



Disaster Risk Management Development Policy Credit with a Catastrophe Deferred Drawdown Option (Cat DDO) (P161562)

AFRICA EAST | Kenya | Urban, Resilience and Land Global Practice |
IBRD/IDA | Development Policy Lending | FY 2018 | Seq No: 4 | ARCHIVED on 28-Jun-2021 | ISR45737 |

Implementing Agencies: National Treasury and Ministry of Planning, Republic of Kenya

Key Dates**Key Project Dates**

Bank Approval Date: 21-Jun-2018

Effectiveness Date: 27-Nov-2018

Original Closing Date: 30-Sep-2021

Revised Closing Date: 30-Sep-2021

Project Development Objectives

Program Development Objective (from Program Document)

The overall PDO is to strengthen the Government of Kenya's institutional, technical, and financial capacities to manage the impact of climate and disaster risks.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Unsatisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Unsatisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

Following Board approval in June 2018, the project was declared effective on November 27, 2018. During the second year of implementation, Kenya experienced extreme events including two flood cycles, a landslide, locust invasion and COVID19. This occasioned the Government of Kenya (GoK) to make a partial disbursement of resources from the Cat DDO instrument in December 2019 (USD\$70 million), with the balance disbursed in May 2020 (USD\$113 million) to respond to extreme natural and health-related events.

With less than four months remaining until closing of the operation (set for September 30, 2021), the GoK is experiencing delays in the achievement of more than half of the Results Indicators (RIs). Of a total 10 RIs, thus far only one has been achieved, one had been achieved but has slipped back to not achieved, while three are in progress and highly likely to be achieved, and five are significantly delayed.

Risks**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate



Macroeconomic	□ Moderate	□ Moderate	□ Moderate
Sector Strategies and Policies	□ Moderate	□ Moderate	□ Moderate
Technical Design of Project or Program	□ Low	□ Low	□ Low
Institutional Capacity for Implementation and Sustainability	□ Moderate	□ Moderate	□ Substantial
Fiduciary	□ Moderate	□ Moderate	□ Moderate
Environment and Social	□ Moderate	□ Moderate	□ Moderate
Stakeholders	□ Low	□ Low	□ Low
Other	--	--	--
Overall	□ Moderate	□ Moderate	□ Moderate

Results

Results Indicators

Fortifying institutional, planning and policy frameworks to manage climate and disaster risk				
IN00961758				
► Disaster risk profiles produced to inform implementation of County Integrated Development Plans (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	4.00	5.00
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021
Comments:	NDMA reported that 10 county hazard atlases had been completed for Baringo, Garissa, Kilifi, Kwale, Tana River, Turkana, Laikipia, Samburu, Isiolo and Marsabit Counties; of which four were prepared after the approval of the Cat DDO. In addition, two more are in draft form for Elgeyo Marakwet and West Pokot Counties which are both awaiting validation (expected to be completed by July/August 2021). This RI is nearly achieved.			
IN00961761				
► County level emergency and/or contingency plans adopted that strengthens response capacity (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021
Comments:	A Guidance Note for the formulation of County Level Emergency Operations Plans was developed in July 2020 through a BETF. It was tested in a workshop held in Mombasa (January 25-29, 2021) by GoK and County level stakeholders representing eight pilot Counties. Following this workshop, the Council of Governors (CoG) submitted to the task team all the eight draft plans and estimated timelines. As part of its ongoing technical support, the Bank reviewed and consolidated its feedback for each respective county. Subsequently Kakamega County submitted its 2nd draft Plan and the other seven pilot counties are pending to submit theirs. The WB team initiated direct contact with all the eight Counties to support the speedy completion of the 2nd draft plans to advance to the next two critical stages: (i) public participation and (ii) county assembly approval. CoG committed to work closely with the Counties, NDOC and National Treasury to ensure that the delays that may be occasioned by the two pending activities are mitigated beforehand.			



This RI2 continues progressing; nonetheless sustained oversight and management in collaboration with the CoG is still required for the RI to be attained.

IN00961763

► National Disaster Risk Management Strategy that strengthens government coordination for climate resilience and DRM adopted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021

Comments:

The current draft 2021 GoK DRM Policy and Bill have been approved by Cabinet and submitted to the Attorney General and the National Assembly. However, it was a private members' Bill was tabled in the Senate for first reading. The Senate subsequently put out a public notice for public participation that concluded on May 28, 2021. The status of the 2021 GoK's DRM Bill that had merged all the existing DRM Bills that were reported to have been withdrawn from the National Assembly and the Senate in 2020, remains unclear. Due to these advances occurring in parallel, the Senate needs to align its Bill with the GoK DRM Policy and the Disaster Management Fund regulations. If the Senate Bill and the DM Fund Regulations are approved by the National Assembly as they are, the Fund will not be operationalized due to the different and conflicting administrative and management proposals contained in the two legislative drafts.

National DRM Strategy: according to NDOC, the GoK was working on updating the National Disaster Risk Reduction (DRR) Strategy 2006-2016 and developing the National DRM Strategy in parallel. The Bank advised NDOC to focus its resources on updating the National DRR Strategy only, as opposed to pursuing the development of two similar (if not same) strategies. In support of the DRR updating process, NT reached out to United Nations Office for Disaster Risk Reduction (UNDRR) at the end of 2020 seeking support for the Strategy's development, however no response has been received. By end of the May implementation support mission, NDOC had populated the DRM Strategy outline they had shared in February 2021. This first draft will be shared with the members of the National Platform for Disaster Risk Reduction for comment and validation by June 2021 after which NDOC would compile and review all the comments received to incorporate those deemed necessary. However, the Bank tasked NDOC to first develop and strengthen the draft strategy further as it is in a very first stage of preparation.

There is need to ensure the cascading content of the legislative instruments from the National DRM Legal framework, the DM Fund regulations, the National DRM Strategy and DRM Plan which would lead to effective implementation of DRM in Kenya.

Strengthening resilience to climate and disaster risk in the urban and water sectors

IN00961759

► Urban resilience strategies prepared to enhance city management (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021

Comments:

Terms of Reference for the preparation of urban resilience strategies in five cities (Nairobi, Mombasa, Kisumu, Eldoret and Nakuru), were prepared and finalized as of December 2018, under the WB Kenya Urban Support Programme. A Request for Expression of Interest was advertised but due to procurement issues in the shortlisting the WB advised that the process be reinitiated. Following a series of delays, a No Objection was issued by the Bank on February 1, 2021 and the State Department of Housing and Urban Development (SDHUD) issued the Request for Proposals on February 2, 2021.

The government undertook an evaluation of the technical and financial proposals; however, the Bank sent on May 13, 2021 a set of comments on the Technical Evaluation Report (TER) which had not been addressed by the commencement of the mission. These comments were mainly related to the lack of clarity in the application of each evaluation criteria by the various evaluators.



RI4 remains critically delayed and while administrative procurement processes are underway, the SDHUD will have to provide strong contract management in order to advance the work simultaneously across five cities. The consultancy is expected to last for 18 months, although the SDHUD would like to reduce this period to 12 months as part of the contract negotiations with the appointed firm. In any case, this will overshoot the deadline of September 2021.

IN00961762

► New Building Code approved that incorporates multi-hazard resilient design standards (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021

Comments:

The draft National Building Code (NBC) was updated by the Attorney General's Office, in collaboration with the National Construction Authority's (NCA) Technical Working Group. The NCA shared the updated draft NBC with the WB and requested technical assistance to conduct a peer review to: (i) benchmark the document against international best practice, and (ii) determine progress toward the RI, that is, incorporating multi-hazard resilient design standards. After the review was completed in February 2021, a virtual technical support mission was held in March 23-30, 2021 between the NCA's technical team and the peer reviewers to discuss the findings. During this dedicated technical mission, a number of comments were adopted, and others were taken up for further discussion and consideration by the NBC Technical team. Comments received from the public and WB subject experts were submitted by NCA to the AG's Office. Once the AG's Office has updated the NBC with the comments received, the Code will be submitted back to the NCA Building Code Technical Committee which will then issue a 14-day notice to the public for validation of the Code in line with the Regulatory Impact Assessment Guidelines. Once this has been done it will be sent to the Cabinet Secretary who will then submit the updated National Building Code to the National Assembly for approval.

Furthermore, the Principal Secretary for the State Department of Public Works established on 15th April 2021 a Multi Sectoral Committee to develop and integrate the Hazard Maps (Seismic, wind speed, flood loads, landslides, fault lines and sink holes) into the Building Code. This will be done by ensuring that the National Annexes of the Euro Codes are updated accordingly. The committee is comprised of representatives from the State Department of Petroleum and Mining, State Department of Environment and Natural Resources, Kenya Bureau of Standards, University of Nairobi, Dedan Kimathi University, Rongo University and the National Construction Authority.

Likewise, scoping of potential technical assistance activities to move this RI forward was done. The task team has been in discussion with government counterparts and donor for leveraging additional resources to support this.

Furthermore, the Bank team is of the opinion that a technically strengthened document with Cabinet Secretary approval would be a more successful result than submission to Parliament without substantive technical improvements.

The inclusion of multi-hazard resilient design standards, through the incorporation of hazard maps, is a critical next step for RI5 to advance towards completion.

IN00961764

► Physical Planning Handbook is revised to incorporate DRM and climate change adaptation considerations (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021

Comments:

Although the State Department of Physical planning had commenced the procurement of a consulting firm to conduct various activities related with updating the Physical Planning Handbook (18 months timeline per ToR); as well as managed to reduce from Kshs. 190 million to Kshs. 128 million from budget allocation to work by June 30, 2021, during the last implementation support mission, the Bank was informed the consultant could not commence work as the State Department did not have a budget for it. The State Department also indicated that a budget had not been allocated to this activity for the new budget cycle,



despite the budget factor having been brought up in all previous missions and documented accordingly. As a result of the budgetary constraints, the State Department expressed that it would like to withdraw from the Cat DDO program. Both the WB and NT clarified that this is not an option for any of the implementing agencies.

The Bank urged the GoK to strongly consider a phased approach to update the physical planning handbook which the Bank team proposed in November 2020. Considering this approach would support advancing technical work that could eventually lead to the result indicator being partially achieved by September 2021.

This RI is severely delayed.

IN00961766

► National Water Harvesting and Storage Authority established for improved water resource and drought management (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021
Comments:	Progress made following the establishment of the National Water Harvesting and Storage Authority (NWHSA) includes: (i) Board of Directors for NWHSA has been appointed and inducted; (ii) the Authority has developed a 5-year strategic plan that covers the period 2018-2022; (iii) the management structure is being finalized with staff operating in acting capacity, and (iv) NWHSA is working towards establishing five regional offices across the Country. Achieved.			

Building national financial capacity to advance CAM and respond to the impacts of natural hazards

IN00961760

► Establishment of a national climate finance mechanism to support mobilization, coordination and tracking of climate finance from both internal and external sources (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021
Comments:	The Act that will lead to the creation of the National Climate Finance Fund (Fund) remains with NT and the Ministry of Environment and has not yet been sent to the Cabinet for approval. The joint taskforce of the National Treasury and Ministry of Environment exhausted all outstanding technical issues which were flagged during the February 2021 mission and updated the draft regulations of the Fund with a Cabinet memorandum to support. It is the mission's understanding that the PS NT has met with the PS Environment to discuss the Cabinet memorandum and conclude outstanding issues, after which the Fund Regulations and Cabinet memorandum will be sent to Cabinet for approval. Further, the report on climate finance tracking was finalized at the end of January 2021. The current report focuses on expenditures from the FY 2017/2018, and the dataset and mechanism that was created during the process will facilitate analysis for the following years. This important milestone demonstrates the achievement of the GoK of one of the two conditions needed to attain RI 8. In progress.			

IN00961765

► Number of households eligible for disaster relief through financial protection instruments (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	407,877.00	636,000.00	380,000.00	510,241.00



Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021
Comments:	<p>Three GoK programs have supported NT deliver on this RI: (i) the Hunger Safety Net Program (HSNP), (ii) the Kenya Agriculture Insurance Program (KAIP); and (iii) the Kenya Livestock Insurance Program (KLIP).</p> <p>It is the Bank's understanding that HSNP still does not have financing in place to fund drought response and so this cost would fall on the budget. As the NT could not finance the premiums for KLIP nor KAIP, it becomes plausible that in the event of a drought NT would not be able to mobilize the funding to finance a scale up under the HSNP. This brings into question whether the 270,000 households eligible for drought assistance under the HSNP would receive their assistance in a timely manner.</p> <p>Regarding Kenya Agriculture Insurance Program (KAIP), one of the two GoK's flagships, the mission received an update that c. 380,000 households have purchased crop insurance for the current season and the program continues to perform well. However, the KAIP was subject to budget cuts due to the COVID-19 response. The total budget for the KAIP reduced from Ksh 378 million to Ksh 92 million in the current financial year. Whilst c. 380,000 households purchased insurance, the budget cuts to the State Department of Agriculture (SDA) rendered them unable to fully pay the premium subsidies (SDA made a partial payment of Ksh 47m of a total of Ksh 115m), and collect the yield data upon which the KAIP relies to calculate claim payments.</p> <p>As for Kenya Livestock Insurance Program (KLIP), this program is currently in a state of crisis. The State Department of Livestock signed an insurance contract with APA Insurance Limited to underwrite the KLIP for this financial year, however the funding to pay the premiums was cut by the budget department of NT due to COVID-19 response and so the premiums remain unpaid.</p> <p>The non-payment of premiums to the private sector under the KAIP and KLIP threatens the sustainability of the programs, both which are flagship in the Africa region.</p> <p>Although RI9 had been reported as achieved during the February 2021 Implementation Support Mission, it has slipped back to not achieved.</p>			
IN00961767				
► Reports on consolidated post-disaster expenditure produced annually and submitted to the Budget Department within National Treasury (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	3.00
Date	27-Nov-2018	18-Nov-2020	31-May-2021	30-Sep-2021
Comments:	<p>NT has finalized one disaster expenditure report and submitted two more (one on drought and one on other disasters) to the Bank. The Bank returned comments on the reports to NT during the mission. In addition, NT is currently working on two more reports that will cover locust infestation and floods.</p> <p>As agreed with the WB during previous mission (February 2021), reports for the FY 2019/2020 were split by disaster type consisting of COVID-19 pandemic, droughts and "other smaller disasters". If completed they would constitute a complete and in-depth coverage of all major shocks that affected Kenya during FY 2019/2020.</p> <p>This RI is on track.</p>			

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161562	IDA-62600	Effective	USD	200.00	200.00	0.00	182.14	0.00	100%

Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P161562	IDA-62600	Effective	21-Jun-2018	26-Jul-2018	27-Nov-2018	30-Sep-2021	30-Sep-2021

Tranches**Restructuring History**

There has been no restructuring to date.

Related Project(s)

There are no related projects.
