding, subproject staffing/management problems and tardy implementation by the Government. The project nevertheless achieved its overall objective, in that the pilot operations, tested out and demonstrated the suitability (or inappropriateness), of the selected technical and organizational approaches for the implementation of these development initiatives, and thus assessed the potential replicability of the subprojects as full-scale projects.

Implementation Experience and Results

5. Eleven subprojects which met the predetermined criteria for selection under the Project were ultimately approved for financing under the Credit, and were implemented during the project period. These were: Livestock Marketing in Southern Rangelands, Suam River Catchment Rehabilitation, Baringo Arid and Semi-Arid Lands, Rural Oil/Protein Production and Processing, Wildlife Conservation including Masai Mara Rehabilitation, Farm Equipment Use for Smallholder Agriculture, Smallholder Lending, Ranch Lending, Cypress Aphid Control, Monitoring and Evaluation of the Impact of Agricultural Strategies and the Cooperative Management Improvement Program. RSDP was planned to be implemented over a 4 1/2-year period until December 1993. Overall implementation was affected by the ambitious project design which attempted to take on activities in too many subsectors; additionally, the complex implementation arrangements involving 6 ministries and 4 implementing agencies, underestimated the considerable coordination effort essential to execute this project. Project coordination and supervision through a three-tier arrangement (Project Review Committee for decision-making, Ministry of Planning & National Development (MPND) for overall coordination and External Resources Division of Ministry of Finance for administrative and disbursement matters) did not work and needs to be reviewed for future projects. In the initial stages, implementation progress slowed down further due to delays in posting key subproject staff and recruiting essential technical assistance; general inexperience of most subproject coordinators regarding IDA procurement/disbursement procedures; inability to quickly finalize the subproject implementation plan and documentation for cofinancing by UNDP; inadequate budgetary allocations by GOK and delays in releasing the allocated funds. Although the other impediments mentioned above eased somewhat with time, inadequate budgets and counterpart funding of subprojects was a persistent problem, throughout project implementation. No subproject was given a budget allocation sufficient to meet its annual work program needs, and whatever was allocated was seldom released in full or on time. As a result, there were delays in the subprojects meeting their expenditures and several contractors had to interrupt or abandon work. These interruptions resulted in undue delays and some planned activities could not be completed.

6. RSDP was successful in examining the suitability of innovative technical and organizational approaches to implementing various development initiatives, and the potential replicability of these pilot operations as full-scale projects; as such, its overall performance is rated satisfactory. The Wildlife Conservation and Cooperative Management Improvement subprojects yielded positive results, and the lessons gleaned from their respective implementation experiences have contributed to the design of subsequent IDA interventions in the sector, viz., Second Coffee (Cr. 2062-KE) and the Protected Areas and Wildlife Services Project, PAWS (Cr. 2334-KE). Other subprojects with sound performances, whose features could be replicated, are the subprojects on Monitoring and Evaluation of agricultural projects and Smallholder Lending. Additionally, at closing three research-oriented subprojects had partially achieved some of their objectives and appeared promising, even though some more work was required to complete and conclusively validate the pilot activities initiated under them. These are: Farm Equipment Use for Smallholders Agriculture (FEUSHA); Rural Oil and Protein and Cypress Aphid Control subprojects. Furthermore, the Ranch Lending subproject demonstrated that group ranches could not be financially viable given their operational and management structure, and a different approach was needed. These findings fulfilled the basic project objective of determining which pilot initiatives could be successfully replicated. The subprojects which closed without achieving most of their objectives, but nonetheless offering

important lessons on technical and management issues are: Livestock Marketing in Southern Rangelands; Suam Rehabilitation; and Baringo Arid and Semi-Arid Lands (ASALs). For instance, the Baringo and Suam subprojects helped deepen the understanding of the important role of communities in the designing and implementation of development initiatives in the ASALs -- a lesson which was kept in view during the design of the Emergency Drought Recovery Project, EDRP (Cr.2460-KE) and the proposed Arid Lands Resource Management Project (ALRMP).

7. Actual project costs are estimated at some US\$21.4 million or 60 percent of the appraisal estimate. The shortfall between actual and appraisal estimates is largely attributable to the sharp depreciation in the value of the Kenyan Shilling during project implementation, slow disbursement of IDA funds under some subprojects, and the under-funding of the project by GOK and UNDP. Of the actual costs, IDA financed the equivalent of US\$15.6 million or SDR 11.0 million, which is 71 percent of the total Credit amount (these figures do not include the sum of SDR4.4 million (US\$6.3 million) which was transferred to finance activities undertaken in the context of IDA's Emergency Drought Recovery Project). UNDP provided US\$2 million; FAO contributed US\$0.3 million and GOK provided US\$2.2 million, while the sub-borrowers contributed US\$1.3 million.

8. IDA's performance during the implementation phase was generally satisfactory. In October 1992, Government and IDA reached an agreement to restructure or close those subprojects which were performing inadequately, and make additional funds available to the subprojects performing well. As a result, one subproject was closed prior to the original closing date, several subprojects were restructured and allocations for two subprojects were increased, while financial allocations for five were reduced. Following the mid-term review in early 1993, the number of subprojects was reduced to four, viz. Smallholder Lending, Wildlife Conservation, Rural Oil/Protein Production and Aphid Control, which were given an initial extension of six months, through June 1994 (beyond the original closing date of December 1993). Of these, two (Smallholder Lending and Wildlife Conservation) subprojects were given a further six month extension through December 1994. This helped in sharpening project focus and achieving tangible results from the subprojects which were still active. IDA was, however, not effective in resolving the general problem of inadequate budgeting and counterpart funding. Although the Borrower complied with most covenants under the Credit Agreement, performance was unsatisfactory in terms of internal project supervision, financial support and reporting. The Project Review Committee met irregularly, and budgetary support to the project was insufficient throughout. RSDP's implementation would also have improved, had key project staff been trained in donor agencies' procurement/disbursement procedures. There was also continuous default in the submission of audited accounts to IDA.

Summary of Findings, Future Operations, and Key Lessons Learned

9. The financial support given to the Agricultural Finance Corporation (AFC) under the Smallholder Lending subproject, has enabled it to expand its lending to smallholders and improve its operational systems and raise loan recovery rates from 55 percent in 1989 to 84 percent in December 1994. However, as only 11,000 farmers were assisted by the project -- as compared to an estimated 2 million smallholders eligible for credit in the country, there is still a large unmet demand for credit which can only be satisfied by a broad-based rural finance project. The physical infrastructure which was provided under the project to the 6 game parks has improved their operational capability considerably; however, these assets will need to be

properly maintained. The operational manuals prepared under the project and the awareness created in the Ministry of Cooperative Development and the cooperatives/ societies will strengthen their management capabilities. The establishment and equipping of the Strategies and Policies Analysis Division in the MPND, has strengthened the monitoring and evaluation capacity of that Ministry. The Cypress Aphid Control subproject has helped establish useful groundwork for the containment of cypress aphid. A good start was made in testing and adopting improved methods for agricultural production and planning in the ASAL regions of Baringo and Suam, although no new technologies were developed. Low priced equipment for manually processing oilseeds was developed and promoted, but research efforts aimed at developing high yielding varieties essential for a sustainable oilseed industry were not conclusive. A number of small farm equipment were developed and tested for land tillage, planting, weeding and harvesting, under FEUSHA, but the results could not be adequately assessed in the short time available. All three research-oriented subprojects require more work to finalize the pilot activities they initiated so as to conclusively determine their suitability for replication elsewhere. However, given the inadequacy of GOK's financial resources, this appears unlikely and the future sustainability and replicability of these research activities is uncertain. Ranch lending demonstrated that the group ranches as structured could not be financially viable and a different organizational/ managerial approach was needed. Livestock marketing did not make any significant impact on the marketing of livestock in Kajiado and Navok districts, other than contributing to institutional capacity building and improvement in staff organizational capability.

10. Key lessons learned from this project are as follows: First, the overall results would have been superior had RSDP been structured into four or five independent projects -- each with well defined, clearly focused and cohesive objectives (instead of grouping nearly a dozen diverse activities administered by almost an equal number of agencies under one project), and each entrusted to one ministry/institution which would be primarily responsible for its management and supervision (complex three-tier project coordination and supervision arrangements did not function as planned). Nevertheless, an important contribution of the project was its role in project pipeline development; the features/ implementation experiences of various subprojects with sound performances, as well as the equally important lessons offered by the "failures", have contributed significantly to the design of subsequent projects, e.g., Second Coffee, PAWS, EDRP, ALRMP, etc. Second, adequate project financing should have been secured by designing a fund release mechanism which ensured the timely release of budgeted funds to the project. Additionally, the Bank should address through country dialogue, the Public Expenditure Review exercise, etc., the still unresolved issue of inadequate budgets and tardy fund releases. As discussed earlier, largely due to budgetary constraints, but also due to administrative delays, most subprojects were underfunded by GOK -- thus curtailing their operational progress and impact. The experiences with the various subprojects under RSDP (and other interventions in Kenya and elsewhere), hence, highlight the importance of involving benefiting communities in the design, financing and implementation/management of development projects, with a view to enhancing project sustainability. Third, key project staff should have been given adequate advance grounding in the policies and procedures of the donor agencies in areas like procurement and disbursements. Fourth, appropriate and timely accounting and auditing should be ensured via project conditionalities, regarding (i) appropriate formats for maintaining project accounts; and (ii) engagement of acceptable private auditors for carrying out timely audits. Additionally, a firm stand, supported by decisive action (such as IDA's current stance) should have been

adopted earlier on by IDA on the issue of overdue audits/ non-compliance with financial covenants.

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KENYA

RURAL SERVICES DESIGN PROJECT

(CR. 1974-KE)

PART I: PROJECT IMPLEMENTATION ASSESSMENT

A. PROJECT OBJECTIVES & DESIGN

1. The over-arching objective of the Rural Services Design Project (RSDP) was to test effective approaches to, and assess the feasibility of, innovative investments in order to resolve constraints to Kenya's agricultural development; the pilots would evaluate the potential for replicating agricultural investments designed to improve the productivity and incomes of the rural populations, particularly the smallholders. Another important and related objective was to establish a programmatic investment mechanism and to strengthen institutional procedures and the capacity to generate innovative ideas which could be developed into concrete subprojects.

2. Only the pilots / subprojects which could satisfy the following criteria, were selected for implementation: strategic to the sustained development of Kenya's rural sector; improved technical and/or organizational approaches to removing sector constraints; small investment size (not exceeding US\$ 3.5 million each); improved and sustained resource use; and reflection of investment priorities in budgetary allocations. At appraisal ten subprojects were found to fulfill the above objectives and criteria and therefore were grouped into RSDP. These were: smallholder credit; ranch lending; rural deposits mobilization; livestock marketing; cooperative management; arid and semi-arid land management and development (in Baringo and Suam); wildlife management; rural oil seeds development and processing; and monitoring and evaluation of agricultural sector strategies and policies. Total project cost was estimated at US\$ 35.5 million. During implementation, the deposit mobilization and ranch lending sub-projects were prematurely closed, while three new subprojects - Land Use Information System (LUIS), Farm Equipment Use in Smallholder Agriculture (FEUSHA) and Cypress Aphid Control - were added on. Thus, eleven subprojects which met the predetermined criteria for selection under the Project were ultimately implemented during the project period. These were: Livestock Marketing in Southern Rangelands, Suam River Catchment Rehabilitation, Baringo Arid and Semi-Arid Lands, Rural Oil/Protein Production and Processing, Wildlife Conservation including Masai Mara Rehabilitation, Farm Equipment Use for Smallholder Agriculture, Smallholder Lending, Ranch Lending, Cypress Aphid Control, Monitoring and Evaluation of the Impact of Agricultural Strategies and Policies, and the Cooperative Management Improvement Program.

3. The objectives of the project were in line with the Bank's overall sector strategy, albeit being somewhat ambitious. Too many diverse activities were packaged into one project, thus resulting in many ministries and agencies (at one point there were 12 implementing ministries/agencies) being involved in project implementation. There was thus, a lack of ownership on part of these implementing ministries/agencies, and a resultant disinterest in addressing the problems of inadequate budgeting/funding. Project coordination also became complicated, as did project supervision because of the scattered and diverse nature of the subprojects. This deficiency in the project design, whereby eleven disconnected, disparate subprojects were aggregated in a somewhat *ad hoc* manner under the banner of one project,

coupled with a three-tier project coordination/ supervision mechanism (whereby the Project Review Committee (PRC) was assigned decision-making authority, the Ministry of Planning & National Development (MPND) was given the responsibility for overall coordination and External Resources Division (ERD) of Ministry of Finance (MOF) for administrative and disbursement matters), detracted from effective project implementation. The management problems which would arise from this type of project structure, were underestimated while the capacity of Government to come up with the required budgetary allocations was over-estimated. The latter factor particularly impeded the effective implementation of RSDP.

B. ACHIEVEMENT OF PROJECT OBJECTIVES

4. The project achieved its overall objective, in that the pilot operations, tested out and demonstrated the suitability (or inappropriateness), of the selected (often innovative) technical and organizational approaches for the implementation of these development initiatives, and thus assessed the potential replicability of the subprojects as full-scale projects. The achievements of individual sub-projects are summarized below.

Smallholder Lending

5. The objectives of the subproject of increasing the share of credit resources available to smallholders, improving credit management capacity of the participating branches of the Agricultural Finance Corporation (AFC), improving AFC's loan analysis and processing capacity, and improving loan recovery rates were substantially achieved. The SAR did not establish any quantifiable targets for monitoring the progress of this subproject. However, despite budgetary constraints, it is estimated that by the end of 1994, when the project closed, 18 AFC participating branches had assisted 10,650 farmers with loans totaling about KShs 380 million, over 60 percent of which went to dairy activities, including purchase of improved grade cattle. However, disbursements for smallholder loans were intermittent, depending on the availability of loanable funds availed through budgetary allocations from GOK. Average loan recovery rates have increased substantially from around 55 percent in 1989 to 84 percent in 1994. Innovative features aimed at improving loan appraisal, supervision and monitoring have also been introduced, although more improvements are required in the preparation of smallholders' cashflow and other financial statements, which are important tools for evaluating on-lending proposals. There is also the need to foster credit/extension linkages. In this regard, there was only partial compliance with the Memorandum of Understanding signed between AFC and the Ministry of Agriculture (MOA), setting out the cooperation between the two institutions.

6. After much deliberation by GOK on the issue of allowing positive interest rates to be applied to AFC loans, the latter has benefited from the liberalization of the financial sector over the last two years and is now charging interest at the rate of 20 percent (which is close to the market rates). A weakness of the subproject was its inability to test improved approaches to group lending, including women's groups. AFC delayed in preparing the terms of reference (TORs) for the consultants who were supposed to design the group lending scheme. The TORs were submitted to IDA only in 1994 and by the time the subproject closed, the consultants had not been hired.

Ranch Lending

7. The Ranch Lending sub-project which aimed at introducing improvements in the technical and supervisory aspects of lending for ranch development (with the underlying objective of making the targeted group ranches financially viable), did not achieve its objective. Of the 4 group ranches targeted by the project, 3 were poorly managed; only one was able to meet AFC's credit rating conditions and given a loan of KShs 6 million. Although the people involved in implementing the subproject were given training through workshops and seminars, the subproject failed to take off because of its poor design which over-emphasized group lending (i.e., a lending approach which was not adequately developed at AFC), lacked an adequate assessment of the performance potential of targeted ranches and did not ascertain the requirements and objectives of all parties involved. The Management Committee set up to coordinate activities at the ranches did not meet regularly and the representatives of various government ministries were usually absent. The IDA supervision mission of September 1992 decided to drop the 3 non-borrowing ranches, de-emphasized group ranches as the main target for assistance and transferred the unutilized funds to the Smallholder Lending subproject (with the objective of extending assistance to individual small ranches). Under the new arrangement, there was increased positive response from the farmers. The four participating AFC branches had sanctioned loans totaling KShs 20 million to 139 ranches as of mid-December 1994. It is, however, too early to assess the impact of the scheme and the recovery rate of loans because most of the loans have yet to reach their maturity dates, some having been rescheduled because of the recent drought. The subproject supported the institutional strengthening of AFC by assisting in the preparation and issuance of guidelines for ranch credit and administration; defining the role and responsibilities of the Ranch Management Committee; and introduction of a management information and monitoring system for ranch credit.

Deposit Taking

8. The deposit taking subproject which was designed to test AFC's capacity to foster rural savings and strengthen AFC's future financial base was abandoned in 1993 as GOK did not permit AFC to become a deposit taking institution. From the long-term perspective, AFC has to augment its resource base with less dependence on GOK budgetary allocations. While the timing for launching the subproject was not appropriate, given the then administrated interest rates of 12 percent for deposits and 13 percent for on-lending, the liberalized economic/financial environment at present is conducive to improved operations by financial institutions. In anticipation of GOK's approval, AFC has already created the appropriate physical infrastructure in 10 branches and carried out staff training in deposit mobilization activities.

Cooperative Management Improvement (CMI)

9. The objectives of the sub-project were to develop and implement measures which would improve the management capacity and performance of cooperative societies/unions and to improve Ministry of Cooperative Development's (MOCD) effectiveness at the field level, in providing services to the cooperatives. The sub-project activities were funded by IDA and UNDP via parallel financing arrangements. While IDA funds were disbursed on eligible items by the closing date of December 31, 1993, the subproject activities continued to be implemented under UNDP financing, and by December 1994, the pilot subproject had substantially achieved its objectives, notwithstanding the delays in its start-up (subproject activities began only in May 1991). Five manuals and guidelines (on management information systems, improved cooperative marketing, supplies and credit procedures, personnel policy, improved management guidelines

for the Kilifi Union and Training and Follow-up (T&F) extension system) of good technical quality were produced. Except for T&F, the other manuals and guidelines were field-tested in cooperative societies in three districts, viz. Muranga, Bungoma and Kilifi districts. These were under implementation in eleven districts at the time of preparing this report. One of the significant achievements of the subproject has been in the area of strengthening the management capacity of the staff of the MOCD, and training the members of the societies and managing committee members, through relevant workshops and seminars. During the years 1993 and 1994, 15 workshops and seminars were organized with nearly 700 participants. In addition, six study tours were undertaken during 1993. The subproject, however, suffered from lack of internal monitoring. A Steering Committee, composed of representatives of GOK and the donor agencies, which was set up to review and guide the implementation of the sub-project met only 4 times between 1991 and the end of 1994. The key lesson of the CMI subproject was that the management of cooperatives must be strengthened as a prerequisite for the revival of the coffee subsector. A training component of the follow-on Second Coffee Project (Cr. 2062-KE), was hence designed to strengthen the institutional capacity of cooperative societies (through management and technical skills enhancement of factory managers, accountants and technicians). It is also recognized that a reform of the cooperative law is a necessary next step to sustain the gains made through this training.

Livestock Marketing in the Southern Rangelands (LMRS)

10. This subproject performed poorly and did not achieve its objective of improving the efficiency of livestock marketing in the Southern Rangelands (which cover Kajiado and Narok Districts), following the deregulation of beef prices in Kenya. The subproject was also to rehabilitate selected marketing infrastructure and provide some equipment to enhance marketing efficiency. However, most of the physical targets were not achieved. Of the planned civil works, only about 30 percent was completed. The remainder was left - and still is - at various stages of construction following the contractor's decision to abandon the sites because of non-payment by GOK. The only notable achievement of the LMSR subproject is that it was able to provide technical assistance to GOK through consultants to (i) train beneficiaries and the implementing officers in needs assessment for the subproject; (ii) design a marketing information system; (iii) train relevant GOK personnel on computer applications; and (iv) train project beneficiaries in livestock production and marketing. Six GOK field officers were also sent to universities overseas for courses leading to a Bachelor's degree in livestock production and marketing, although a comparable course is offered at the University of Nairobi (UON). It would have therefore been more sensible to train the students at UON as it would have been more cost-effective (and more officers could have been trained).

Monitoring and Evaluation of Agricultural and Rural Development Strategies (MEARDS)

11. The MEARDS subproject largely achieved its principal objective of establishing a system for monitoring and evaluating the impact of agricultural and rural development strategies and programs (including RSDP); MEARDS also contributed to institutionalizing Kenya's capacity to assess and refine its agricultural strategies and investment programs.

12. Although only about 76 percent of the total budget allocation by IDA for MEARDS was utilized, the subproject was able to procure the required equipment/vehicles as per the procurement plan (including 19 PCs and accessories and 4 vehicles). It should be noted that, as in the case of CMI, IDA funding for this subproject mainly covered transport facilities

and equipment. Additionally, IDA support for MEARDS ceased as scheduled on December 31, 1993, leaving the other activities supported by GOK and UNDP to continue as scheduled. With regard to institutional strengthening, a Strategies and Policies Analysis Division (SPAD) was established in MPND to undertake (among other activities) monitoring and evaluation of projects and programs. Other achievements of the subproject were: completion of a study on the impact of the Cereals Sector Reform Program (CSR) on vulnerable groups; institutionalization of a Project Implementation Monitoring (PIM) System in six pilot districts; conducting of training workshops for personnel in 12 districts; coordination of the project impact study of RSDP; analysis of the Central Bureau of Statistics (CBS) Rural Household Budget Survey (RHBS) data; and, conducting, in liaison with the CBS, a National Household Welfare Monitoring and Evaluation (NHWME) Survey.

Suam River Catchment Rehabilitation

13. The main objective of the subproject was to test innovative and low cost approach to planning and implementing land rehabilitation in the Suam River Catchment area, with the aim of increasing agricultural activity, improving range management, and through soil conservation measures, reducing silt loads into the Suam River (which feeds into a dam). A related objective was to develop institutional capacities in the Kerio Valley Development Authority (KVDA) and West Pokot district staff to carry out land planning and rehabilitation on an expanded scale. Other than creating awareness among beneficiaries, through activities undertaken under agronomy, agro-forestry and soil conservation, the subproject on the whole failed in its efforts to design and test low-cost approaches to planning and implementing land rehabilitation in the semi-arid lands. The subproject's weak performance resulted from inadequate budget provisions, and poor coordination between the parent Ministry of Regional Development, KVDA (responsible for subproject coordination, management and administration) and the subproject implementation body (West Pokot district staff). These problems led to poor planning and management of the implementation activities. The following achievements under the subproject should, however, be noted: data and information for the development of a land use and rehabilitation plan (for the subproject area) was collated; various surveys and mapping exercises were carried out; farming systems were tested on demonstration plots and yields recorded; physical and biological soil conservation measures were tested, including grass reseeding, run-off and erosion barriers; two livestock dips were constructed (with farmers contributing labor/local raw materials); a mobile cattle crush and hand sprayer (average capacity of spraying 400 cattle per week) were also introduced. However, of the target of eight water dams, only three were constructed.

Baringo Arid & Semi-Arid Lands (BASAL)

14. The subproject at best was only partially successful in achieving its objective of testing and adopting reliable and sustainable methods of crop and livestock production in arid and semi-arid lands (ASALs). Primarily as a result of deficiencies in subproject design (which resulted in poor coordination and management of activities), the subproject did not succeed in developing and testing a replicable approach for the provision of rural services in the ASAL areas. The subproject did not seek to test out alternative models for rural development in these marginal lands; although the original intent of the subcomponent was to foster cost-sharing through a demand-driven community-based approach for identifying and implementing financially sustainable development initiatives, BASAL instead persisted in following the conventional integrated sector-based development approach. Additionally, the institutional arrangements, whereby, a project unit at the division level shouldered all implementation

responsibility with the financial and administrative authority vested at the District headquarters, proved ineffective. Although the concerned ministries (of Agriculture, Livestock, Water Development and ASALs) implemented several schemes for increased crop and livestock production, soil and water conservation, small-scale irrigation and adaptive research (in collaboration with the Kenya Agricultural Research Institute, KARI), no significant breakthrough was made in the generation of new technologies/approaches under the subproject. Research activities, however, managed to produce some drought resistant grass and legume varieties. Some 480 farmers benefited from 2.7 tons of improved grass and legume seeds under the rangeland improvement program. No improved breed bulls and rams were procured for distribution, but 72 bucks out of a target 104 were acquired and distributed to farmers. Activities under crop production resulted in the establishment of 154 on-farm and 45 off-farm demonstration plots, and the distribution of over 5,000 fruit tree seedlings. The soil conservation program resulted in the control of 180 km of gullies and the construction of 170 km of terraces and 5 km of cut-off drains. Thirty hectares of rangeland were reseeded and 6,000 meters of river banks protected from erosion. Five grass bulking plots were established and 12 water harvesting pans constructed. Out of the proposed rehabilitation of seven small-scale irrigation schemes, 3 were completed, 2 were partially completed and 2 were not initiated. Water development was the most successful activity, having completed almost 100 percent of the intended programs, including the construction of 3 water supply schemes and related distribution works. The implementation experiences of the Baringo and Suam subprojects, highlight the importance of involving benefiting communities in the design, financing and implementation/management of development projects, with a view to enhancing project sustainability. This is especially true of the arid zones of Kenya, where the ability of Government to deliver the necessary support and services is particularly tenuous. The two ASAL components, have hence contributed to the design of the ongoing Emergency Drought Recovery Project, EDRP (Cr. 2460-KE) and the proposed Arid Lands Resource Management Project, ALRMP, by providing insight into the important role of communities in the successful performance of projects intended to promote self-sustaining development.

Rural Oil/Protein Production and Processing

15. The main objective of the subproject was to promote the cultivation of oilseeds and its rural processing to satisfy local demand, and to reduce edible oil imports. The important features of the subproject included: the development of low input agricultural technology for oilseed production in ASALs, promotion of low cost rural processing technologies; and institutional capacity building to foster interaction and cooperation between the Ministry of Agriculture and the researchers from the Ministry of Research, Science and Technology. The objective was to be achieved through research on improved technologies for production and processing of oil crops. The research component made substantial progress in the collection, evaluation and characterization of a number of germplasms and screening for pest and disease tolerance in sunflower, safflower, simsim, groundnuts, coconuts and soyabean. Agronomic extension packages and Integrated Pest Management (IPM) packages were also being developed under the subproject; however, more time is needed for these initiatives to yield definitive results on the basis of extensive on-farm trials. As a part of the effort to increase production, training seminars and demonstrations were mounted in all the pilot districts. A manual ram press was developed, which, at a price of KSh 20,000 to 25,000 (half the price of the earlier press) found increasing consumer acceptance for local processing. The subproject has achieved its objectives substantially in that it has established the economic production potential of oil crops, has encouraged local processing of oilseeds, and has laid a good foundation for developing high

yielding varieties and agronomic extension and IPM packages. However, the future viability of the initiatives under the subproject, i.e., enhanced oilseed production/processing for self-sufficiency and reducing imports of edible oil, will depend upon the appropriateness of the policy framework and strategy of comparative advantage for oil crops development in Kenya.

Wildlife Conservation

16. This sub-project attained most of its objectives, which were to: rehabilitate facilities in six game parks, strengthen Kenya Wildlife Service's (KWS) management of these game parks and establish a comprehensive community wildlife program in a few selected parks and reserves. The revenue-sharing approach established in Amboseli national park has had a positive impact on the attitude of local communities towards conservation activities as a possible source of income. In fact, the Wildlife component established the importance of community involvement in the conservation process -- which element has been focused on in the design of the subsequent Protected Areas and Wildlife Services Project, PAWS (Cr. 2334-KE). With the exception of the construction of water troughs for the southern boreholes and new water points in Amboseli, where time and budgetary constraints did not allow satisfactory implementation, all the other physical targets were attained in full, with beneficial results to the tourism industry. In Amboseli National Park, these included the rehabilitation of 34.5 km of roads and improvement of 400 km of roads; construction of a walk trail; and the rehabilitation of 5 KWS buildings. In Kora National Park, 46 km of roads were constructed while another 100 km were graded. In Sibiloi Park, the sub-project rehabilitated 67 km of park roads (target 40 km); improved park accommodation by building 6 prefabricated rooms; and assisted the local community by constructing 2 class rooms and toilets. In Ruma National Park, 200 km of road were improved and 5 boreholes were constructed, 2 of which are for community usage. In the Masai Mara National Reserve, bat proofing, electrical works, water supply and building rehabilitations were carried out with some of the benefits accruing to local county council and the local community. In Nairobi Park, 50 km of park roads were improved and a 30 km electric boundary fence installed. Several studies were also carried out with the help of consultants. These included a water development study for Amboseli National Park; a study on the needs of the community inhabiting the Amboseli Dispersal Area; wildlife management on private land; wildlife extension program in the Shimba Hills; and an assessment of tourism potential in the Machakos areas. The implementation of the recommendations of a management study of the Masai Mara National Reserve could not be completed due to lack of cooperation between KWS and the Narok County Council, which were jointly responsible for the implementation arrangements. The subproject also assisted in strengthening the institutional capacity of KWS, through staff training and the provision of vehicles and office equipment.

Farm Equipment Use in Smallholder Agriculture (FEUSHA)

17. The subproject partially achieved its main objective of field testing and promoting the use of appropriate farm equipment which would increase farm productivity and increase returns to smallholders. Despite initial delays, the physical program was completed with 98 percent of equipment (albeit, not the latest/most appropriate equipment), one microbus and 14 passenger vehicles being procured. The project also constructed 2 Rural Training Development Centers (RTDC), one in Ruiru and the other in Siaya. On the technical side, a number of equipment were tested in land tillage, planting, weeding, harvesting and threshing, but the data could not be fully validated due to shortcomings in the experimental procedures. The

experiments also required more time for reaching conclusive results. Additionally, due to delays in planting experimental crops, the yields obtained were low.

Cypress Aphid Control

18. The subproject largely achieved its main objective of containing and managing the outbreak of cypress aphid and conducting research for developing an effective integrated pest management program, which would ensure the development of long-term local capability for managing cypress aphid. With technical assistance from FAO, techniques were evolved for monitoring aphid infestation through aerial and ground surveys and the information gathered was used by the Forestry Department (FD) to salvage approximately 10,000 ha of forests. Epidemiological studies on the aphid reproductive cycle were made and indigenous and exotic parasites and pests were identified and tested. A chemical pesticide -- primor -- was licensed for the control of aphid in the emergency phase. Several trees exhibiting resistance/tolerance to aphid attack were identified and procedures for clonal propagation were being developed. Six alternative species have been identified as a substitute for hedges. Given more time the continuing research is expected to yield positive results. However, it should be noted that while there was distinct progress in the technical initiatives under the subproject, the management of procurement and disbursements/flow of funds was less than satisfactory.

C. IMPLEMENTATION RECORD AND MAJOR FACTORS AFFECTING THE PROJECT

19. Overall project implementation was affected by the ambitious project design which attempted to take on too many activities in too many subsectors. The need for extensive coordination (particularly where sub-projects involved more than one ministry/institution e.g., Baringo ASAL, Suam Rehabilitation, Rural Oil/Protein) and specialized implementing capabilities, was under-estimated. The three-tier arrangement for Government supervision and overall coordination of the project proved inadequate. Initially, there were delays in posting key subproject staff and in recruitment of key technical assistance, which resulted in weak project management in the early stages. Subsequently, there were repeated transfers of senior staff in several subprojects which interrupted continuity in the implementation teams. A number of subproject coordinators were also unfamiliar with IDA procurement and disbursement procedures (i.e., use of the special account as well as the submission of withdrawal applications for reimbursement of approved expenditures). In the case of FEUSHA, during the early stages of implementation, the technical experiments were poorly designed. For the subprojects cofinanced by UNDP, there were implementation delays attributable to the inability of concerned agencies to finalize and formally approve the requisite documentation for cofinancing. However, the biggest impediment to effective project implementation was the inadequate budgetary allocation by GOK and delays in releasing the approved funds. Although the other impediments mentioned above eased with time, the under-funding of the project by GOK remained a continuous bottleneck for all the sub-projects throughout project implementation. No subproject was given an adequate budget allocation as per its annual work program needs; whatever was allocated was never fully released. As a result, there were delays in the sub-projects meeting their expenditures, and consequently some contractors, particularly in the case of the Livestock Marketing and Wildlife Conservation subprojects, abandoned their work sites. Although, in recognition of this problem, IDA agreed to increase its share of contributions with respect to some expenditure categories, GOK was still unable to release its reduced contribution. IDA, however, could not resolve this generic issue which affected all projects in the Kenya portfolio. As indicated above, largely due

to budgetary constraints, but also due to administrative delays, most subprojects were underfunded by GOK -- thus curtailing their operational progress and impact.

20. In October 1992, three years into project implementation and just over an year before the scheduled completion of the project, an IDA supervision mission which visited Kenya, judged RSDP's performance as being below expectations. Only 29 percent of the IDA Credit had been disbursed; of the 10 active subprojects, 6 were rated as having performed satisfactorily while the remaining 4 were deemed unsatisfactory. Two of the unsatisfactory subprojects had not even fulfilled the conditions for disbursement and another two had been earmarked for premature termination of their operations. The mission and GOK therefore decided to initiate the restructuring of the project in order to steer it towards improved performance. The restructuring exercise was completed by the subsequent mid-term review mission which visited the project in April/May 1993. It was agreed with GOK to close two subprojects (Ranch Lending and Deposit Taking) immediately, while 6 subprojects were to be closed by December 1993 as originally scheduled. The remaining 4 subprojects (Smallholder Lending, Wildlife Conservation, Oilseed Production and processing and Cypress Aphid Control) were to be extended for one year. Funding to the slow performing subprojects was reduced and reallocated to the Smallholder Lending and Wildlife Conservation subprojects, whose performance was judged as promising. Eventually, extension was granted for only 6 months to June 30, 1994 in the case of Oilseed Development and Processing and Cypress Aphid Control subprojects. Smallholder Lending and Wildlife Conservation subprojects were given a further 6 months extension to enable them complete their programs and were closed on December 31, 1994.

Project Costs and Financing

21. As shown in Table 8A, it was not possible to obtain meaningful cost-breakdowns for the subprojects. Actual project costs are estimated at some US\$21.4 million or 60 percent of the appraisal estimate. The shortfall between actual and appraisal estimates is largely attributable to the sharp depreciation in the value of the Kenyan Shilling during project implementation, slow disbursement of IDA funds under some subprojects, and the under-funding of the project by GOK and UNDP. Of the actual costs, IDA financed the equivalent of US\$15.6 million or SDR 11.0 million which is 71 percent of the total Credit (these figures do not include the sum of SDR4.4 million (US\$6.3 million) which was transferred to finance activities undertaken in the context of the EDRP; of this amount, over 95 percent or SDR4.2 million was disbursed primarily to finance the procurement of seeds and fertilizers for 20 arid and semi-arid drought stricken districts in Kenya over the 1993 and 1994 planting seasons). UNDP has provided US\$2 million as compared to US\$5.4 million estimated at appraisal. FAO, through a technical co-operation program arrangement, contributed US\$0.3 million. The GOK contribution is estimated at US\$2.2 million (appraisal estimate US\$ 8.9 million), while the sub-borrowers contributed approximately US\$1.3 million.

D. PROJECT SUSTAINABILITY AND REPLICABILITY

22. The sustainability for this project which piloted development initiatives in several subsectors of agriculture should be viewed in terms of the potential sustainability of the project (which may be, or have already been, designed on the basis of the initiatives undertaken under RSDP), and not in terms of the possible continuity of activities undertaken under a particular RSDP pilot subproject. In fact, an assessment of the sustainability of RSDP (or its subprojects) is not particularly meaningful, since the project was designed to test effective approaches/strategies

for (often innovative) development investments, via a series of pilot operations -- offering the potential of replicability. The projects formulated on the basis of experience gained under various successful subprojects, as well as the RSDP components with weak performance records, have a fair chance of being sustainable, as the shortcomings and lessons gleaned from the individual implementation experiences of the RSDP pilots, have been adequately addressed in the design and execution of these follow-on projects. The lessons from the respective implementation experiences of the Wildlife Conservation and Cooperative Management Improvement subprojects (which yielded positive results), have contributed to the design of subsequent IDA interventions in the sector, viz., PAWS and Second Coffee. Other subprojects with sound performances, whose features could be replicated, are the subprojects on Monitoring and Evaluation of agricultural projects and Smallholder Lending. The subprojects which closed without achieving most of their objectives, but nonetheless offering important lessons on technical and management issues are: Livestock Marketing in Southern Rangelands; Suam Rehabilitation; and Baringo Arid and Semi-Arid Lands (ASALs). The experiences with the various subprojects under RSDP (and other interventions in Kenya and elsewhere), also highlight the importance of involving benefiting communities in the design, financing and implementation/management of development projects, with a view to enhancing project sustainability. The Baringo and Suam ASAL components, have hence contributed to the design of the ongoing EDRP and the proposed ALRMP, by providing insight into the important role of communities in the successful performance of projects intended to promote self-sustaining development.

E. IDA PERFORMANCE

23. IDA assistance in project preparation was deficient in that project design was overly ambitious in taking on too many diverse sub-projects and combining them as one large project. Not only did this underestimate the mammoth coordination effort that would be required (at one stage 12 ministries/agencies were involved in the project's implementation), it also resulted in diluting the overall focus of the project. The managerial and operational problems that would arise from the project's structure, were not adequately considered and GOK's capacity to finance and manage the various subprojects was misjudged.

24. IDA supervision of the project was generally satisfactory, showing flexibility by closing non-performing subprojects, restructuring the slow performers and reinforcing (through increased funding) the good performers. As shown in Table 13, nine supervision missions were mounted over the project's life. Intensive supervision over the last 2 years further helped sharpen project focus with a view to achieving greater impact on the ground. However, the restructuring of the project which was initiated just one year before the planned project completion date, should have been done earlier.

F. BORROWER PERFORMANCE

25. The performance of GOK in this project has been unsatisfactory in terms of supervision and financial support. After showing diligence in the early stages of the project, the PRC which was to oversee the project's implementation met irregularly during the latter part of the project's life; furthermore, there was inadequate follow-up on PRC's deliberations. Largely due to budgetary constraints, but also due to administrative delays, most subprojects were underfunded by GOK, thus curtailing their operational progress and impact. Rapid turnover of key project staff in some subprojects undermined the required continuity essential for good

project management. There was also a persistent default in the submission of audited accounts (as of January 1995, 11 audit reports were outstanding). Otherwise, GOK largely fulfilled the other covenants under the Credit Agreement.

G. ASSESSMENT OF OUTCOME

26. The overall outcome of RSDP should be rated satisfactory. The project yielded useful lessons concerning project design and implementation arrangements. RSDP established that at least four subsector development initiatives piloted under it, viz., Smallholder Lending, Wildlife Conservation, Oilseed Production and processing and Cypress Aphid Control, could be replicated as expanded projects; the Wildlife component established the importance of community involvement in the conservation process -- which element has been focused on in the design of PAWS. The Cooperative Management Improvement subproject underscored the need for strengthening the institutional capacity of the cooperatives in the coffee sub-sector, and has contributed to the design of the Second Coffee Project. Additionally, the three research-oriented sub-projects showed promise, and are potential candidates for inclusion in future research initiatives under the National Agricultural Research Project II (NARP II) or other relevant sectoral programs. The sub-projects seeking to formulate/identify effective approaches and strategies for the development of arid and semi-arid areas, did not yield satisfactory results. Nevertheless, these sub-projects have helped identify the principal hurdles and detractors that contributed to their negative implementation experiences -- which are being addressed appropriately under the follow-on initiatives, viz., EDRP and the proposed ALRMP. A number of research work initiated under the three research-oriented sub-projects would require between one to two years of further work in order to yield conclusive results. However, the project experience shows that funds for continuing these activities are unlikely to be made available by the Government, except as mentioned in Section H below. No financial or economic analysis of the project or its subprojects was carried out at Appraisal.

H. FUTURE OPERATIONS

27. In the short run, only the Rural Oil/Protein Production and Processing sub-project has assured funding from UNDP until July 1995, (with a possibility of further extension). Discussions with UNDP are also at an advanced stage, regarding continued assistance to the Cooperative Management Improvement sub-project for two more years (through the end of 1996). Some research activities under the Cypress Aphid Control sub-project are likely to be supported under the Kenya Forestry Development Project (Cr. 2198-KE). With respect to the Smallholder Lending subproject, AFC will continue lending to smallholders but on a reduced scale. Additionally, the Ministry of Agriculture is including Rural Oil/Protein research under NARP II, which was recently appraised. As discussed above, elements of the Suam and Baringo components have been incorporated in the proposed ALRMP.

I. KEY LESSONS LEARNT

28. The key lessons of experience learnt from the implementation of this project are as follows:

- Overall project implementation and performance were affected by an overly ambitious project design which attempted to support too many activities in too many subsectors. Hence, packaging of many diverse subsectoral activities into a single project is not likely to yield the

most positive results. Not only does the project lose focus, it also becomes very difficult to manage, supervise and coordinate. The overall results would have been superior, had RSDP been structured into four or five independent projects -- each with well defined, clearly focused and cohesive objectives (instead of grouping nearly a dozen diverse activities administered by almost an equal number of agencies under one project), and each entrusted to one ministry/institution which would be primarily responsible for its management and supervision (complex three-tier project coordination and supervision arrangements did not function as planned).

- Notwithstanding the weak performance of several RSDP components, an important contribution of the project was its role in project pipeline development; the features/ implementation experiences of various “successful” subprojects, as well as the equally important lessons offered by the “failures”, have contributed significantly to the design of subsequent projects, e.g., Second Coffee, PAWS, EDRP, ALRMP, etc.
- In Kenya, inadequate budgeting and funding have emerged as a major factor in project under-performance. Adequate project financing should have been secured by designing a fund release mechanism which ensured the timely release of budgeted funds to the project; however, subsequent experience has demonstrated that this is not an easy task. For multi-sectoral (sub)projects a strong coordinating mechanism backed by a single line budget for all activities under the coordinating Ministry should be considered. Additionally, the Bank should address through country dialogue, the Public Expenditure Review exercise, etc., the still unresolved, generic issue of inadequate budgets and tardy fund releases.
- As indicated above, largely due to budgetary constraints, but also due to administrative delays, most subprojects were underfunded by GOK -- thus curtailing their operational progress and impact. The experiences with the various subprojects under RSDP (and other interventions in Kenya and elsewhere), hence, highlight the importance of involving benefiting communities in the design, financing and implementation/management of development projects, with a view to enhancing project sustainability. This is especially true of the arid zones of Kenya, where the ability of government to deliver the necessary support and services is particularly tenuous. The Baringo and Suam ASAL components, have hence contributed to the design of the ongoing EDRP and the proposed ALRMP, by providing insight into the important role of communities in the successful performance of projects intended to promote self-sustaining development.
- Key project staff should be appointed before credit effectiveness, and their transfers to other activities should be minimized, to ensure continuity in project execution/management. Also, the officers responsible for implementing a project (in this case, the sub-project coordinators) should be given sufficient advance training in the policies and procedures of the donor agency, particularly in the areas of procurement, and disbursement (e.g., use of special accounts, disbursements and preparation of reimbursement applications for qualifying expenditures).
- Appropriate and timely accounting and auditing should be ensured via project conditionalities, regarding (i) appropriate formats for maintaining project accounts; and (ii) engagement of acceptable private auditors for carrying out timely audits. Additionally, a firm stand, supported by decisive action (such as IDA’s current stance) should have been adopted earlier on by IDA on the issue of overdue audits/ non-compliance with financial covenants.

PART II: STATISTICAL ANNEXES

Table 1: Summary of Assessments

A. <u>Achievement of objectives</u>	<u>Substantial</u>	<u>Partial</u>	<u>Negligible</u>	<u>Not Applicable</u>
	(✓) <input type="checkbox"/>	(✓) <input type="checkbox"/>	(✓) <input type="checkbox"/>	(✓) <input checked="" type="checkbox"/>
Macro economic policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Institutional development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical objectives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other social objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental objectives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public sector management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private sector development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (testing innovative investment approaches)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. <u>Project sustainability</u>	<u>Likely</u>	<u>Unlikely</u>	<u>Uncertain</u>	
	(✓) <input type="checkbox"/>	(✓) <input type="checkbox"/>	(✓) <input checked="" type="checkbox"/>	

^{1/} Sustainability of activities initiated under the project, is not particularly meaningful, since the project was designed to test effective approaches/strategies for (and assess the feasibility of) innovative investments via a series of "pilot" subprojects.

<u>C. Bank performance</u>	<u>Highly satisfactory</u>	<u>Satisfactory</u>	<u>Deficient</u>
Identification	(✓) <input type="checkbox"/>	(✓) <input checked="" type="checkbox"/>	(✓) <input type="checkbox"/>
Preparation assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Appraisal	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Supervision	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<u>D. Borrower performance</u>	<u>Highly satisfactory</u>	<u>Satisfactory</u>	<u>Deficient</u>
Preparation	(✓) <input type="checkbox"/>	(✓) <input checked="" type="checkbox"/>	(✓) <input type="checkbox"/>
Implementation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Covenant compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operation (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<u>E. Assessment of outcome</u>	<u>Highly satisfactory</u>	<u>Satisfactory</u>	<u>Unsatisfactory</u>	<u>Highly unsatisfactory</u>
	(✓) <input type="checkbox"/>	(✓) <input checked="" type="checkbox"/>	(✓) <input type="checkbox"/>	(✓) <input type="checkbox"/>

Table 2: Related IDA/Credits

Credit title	Purpose	Year of approval	Status
Preceding Operations			
1995-KE	Fourth Agriculture Dev.	1981	Completed
2098-KE	Forestry III	1982	Completed
1237-KE	Cotton Proc. & Marketing	1982	Completed
1387-KE	National Extension	1983	Completed
1717-KE	Agricultural Sector Adjustment	1986	Completed
1718-KE	Agricultural Sector Management	1986	Completed
1758-KE	Animal Health Services	1987	Completed
1849-KE	Agricultural Research	1988	Completed
Following Operations			
2062-KE	Coffee II	1990	Ongoing
2198-KE	Forestry Devt.	1991	Ongoing
2199-KE	National Agr. Extn. II	1991	Ongoing
2204-KE	Agric Sector Adjustment II	1992	Ongoing
2334-KE	PAWS	1992	Ongoing
2445-KE	ASMP	1993	Ongoing
2460-KE	EDRP	1993	Ongoing

Table 3: Project Timetable

Steps in project cycle	Date planned	Date actual/ latest estimate
Identification (Executive Project Summary)		2/88
Preparation ^{1/}		
Appraisal	5/88	5/88
Negotiations		11/88
Board presentation	1/89	12/88
Signing		3/89
Effectiveness	4/89	9/89
Midterm review	3/93	4/93
Project completion	12/93	12/94
Credit closing	12/93	12/94

^{1/} Project preparation was undertaken by GOK with assistance from the Bank's Resident Mission in Eastern Africa (RMEA).

**Table 4: Credit Disbursements: Cumulative Estimated and Actual
(US\$ thousands)**

	FY89	FY90	FY91	FY92	FY93	FY94	FY95
Appraisal estimate	500	4,900	11,700	17,100	20,200	20,800 ^{1/}	
Actual	0	3,857	4,343	5,010	8,128	13,052	21,875 ^{2/}
Actual as % of estimate	0	79	37	29	40	63	-
Date of final disbursement:	June 6, 1995.						

^{1/} Equivalent SDR 15.5 million.

^{2/} Equivalent SDR 15.4 million; however, this total includes SDR 4.42 million (US\$ 6.3 million) transferred to finance activities undertaken within the context of the Emergency Drought Relief Project (Cr. 2460-KE).

Table 5: Key Indicators for Project Implementation

The SAR did not set up physical implementation targets for most of the sub-projects. However, where physical programs were implemented and where data were available, the following were the major achievements. The targets are per work plans of the individual sub-projects.

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	Target	Actual
Smallholder Credit Sub-Project		
Smallholder Given Credit (no.)	n/a	10,650
Loan recovery rate (%)	n/a	84%
Ranch Lending Sub-Project		
Group ranches assisted (no.)	4	1
Individual ranches assisted (no.)	n/a	139
Baringo II Sub-Project		
Gullies controlled (km)	n/a	180
Terraces constructed (km)	n/a	170
Rangeland de-seeded (ha)	n/a	30
River banks protected (mt)	n/a	6,000
Water harvesting pans constructed (no.)	n/a	12
Small-scale irrigation schemes rehabilitated (no.)	7	3

Livestock Marketing Sub-Project

Item Description	Target	Achievement
1. Inventory Survey Planning: No. of Holding Grounds	15	10
2. Equipment & Vehicles: Nos:		
2.1 Computers & Accessories	2	5
2.2 Typewriters	4	3
2.3 Filing Cabinets	6	3
2.4 Photocopiers	3	3
2.5 Vehicles	12	6
2.6 Fax Machines	6	3
2.7 Duplicating Machines	3	3
2.8 Walkie-talkies	20	
2.9 Base (Repeater) Stations	3	
2.10 Cattle Weighing Scales	2	0
2.11 Sheep Weighing Scales	3	0
2.12 HF/SSB Radio Transceivers	2	0
2.13 Tractors	3	0
2.14 Reciprocating Mowers	2	0
2.15 Baling Machines] with Wind Rowers]	2	0
3. PAT (Project Awareness Training Activities): No. of Courses for Producers, Traders and Butchers	32	24
4. Intra-district Study Tours	N/A	8
5. Extra-district Study Tours	N/A	1
6. Training/Courses on Data Collection & Dissemination	3	3
7. Information Technology (Computer) Training/Courses	12	5
8. Overseas University Training: No. of Staff Trained (B.Sc Level)	6	6
9. Civil Works:		
- No. of Residential Houses Constructed	11	6
- No. of Non-residential Houses Constructed	6	3
- No. of Dips/spray races to be rehabilitated/put up	5	3
	5	2
- No. of Livestock Handling Facilities to be Put up	5	3
- No. of Watering Facilities to be Developed	4	2
- Perimeter Fencing of Livestock Handling Facilities	All	0

Cont.....

Rural Oil Protein Production and Processing Sub-project

Action/Activity	Target	Achieved
1. Procurement (Numbers): -Vehicles -Equipment for Research	25 100%	8 50%
2. Training Courses (Numbers): -M.Sc. Fellowships (Agronomy & Food Processing/Storage) -One-week in-service (for Researchers) -6 Officers on Out-of-country Study Tours -Out-of-Country Short Courses on Research Methodology -One-day Workshops -5-Weeks Overseas Training Course for one Officer -Group Training Course for Prospective (30) Manual Ram Press Users	2* 10* 1 0* 0* 0** 0	1 6 2*** 3 2 1 1
3. Consultancies (Work Months): -International Researchers -National Researchers	14 69	11 40.5
4. Oil crops Production & Processing: -Extension Training Courses Field Days & Demonstrations -Ram Press Operations (Field Days & Demonstrations) -Ram Press Manufacturing: ·Officers (about 10) Familiarisation Tours to Arusha (Tanzania) Entrepreneurs Training Course (for at least Potential Manufacturers) -Officers (about 18) Workshop	n/a n/a 1 1 0	n/a n/a 1 1 1
<p>* Funds for the other fellowship (M.Sc.) converted for use in financing 3 short courses on Research Methodology in Ghana, Zimbabwe and Australia.</p> <p>** Funds for the remaining 4 of the One-Week In-service Courses converted for use in financing (i) 2 one-day workshops and (ii) one 5-weeks and one 2-weeks overseas training courses for two officers.</p> <p>*** Two Study Tours involving 10 officials instead of 1 Study Tour for 6 officials.</p>		

FEUSHA Sub-project

Target	Achieved	Remarks
<u>Training</u> - 2 Experimental design course	2	These courses should have been performed right at the beginning of the project. They proved very useful.
- 1 Guidelines for testing machinery	0	The resource persons were insisting on payment which is not catered for by GOK.
- 2 Farm equipment development courses	1	The second course was to be carried out after conducting farmer acceptance trials.
- 4 Study tour to Zanzibar, India, China and Thailand	1 To Zanzibar	Logistics of securing an invitation to the rest of the countries were cumbersome and lengthy.
<u>Civil Works</u> Construct 2 complete office/workshop blocks for RTDC Siaya & Ruiru	Siaya 100% for all Office/cum-workshop. Ruiru 98.5% office block completed. W/shop 85% completed	Some contractors in Kiambu failed to deliver materials because of non payment for previous materials.
<u>Vehicles</u> 14 single cabin vehicles	14	The sedans could not be procured because the dealers were insisting on payment before delivery Contrary to GOK procurement procedures. Due to long procedures to secure duty free vehicles, the 14 Pick-ups have not been fully paid for.
2 Sedan vehicles for central co-ordinating office	0	
<u>Workshop Equipment</u> - Procurement of equipment for a modern rural workshop worth US\$87,700	60% were procured.	Most of the heavy equipments were donated by department of Veterinary Services. <i>Cont.....</i>

Target	Achieved	Remarks
<p>Technology Generation Identify labour augmenting technology for</p> <ul style="list-style-type: none"> - Low land rainfed rice - Wheat - Maize/beans production <p>Carry out farmer acceptance trials.</p>	<p>Identified and acquired some limited technology, e.g.</p> <ul style="list-style-type: none"> - Bukura mark II Plough and its attachments - Hand pushed planter - 3 Pronged weeder - Emivator - Reaper/Binder - Mortised thresher - Bird scarer <p>Very limited farmer acceptance trials done.</p>	<p>The Government does not allow single sourcing. So some equipment could not be procured from e.g. IITA - Nigeria because several quotations had to be invited and evaluated.</p>
<p>Recruit and promote three local entrepreneurs to manufacture identified and approved equipment.</p> <p>Establish agricultural economics unit</p> <p>Establish a national co-ordinating committee</p>	<p>0</p> <p>Not achieved</p> <p>n.a.</p>	<p>This was to be done after the farmer acceptance trials were undertaken.</p> <p>There was a very high turn over of economists who were employed by the Ministry through redeployments to other priority areas.</p> <p>This task was delegated to the National Agricultural Mechanisation Strategy.</p>

Wildlife Conservation Sub-Project

Item Description	Target	Achievement	Remarks
<u>Amboseli N. Park</u>			
Rehabilitation Amboseli roads	Works completed as per contract specifications	100%	34.5 kms, causeway and 12 culverts. The road projects have assisted in deterring offroad driving, protecting vegetation, reducing dust levels and improving access and mobility for visitors and park patrols.
F/A roads improvement	400 kms	100%	
F/A sign post rehabilitation	50 environmentally friendly sign posts	100%	Improved visitor direction and enhanced park image.
Construct walk trail on Observation hill	Works completed as per specifications	100%	Increased visitor activity.
Conduct Amboseli Southern boreholes water study	Final report	100%	Study has allowed better planning for current and future water development.
Rehabilitate Southern boreholes and Kiturua Gate	4 locations	100%	3 engines, 1 solar pump and 1 hand pump.
Construct water point at Mbirikani	1 borehole/pump	100%	
Construct new water points in the North	2 boreholes/pump		Discontinued due to time and budget constraints (refer to report for details).
Construct water troughs for Southern boreholes	As per water study recommendations	Transferred	The project is ongoing under KWS funding. Time and budget constraints under RSDP.
Enhance for performance of the Amboseli water project	Procure 1 engine, 730 pipes, 2 pumps and desilt dam	100%	The water projects have provided the Maasai community with better access to water and increased availability of water for livestock and domestic use.
Rehabilitate KWS park buildings	5 selected visitor and admin. buildings	100%	<i>Cont.....</i>

Item Description	Target	Achievement	Remarks
Strengthen park management vehicle	Procure 1 vehicle	100%	Improved outreach to communities, and efficiency of park patrols.
Sibiloi			
Rehabilitate park roads (F/A)	40 kms	150%	66.7 kms rehabilitated.
Rehabilitate sign posts F/A	24 sign posts	100%	
Construct community water point	Windpump, well, hand pump, storage tanks and troughs	100%	
Improve KWS park accommodation	Construct 6 prefab rooms	100%	
Assist community with school at Illeret	2 classrooms and toilets	100%	
Strengthen park management	Procure 1 vehicle	100%	
Strengthen security operations	Procure 4 tents	100%	
Conduct water development study at Sibiloi for administration and community needs	Final report	100%	
Construct new water points	As per the study recommendations		Discontinued due to excessive costs and remoteness of sites.

Table 6: Key Indicators for Project Operation

No Key Indicators for Project Operation were defined in the SAR

Table 7: Studies Included in Project

Although no specific studies were indicated in the SAR, a number of them were carried out during project implementation to assist in the process of defining and testing new development strategies. They are summarised below:

Study	Purpose as defined at appraisal/redefined	Status	Impact of study
<u>Wildlife Conservation Sub-Project:</u>			
1. Amboseli Water Study	Assessment of Southern Amboseli Boreholes etc.	Completed in 1991	Planning for water development in the region was improved
2. The needs of the community inhabiting Amboseli Dispersal Area	To involve communities in projects that would help them appreciate economic benefits from wildlife.	Completed in 1991	Game park revenue sharing was enhanced.
3. Wildlife Management Programme on Private Land	To define the mechanisms for the profitable management of wildlife on private land.	Completed in 1992	Recommendations not implemented due to lack of co-ordination between implementing agencies.
4. Development of a wildlife extension programme around Shimba Hills	Wildlife extension support.	Completed in 1992	Mwalungajji Community Reserve formed and KWS relations with local community have improved.
5. Assessment of tourism potential in Machakos District	Tourism promotion.	Completed in 1993	
<u>Monitoring and Evaluation Sub-Project:</u>			
6. Study of the impact of the Cereals Sector Reform Programme on vulnerable groups	Impact assessment.	Completed in Nov.	Limited because the study was restricted to only 8 districts and GOK re-introduced restrictions on the movement of maize.
7. RSDP Impact Study	Impact assessment.	Completed in Nov.	
8. National Household Welfare Monitoring and Evaluation Survey	To develop rural poverty profiles.	Further work to be done to desegregate and analyse data at district level.	

Table 8A: Project Costs

Sub-Project	Appraisal estimate (US\$M)			Actual/latest estimate (US\$M)		
	Local costs	Foreign costs	Total	Local costs	Foreign costs	Total
Smallholder Lending	1.8	1.7	3.5			
Ranch Lending	1.3	0.3	1.6			
Deposit Taking	0.5	0.5	1.0			
Livestock Marketing	1.1	0.9	2.0			
Co-operative Management	1.8	1.6	3.4			
Baringo II	2.3	1.1	3.4			
Suam Rehabilitation	2.2	1.1	3.3	n.a.....	
Wildlife Conservation	2.2	1.2	3.4			
Oilseed Development	1.7	1.3	3.0			
Monitoring & Evaluation	1.6	1.7	3.3			
Other Sub-Project(s)	<u>2.6</u>	<u>1.7</u>	<u>4.3</u>			
LUIS	-	-	-			
FEUSHA	-	-	-			
Cypress Aphid Control	-	-	-			
Total Base Costs	19.1	13.1	32.2			
Physical Contingencies	0.8	0.5	1.3			
Price Contingencies	1.2	0.8	2.0			
TOTAL COST	21.1	14.4	35.5	n.a	n.a	21.4^{1/}

^{1/} Of the total actual cost, IDA financed the equivalent of US\$15.6 million or SDR11 million, which is 71 percent of the total credit amount of SDR15.5 million. However, these figures do not include the sum of SDR4.4 million (US\$6.3 million) which was transferred to finance activities undertaken in the context of the Emergency Drought Recovery Project (Cr. 2460-KE).

Table 8B: Project Financing

	Appraisal estimate (US\$M)			Actual/latest estimate (US\$M)		
Source	Local costs	Foreign costs	Total	Local costs	Foreign costs	Total
IDA	11.7	9.1	20.8			15.6
UNDP	2.7	2.3	5.4			2.0
FAO	-	-	-			0.3
Domestic contribution GOK	6.2	2.7	8.9			2.2
Farmers	0.5	0.3	0.8			1.3
TOTAL	21.1	14.4	35.5	n.a.	n.a.	21.4^{1/}

^{1/} Of the total actual cost, IDA financed the equivalent of US\$15.6 million or SDR11 million, which is 71 percent of the total credit of amount SDR15.5 million. However, these figures do not include the sum of SDR4.4 million (US\$6.3 million) which was transferred to finance activities undertaken in the context of the Emergency Drought Recovery Project (Cr. 2460-KE).

Table 9: Economic Costs and Benefits

No economic costs and benefits were estimated at appraisal.

Table 10: Status of Legal Covenants^{1/}

DCA Section	Covenant Type	Present Status	Description of Covenant	Comments
3.02 (a)	2	CD	AFC to maintain positive interest rates.	Interest rates are now positive.
3.02 (b)	2	C	Borrower to review interest rates annually.	
3.05	11	CD	Borrower to ensure adequate budgets for sub-projects.	
3.06	10	C	Sub-projects to be carried out in accordance with Annual Work Programmes (AWP).	
3.07	10	C	Borrower to furnish new project proposals.	
4.01 (a)	1	C	Borrower to maintain records and accounts for resources and expenditure.	
4.01 (b)(i)	1	C	Audit of accounts for each fiscal year by auditors acceptable to IDA.	
4.01 (b)(ii)	1	CD	Furnish to IDA audit reports within 9 months of close of fiscal year.	11 audit reports are now overdue.

^{1/} Covenant types

- 1 Accounts/audit
- 2 Financial Performance/operating revenue from beneficiaries
- 3 Flow and utilization of project funds
- 4 Counterpart funds
- 5 Management aspects of the project or of its executing agency
- 6 Environmental covenants
- 7 Involuntary resettlement

- 8 Indigenous people
- 9 Monitoring, review and reporting
- 10 Implementation
- 11 Sectoral or cross-sectoral budgetary or other resource allocation
- 12 Sectoral or cross-sectoral regulatory/institutional action
- 13 Other

Present Status

- C = Covenant complied with
- CD = Complied with after delay
- CP = Complied with partially
- NC = Not complied with

DCA Section	Covenant Type	Present Status	Description of Covenant	Comments
4.01 (c)(i)	1	C	Maintain Statement of Expenditures (SOE).	
4.01 (c)(ii)	1	C	Retain the accounting records till after 1 year of the last withdrawal from the Credit Account.	Credit closes on 30 April 1995.
4.01 (c)(iii)	1	C	Enable IDA to examine SOEs.	
4.01 (c)(iv)	1	C	Ensure SOEs and records are included in audit reports.	
6.02 (a)	10	C	Project Agreement to be ratified by AFC.	
6.02 (b)	10	C	Subsidiary Loan Agreement to be ratified by Borrower and AFC.	
Schedule 4 (1)	9	C	Maintain Project Review Committee till project completion.	Committee did not meet regularly.
Schedule 4 (3)	9	CD	External Records Department in the Ministry of Finance to compile progress report on each sub-project.	
Schedule 4 (12)	9	C	Carry out a mid-term review.	

DCA Section	Covenant Type	Present Status	Description of Covenant	Comments
Project Agreement Section				
Section 2.05 (a)	9	C	AFC to exchange views with IDA.	
Section 2.05 (b)	9	C	AFC to inform IDA of conditions likely to interfere with project performance.	
Section 3.01	2	C	AFC to carry out its operations under sound administrative/financial practices.	
Sections 3.02 & 3.03	2	C	AFC to maintain assets properly and to insure assets.	
Section 4.01 (a)	1	C	AFC to maintain accounts and records in accordance with generally accepted standards.	
4.01 (b)(i)	1	C	AFC to have accounts audited each year by auditors acceptable to IDA.	
4.01 (b)(ii)	1	C	AFC to furnish to IDA audited report within 9 months of the end of the fiscal year.	

Table 11: Compliance with Operational Manual Statements

Statement number and title	Describe and comment on lack of compliance
Basically, there was compliance with the applicable Bank Operational Manual Statements.	

Table 12: Bank Resources: Staff Inputs

Stage of project cycle	Planned ^{1/}		Revised		Actual	
	Weeks	US\$	Weeks	US\$	Weeks	US\$
Through Appraisal					182.8	
Appraisal - Board					8.0	
Board - Effectiveness					1.6	^{2/}
Supervision					234.6	
Completion					11.1	^{2/}
TOTAL					438.1	

^{1/} Planned/revised staff-week data are no longer available from the Regional MIS.

^{2/} Estimates.

^{2/} Estimates.

Table 13: Bank Resources: Missions

Stage of project cycle	Month/year	Number of persons	Days in field	Specialised staff skills represented ^{ii/}	Performance rating ^{iii/}		Types of problems ^{iv/}
					Implementation status	Development objectives	
Identification ^{i/}							
Preparation ^{i/}							
Appraisal	5/88	11					
Supervision 1	3/90	3	n/a	E, L, F	S	HS	F, S
2	12/90	6	n/a	E, L, F, A, C	S	S	F, S
3	6/91	7	n/a	A, F, Fo, L, C, E	S	S	F, C
4	10/92	5	n/a	A, F, E, L	U	S	F, C, A
5	5/93	5	7	A, E, P, C, R	U	S	F, A
6	9/93	4	19	A, E, P, F	U	S	F, M
7	3/94	2	16	A, E	S	S	F, A
8	11/94	2	n/a	A, E	S	S	F, A
Implementation Completion Report	12/94	4	10	F, C, E, A			

Key:

- (i) Project preparation was done by GOK in collaboration with RMEA.
- (ii) Specialised Staff Skills: A = Agriculture; C = Credit; E = Economics; F = Finance; L = Livestock; Fo = Forestry; P = Procurement.
- (iii) Performance Rating: S = Satisfactory; HS = Highly Satisfactory; U = Unsatisfactory.
- (iv) Types of Problems: F = Financial; S = Staffing; C = Co-ordination; A = Audit.

IMPLEMENTATION COMPLETION REPORT

KENYA

**RURAL SERVICES DESIGN PROJECT
(Cr. 1974-KE)**

APPENDIX A

AIDE-MEMOIRE

IMPLEMENTATION COMPLETION REPORT

KENYA

RURAL SERVICES DESIGN PROJECT

(Cr. 1974-KE)

AIDE-MEMOIRE

Introduction

1. A mission¹ from the FAO/World Bank Co-operative Program (CP) worked in Kenya during the period 5 - 16 December 1994 for the preparation of the ICR for the above project. The mission worked closely with the Coordinators of the sub-projects in the ministries and other implementing agencies and held meetings with senior officials in the Treasury and Planning Departments in the Ministry of Finance (MOF) and the Office of the Vice-President and Ministry of Planning and National Development (OVP & MPND) who were closely associated with the project. A list of people met is attached. Field visits were made to Muranga, Kajiado, and Masai Mara to meet beneficiaries and look at some of the physical structures financed by the project. At the end of its stay, the mission had a wrap-up meeting chaired Mr Barua Chele, Deputy Director, External Resources Department (ERD) at the Treasury at which the mission's Aide Memoir was discussed and agreed. The mission wishes to thank all the people, particularly the various Coordinators, for the assistance given in the course of its work.

The Project

2. The Rural Services Design Project (RSDP) was appraised in April/May 1988 and a Credit of SDR 15 million approved by the IDA Board in December that year. The credit became effective in August 1989 after delays to allow GOK to meet all conditions for effectiveness including finalizing a Subsidiary Loan Agreement with AFC and obtaining legal opinion. The project was co-financed by UNDP by way of a grant of US\$ 5 million.

3. RSDP was supposed to be an innovative project which attempted a program approach in supporting the agricultural sector. Based on an Agricultural Sector Report, 10 sub-projects were chosen and grouped into RSDP. Some like deposit taking and ranch lending were dropped in the early stages of project implementation due to poor performance while others like cypress aphid control and farm equipment use in smallholder agriculture (FEUSHA) were added as new priorities emerged. As appraised, the project was to be implemented over a 5 year period but depending on performance levels, some sub-projects

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S. Mbogoh (Agricultural Economist Consultant)
S. Muturi (Agriculturist Consultant)
S. Rajhansa (Credit Specialist Consultant)

were closed earlier while others were extended once or twice for a maximum period of 1 year. The last 2 sub-projects will finally close at the end of December 1994.

Project Implementation and Results

General

4. Initial implementation was slow due to inadequate budgetary allocations by GOK and delays in releasing the funds approved; delays in posting key sub-project staff which resulted in weak management; and inexperience of most sub-project coordinators in the IDA procurement procedures and the use of the special account. Although the other impediments mentioned above eased with time, the under funding of the project by GOK remained a continuous bottleneck throughout project implementation and contributed significantly towards the under performance of most sub-projects.

5. In October 1993, three years into project implementation, the IDA supervision mission which visited the project judged its performance as being below expectations. Of the 10 active subprojects, only 6 were rated satisfactory; 2 had not even fulfilled the conditions for disbursement, and another 2 had been put on notice that they may be dropped from the overall project due to non-performance. Only 29% of the IDA Credit had been disbursed. The project was therefore restructured, funding to 5 slow performing sub-projects was reduced while funding to 2 good performers (Smallholder Credit and Wildlife Conservation) was increased. The implementation of the individual sub-projects is summarized below.

Smallholder Lending

6. The implementation of the Smallholder Lending Subproject (popularly known in AFC as Scheme 10) was highly satisfactory. The objectives of the subproject in increasing the share of credit resources to smallholders, improving credit management capacity of the participating branches of AFC, improving in AFC's loan analysis and processing capacity, and improving loan recovery rates from just over 50% in 1989 to 84 per cent as of September 30, 1994. Despite budgetary constraints, 9212 smallholders received loan assistance aggregating KShs 277.2 million under the Scheme as of September 30, 1994. It is estimated that by December 31, 1994 (the date of closing of the subproject), 10,650 borrowers would be assisted with a total loan disbursement of about KShs 380 million.

7. The subproject implemented innovative features aimed at improving loan appraisal, supervision and monitoring. These features include, establishment of Loan Approval Committee at branch level, simplified loan appraisal procedures, allocating the area of credit operations to each loan officer, prescribing a time limit for appraisal of a loan proposal, improved credit management and supervision procedures, and performance evaluation of Loan Officers.

8. Despite satisfactory performances in terms of physical and financial achievements, the implementation of the sub-project was adversely affected by financial and institutional problems/shortcomings including (a) inadequate budgetary provisions by GOK

for augmenting the resources of AFC; (b) credit appraisal reports lacked in essential details and realistic cashflow analysis; (c) post disbursement supervision and monitoring was not emphasized; (d) loan maturity period was uniformly fixed as 3/5 years without consideration of production cycle and income generation of the enterprise; and (e) the absence of credit extension linkages despite signing of a Memorandum of Understanding between AFC and the Ministry of Agriculture (MOA).

Ranch Lending

9. The Ranch Lending sub-project was implemented by AFC through its Voi and Gersen branches. However, of the 4 group company ranches targeted by the project, only one was able to meet AFC's credit rating conditions and was given a loan of KShs 6 million. Institutionally, the project assisted AFC in preparing and issuing guidelines for ranch credit and administration; credit-extension linkages; and defining the role and responsibilities of Ranch Management Committee; introduction of MIS, financial management of ranches and monitoring system. However, despite reasonable efforts by AFC, the progress in the implementation of the sub-component was sluggish largely because of poor project design (which over-emphasized group lending) and the reluctance of the ranch shareholders to bring in their equity contributions. The sub-project was therefore restructured in September 1992 allowing assistance to individual private small ranchers. Under the restructures sub-project, there was increased positive response from the farmers. The four participating branches sanctioned loans totalling KShs 20 million to 139 ranches as of mid-December 1994. It is perhaps early to assess the impact of the scheme and the recovery rate of loans for most of the loans have yet to reach the maturity date. However, the restructured component is considered to have been satisfactorily implemented.

Deposit Taking

10. The deposit taking subproject was designed to test AFC's capacity to introduce deposit taking activity to foster rural savings and strengthen AFC's future financial base and viability. This activity was to be implemented by establishing a subsidiary, the Agricultural Development Bank. For testing most effective approaches, the deposit taking activity was to be through 5 of AFC's branches. Central Bank approved start-up of AFC's deposit taking from June 1990. The deposit taking was delayed pending completion of two studies involving AFC's financial and organizational restructuring to confirm justification of the subproject. However, GOK did not finalize the decision for AFC to become a deposit taking institution. The subproject was therefore closed effective June 30, 1993.

11. From the long-term perspective, AFC has to augment its resource base with less dependence on GOK budgetary allocations. While the timing for designing the subproject was not appropriate given the then administrated interest rates of 12 percent and 13 percent on lending, the present liberalized economic environment is conducive. GOK may therefore wish to reconsider its stand and permit AFC to take deposits especially from rural areas. AFC has already created appropriate infrastructure in 10 of its branches for deposit taking.

Co-operative Management Improvement

12. The Cooperative Management Improvement subproject was an educational and training programme aimed at improving the management of co-operatives, to raise the management capabilities of members, the management committee and staff of co-operative societies, and to review the business, technical and administrative operations of co-operatives and streamline them with a view to providing better services and returns to primary societies. The implementation of the subproject was extremely slow for a variety of reasons. While the RSD project was effective from September 1989, documents for formal approval of UNDP for co-financing were completed in August 1990. There was delay in the recruitment of National Project Coordinator and other supporting staff (the Coordinator was in place only in May 1991 and Training and Follow-up Specialist was recruited as late as February 1993). Procurement of vehicles for field staff and office equipment was also considerably delayed. Four motor cars were procured in 1992 and 9 in May 1994 along with 36 motor-cycles. Above all, cut backs in the GOK budgetary support and late release of funds contributed to the abnormal delay in the implementation of the subproject. Thus, there was initial delay of about two years in the commencement of the implementation.

13. Despite the initial delay, the subproject implementation is on course to achieve the objectives. Manuals on MIS, Cooperative Credit, Marketing and Supply Procedures, Personnel Policy, Revitalisation of Kilifi District Cooperative Union and Training and Follow-up (TF), have been prepared. Apart from TF, the others have been field-tested in three co-operative societies, one each in Muranga, Bungoma and Kilifi districts. Implementation is underway in 11 districts. The most significant achievement of the subproject was in creating awareness among the staff of MOCD, members of the societies and managing committee members of the societies through workshops and seminars. During the year 1993 and 1994, 5 and 10 workshops and seminars were organized with participation of 212 and 478 respectively. In addition, six study tours were undertaken during 1993. After IDA funding ceased at the end of December 1993, the subproject is now being continued with UNDP funding till December 1994. Plans are underway for further funding from UNDP through 1996.

Livestock Marketing in the Southern Rangelands (LMRS)

14. The LMSR subproject was one of the RSD Project components that performed poorly. This was largely because of organizational and management constraints that led to inadequate budgetary allocations and problems in the flow and disbursement of funds.

15. The subproject aimed to improve the efficiency of the Livestock Marketing in the Southern Rangelands (covering Kajiado and Narok districts) so that both the producers and the consumers could benefit from the 1987 decision by the GOK to deregulate beef prices in Kenya. The subproject was also to rehabilitate some selected marketing infrastructure and provide some equipment to facilitate the execution of measures to enhance marketing efficiency. However, many of the subproject objectives were not achieved. No more than 30% of the planned civil works was accomplished, and even for the activities initiated, the status by the close of the credit on December 31, 1993 was as follows: (i) Bissil Office block and sale yard construction was 95% complete, (ii) Namanga sale yard construction was 90% complete, (iii) Kajiado office block construction was 80% complete,

(iv) Narok office block construction was 95% complete, (v) Narok staff houses construction and water supply installations were 40% complete, and (vi) the communications equipment and marketing information system were only about 90% effective. GOK should look for funding to complete these works so that they are in a useable state rather than staying in their present dormant status. The only success story for the LMSR subproject is that it was able to provide technical assistance to GOK through the Services of consultants in (i) training needs assessment for the subproject beneficiaries and the implementing officers; (ii) the design of a marketing information system; (iii) training of relevant GOK personnel on computer applications and; (iv) training of project beneficiaries on livestock production and marketing. Six GOK field officers were also sent for overseas training on courses leading to a University Bachelor's degree in livestock production and marketing aspects. This course is however offered at the University of Nairobi (UON). It would have therefore been much cheaper to train the students at UON. The sub-project also procured a range of office equipment and vehicles.

Monitoring and Evaluation of Agricultural and Rural Development Strategies (MEARDS)

16. The MEARDS subproject was fairly successful. Its overall objective was to establish a system for monitoring and evaluating the impact of agricultural and rural development strategies in Kenya and also help to institutionalize Kenya's capacity to assess and refine its agricultural strategies and investment programs. The subproject was also to execute and/or supervise the impact evaluation of the other RSDP subprojects (during the course of their implementation) in order to determine their merits for replication.

17. The sub-project attained most of the above objectives. Although only about 76% of the total budget allocation by IDA for the subproject was utilized, the subproject was able to procure all its planned equipment and vehicles needs. The types of equipment purchased were mainly computers and accessories, photocopiers and motor vehicles. Institutionally, a lot was achieved including the establishment of the Strategies and Policies Analysis Division (SPAD) to undertake (amongst other activities) projects and programmes Monitoring and Evaluation (M&E) activities; completion of study of the impact of Cereals Sector Reform Programme (CSRP) on vulnerable groups; institutionalization of Project Implementation Monitoring (PIM) System in six pilot districts; conducting of training workshops for personnel in 12 districts; coordination of the impact study of the RSD Project; analysis of the Central Bureau of Statistics (CBS) Rural Household Budget Survey (RHBS) data; and, conducting, in liaison with the CBS, of a National Household Welfare Monitoring and Evaluation (NHWME) Survey.

18. IDA funding of the sub-project ceased at the end of December 1993 but project activities are being continued with UNDP support till June 1995.

Baringo II

19. The main objective of the sub-project was to test and adopt an improved and replicable approach to the development of reliable and sustainable methods of crop and livestock production in ASAL areas. Baringo II was to build up on experiences gained in

Baringo I (BPSAAP, 1978-88). Several ministries were involved in the implementation process under the District Focus for Rural Development Strategy. The project achieved mixed performances in its various components.

20. Activities under crop production resulted in the establishment of 154 on-farm and 45 off-farm demonstration plots, and the distribution of over 5,000 fruit tree seedlings. The soil conservation programme was successful, which resulted in the control of 180 km of gullies; construction of 170 km of terraces; and 5 km of cut-off drains. 30 ha of rangeland were reseeded and 6,000 meters of river banks protected from erosion. Five grass bulking plots were established and 12 water harvesting pans constructed. Out of the seven proposed rehabilitation of small-scale irrigation schemes, 3 were completed, 2 were half way done and two were not initiated.

21. Although no significant breakthrough were made in generation of new technologies, research managed to produce drought resistance crop varieties. Some 480 farmers benefitted from 2.7 tonnes of improved grass and legume seeds under the rangeland improvement programme. No improved bulls and rams were procured for distribution, but 72 bucks out of a target of 104 were acquired and distributed to farmers.

22. Water development was the most successful, having attained 100% of the intended activities. Construction of 3 water supply schemes was completed and water distribution works completed. Communities had been sensitized and are supportive of cost sharing.

23. However, there were problems with the coordination of implementation agencies at headquarters and district level. Although a mobile project M&E team was established in late 1993, its impact had not been felt at close of project.

Rural Oil-Protein Production and Processing (ROPPP)

24. The overall objective of the ROPPP subproject was to promote the economic cultivation of oilseeds and their rural processing in order to satisfy the local demand for edible oils and protein cake and reduce the utilization of scarce foreign exchange which would be used to import those commodities (estimated at US\$ 60 - 80 million annually).

25. Financial performance of the subproject was generally satisfactory with about 70% of the IDA budgetary allocation disbursed. Performance in physical terms was also satisfactory. However, its research component has been seriously constrained by the flow of funds problems, primarily emanating from the delays in resolving the system of disbursing funds from the Ministry of Agriculture, Livestock Development and Marketing (ROPPP subproject line Ministry) to KARI and its research stations because KARI (Kenya Agricultural Research Institute) falls under a different Ministry (Research, Science and Technical Training). The agreed training programme for the ROPPP subproject was complete by the close of IDA funding. However, further focused training programmes in order to enhance the rate of capacity building in rural oil processing on a small-scale basis is still needed.

26. The ROPPP subproject has supported extension activities within the overall national extension framework, and has produced the "Oilseeds Production Handbook" to enhance the subproject activities. However, the effectiveness of the extension efforts is hampered by financial constraints that limit the dissemination of the technologies being developed and lack of definitive government policy framework on oilcrops production and processing.

27. Research at the six KARI participating stations has made some progress in developing technologies for oilcrops production, focusing on improved germplasm resources collection, screening and cross-breeding of various varieties from different countries. The objective, ultimately, is to develop high-yielding varieties of oil crops.

28. On the oilseeds processing side, much progress has been made in the development of a manual ram press that is now relatively cheap -- initially costing close to Chace 50,000/=, but now possible to procure one at Chace.20,000/= - Chace. 25,000/= when the accessories (filter and sieve) included. However, oil filtration rate (at about 3 litres oil per hour) is very low and this needs to be (at least) doubled.

29. Overall, the ROPPP subproject has made impressive progress in developing and producing its main expected outputs in the short run, but its objective of developing high-yielding oilcrop varieties is a longer run objective which is yet to be realized. Hence the subproject merits further support. The sustainability and viability of the ROPPP subproject activities will very much depend on the appropriateness of the expected policy framework for oil crops development in Kenya, which would make locally produced vegetable oils compete with imported products.

Suam River Catchment Rehabilitation

30. The main objective of this sub-project was to test an innovative and low cost approach to planning and implementing land rehabilitation of the Suam River Catchment ASAL area through participatory approach to planning and implementing rehabilitation efforts using low cost sustainable technical methods.

31. The planning and implementation of the sub-project were guided by a steering committee composed of KVDA and District Technical Officers as well as representatives of local traders from the project area. This arrangement worked satisfactorily although the exclusion of non-project related officials of KVDA resulted in missing the opportunity to establish linkages and institutionalize project activities within KVDA. Project implementation was generally smooth except for the occasional cashflow problems caused friction between KVDA and the parent Ministry.

32. The project made notable achievements. Data and information was collected pertaining to the project area which proved useful in the development of a land use and rehabilitation plan. various surveys and mapping were carried out including a vegetation survey and a livestock census. Farming systems were tested on demonstration plots and yields recorded. Physical and biological soil conservation measures were tested including grass reseeding, live run-off and erosion barriers. Two livestock dips constructed with

farmers contributing labour and local raw materials. A mobile cattle crush and hand sprayer was introduced and sprayed an average 400 head of cattle a week. However, out of the 8 water dams intended for development, only 3 were built. The sub-project closed at the end of December 1993.

Wildlife Conservation

33. This was one of the most successful components of the project. The staff implementing the sub-project were generally young and dedicated and managed to attain most of the objectives of the project. With the exception of the construction of water troughs for the southern boreholes and new water points where the time and budgetary constraints did not allow satisfactory implementation, all the other physical targets were attained in full. In Amboseli National Park, these included the construction of 34.5 km of roads improvement of 400 km of roads; construction of a walk trail; and the rehabilitation of 5 KWS buildings. In Kora National Park, 46 km of road was constructed while another 100 km are being graded and will be completed by the end of 1994. In Sibiloi Park, the sub-project rehabilitated 67 km of park roads (target 40 km); improved park accommodation by building 6 prefab rooms; and assisted the local community by construction of 2 class rooms and toilets. A water development study was also carried out and a final report has been issued. In Ruma National Park, 200 km of road were improved and 5 boreholes have been constructed 2 of which are for the community. In Masai Mara National Reserve, bat proofing, electrical works, water supply and building rehabilitations have been carried out with some of the benefits accruing to local county council and the local community. In Nairobi Park, 50 km of park roads were improved and a 30 km electric boundary fence installed. The project also assisted in strengthening the institutional capacity of KWS through the provision of vehicles, 2 computers, office and audio equipment as well as camping tents and staff training.

34. The outcome of this sub-project has been very satisfactory and deserves replication in the other game parks particularly in fostering community participation in the management of wild life resources and rehabilitating infrastructure. The sub-project will close at the end of December 1994 after 2 extensions of 6 months each.

Farm Equipment Use in Smallholder Agriculture (FEUSHA)

35. The overall objectives of FEUSHA was to increase agricultural production through field testing and promoting the use of appropriate farm equipments and implements which would increase the productivity and returns of smallholder labour inputs.

36. Activities of FEUSHA were based in three RTDCs (Nakuru, Siaya and Ruiru) and associated RTDUs. They were coordinated by a project officer based at the Mechanization Branch of the Agricultural Engineering Division (AED) of the Ministry of Agriculture, Livestock Development and Marketing (MOALDM) headquarters in Nairobi. All activities at RTDCs and RTDUs were supervised by the officers-in-charge of the three RTDCs. The AEU and NCC which would have guided the management in programme and policy matters never took off. The two agricultural economists recruited for the AEU left

soon thereafter. The idea of an NCC was discarded after the AED became preoccupied with the establishment of a national mechanization strategy task force.

37. One 16 seater microbus was delivered in 1992. Fourteen pick-up vehicles had 90% payment made. 21 items of workshop tools, 6 items of design office equipment, 4 microfiche for library units and 3 computers were procured for Headquarters and RTDCs. Farm equipments procured were 12 animal/bird scarers, 2 reaper binders, 4 rotovators and 6 portable motorized swathers. Approximately 98% of equipment was procured; which was a satisfactory performance. Construction of the Siaya RTDC office block was completed by mid 1993 and have been occupied. Construction of Ruiru RTDC was also completed by the end of the project, except for minor items such as burglar proofing.

38. A number of equipments were tested. The data cannot, however, be validated due to shortcomings in the experimental procedures. At the beginning, staff did not have skills in experiment design and statistical analysis although the deficiency was rectified through 2 courses carried out in 1992 and 1993. Experiments were planted late and yields obtained were low. As a result of low yields gross margins for all equipments were negative.

39. Overall, the sub-project was satisfactorily implemented. It is the view of AED that the facilities provided at RTDCs and RTDCUs are capital assets. These, together with staff exposure to new approaches in machinery testing will benefit future activities in smallholder mechanization. With continued funding, and training of staff, farmers and entrepreneurs, the activities would be sustainable.

Cypress Aphid Control Project

40. The main objective was to contain the emergency caused by the outbreak of cypress aphid and to conduct research into the knowledge on which to develop an effective integral pest management program which would ensure an effective long-term capability for managing cypress aphid. The sub-project was to be managed by a National Project Management Team based in Karura Forest near Nairobi.

41. Besides erratic funding from GOK, implementation of the sub-project has been generally smooth. The sub-project substantially achieved most of its objectives, particularly in controlling and managing the serious outbreak of cypress aphid in Kenya. Techniques were evolved for monitoring aphid infestation through aerial and ground surveys and the information gathered was used by the Forestry Department (FD) to salvage approximately 10,000 ha of forest. Epidemiological studies on the aphid reproductive cycle were made and indigenous and exotic parasites and pests identified and tested. A chemical pesticide - primor - was licensed for the control of aphid in the emergency phase. Several trees indicating resistance/tolerance to aphid attack were identified and procedures for clonal propagation are being developed. Six alternative species have been identified as substitute for hedges. On the whole, the outcome of this sub-project, which closed in June 1994 after a 6 months extension, has been very satisfactory. Project activities continued under UNDP funding till mid-December 1994.

Project Costs and Financing

42. Project Costs and Financing will be finalized by the mission in the course of preparing the full report. They however are tentatively estimated to be in the region of US\$ 24 million. Of this IDA has provided about US\$ 20 million (SDR 14 million or 90% of amount agreed) while UNDP has provided US\$ 2 million as compared to US\$ 5 million estimated at appraisal. The GOK contribution is yet to be calculated but is expected to be very much less than what was estimated at appraisal.

IDA Performance

43. IDA performance at project design was deficient in that it was overly ambitious in packaging such a diverse range of sub-projects into one large project. This led to coordination problems and lack of focus for the whole project. The management problems that would arise were underestimated while the GOK capacity to finance the various sub-projects was over-estimated.

44. During project implementation, IDA performance was generally satisfactory, showing flexibility to abandon non-performing sub-projects, restructuring the slow performers and rewarding (in terms of increased funding) the good performers. IDA supervision over the last 3 years has been particularly beneficial in sharpening project focus to achieve results on the ground.

GOK Performance

45. The performance of GOK in this project has been unsatisfactory in terms of financial support. Most project sub-projects, largely due to budgetary ceilings but also due to administrative delays, were underfunded by GOK thus curtailing their operational activities. Rapid staff turnover by key project staff of some sub-projects undermined their performance. There was also a continuous default in submitting audited accounts (11 audit reports are now outstanding). Otherwise GOK largely fulfilled the other covenants under the Credit Agreement.

Sustainability

46. With the exception of the Smallholder Credit and Ranch Lending sub-projects (which are basically revolving funds) and the Wildlife Conservation sub-project whose beneficiary is a revenue generating activity, the other sub-projects are not sustainable because they require further funding which may not be readily available. There is therefore need for GOK to source funding for those sub-project which are promising and require continued financial support.

Lessons Learnt

47. The main lesson learnt from this project is that packaging of many diverse activities into a single project is not advisable. Not only does the project lack focus, it also becomes very difficult to manage, supervise and coordinate. Secondly, a project should as far as possible rely less on Government funding because the level of such funding can be unpredictable as Government's priorities change over time. Thirdly, the key officers charged with implementing a project (in this case the sub-project coordinators) should be thoroughly given advance training in the policies and procedures of the donor agency particularly in procurement and disbursements. Finally staff turnover of key project staff should be kept to a minimum so as to ensure continuity in project management.

Follow-Up

48. On return to Rome, the mission will prepare an ICR for submission to IDA by the fourth week of January 1995. GOK will actively look out for funding of the sub-projects which are promising but lack financial support. The Borrower should also actively follow up those implementing agencies/ministries which have not yet submitted their own Completion Reports so that they are submitted not later than 15 January 1995. So far, only KWS, the Co-operatives, and KVDA have submitted their Completion Reports.

F. Bitanahirwe
S. Mbogoh
S. Muturi
S. Rajhansi

Nairobi, 16 December 1994

LIST OF KEY PEOPLE MET BY THE MISSION

Ms M. Thiongo	-	Under-Secretary in charge of World Bank Desk at the Treasury
Ms A. Olubendi	-	Desk officer, World bank Desk at the Treasury
Dr I. Onyango	-	Principal Economist and Head of Strategy and Policy Analysis, MFEP Coordinator, M&E Sub-Project
Mr D.N.Riungu	-	Chief Planning Officer, AFC; Coordinator, Small Scale Lending Sub-Project
P.K. Ndethi	-	Head, Agricultural Mechanization Branch, MOALDM
M.Were	-	Coordinator, Cooperative Management Improvement Sub-Project (CMIP)
M.Marate	-	Coordinator, Livestock Marketing Sub-Project
M.Shiribwa	-	Coordinator, FEUSHA
Ms C. Gachukia	-	Coordinator, Wildlife Conservation Sub-Project
Mr Kinaga	-	Coordinator, Rural Oilseeds Production and Processing Sub-Project
Prof. J.Mwangi	-	Coordinator, Cypress Aphid Control Sub-Project
Mr Mbate	-	Coordinator, Baringo 11
E.Mudido	-	National Expert, Training and Follow Up, CMIP
L.Mbure	-	Branch Manager, AFC, Muranga
J.Kibukiah	-	Branch Manager, AFC, Kajiado

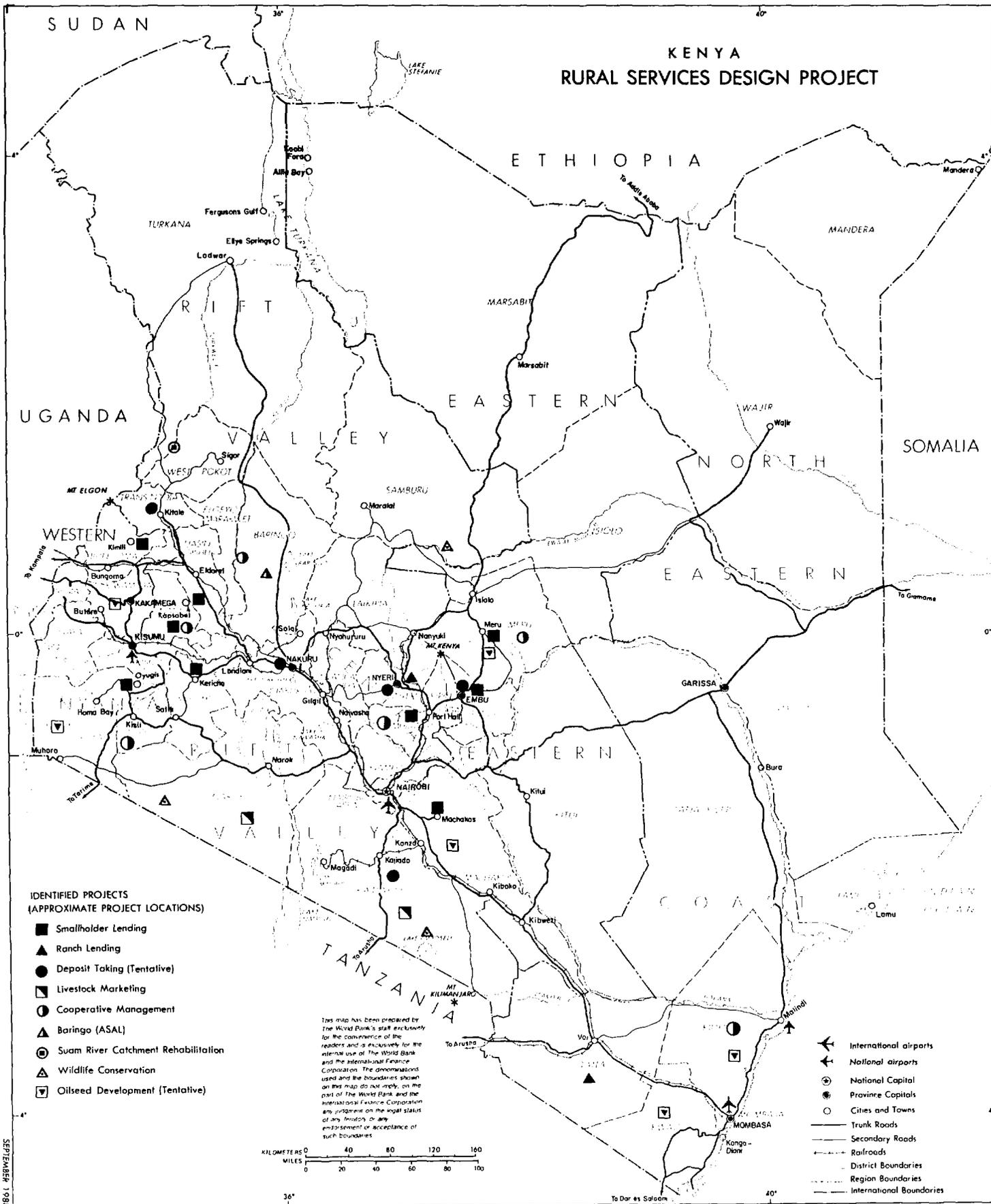
SUDAN

KENYA RURAL SERVICES DESIGN PROJECT

ETHIOPIA

UGANDA

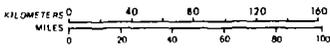
SOMALIA



IDENTIFIED PROJECTS (APPROXIMATE PROJECT LOCATIONS)

- Smallholder Lending
- ▲ Ranch Lending
- Deposit Taking (Tentative)
- ▣ Livestock Marketing
- Cooperative Management
- ▤ Baringo (ASAL)
- ⊖ Suam River Catchment Rehabilitation
- ▤ Wildlife Conservation
- ▣ Oilseed Development (Tentative)

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- ✈ International airports
- ✈ National airports
- ⊖ National Capital
- Province Capitals
- Cities and Towns
- Trunk Roads
- Secondary Roads
- Railroads
- District Boundaries
- Region Boundaries
- International Boundaries

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