Report Number: ICRR0024345

1. Project Data

Project ID P161067	**Project Name** HOA: Support to FD Impacts	
Country Eastern and Southern Africa	**Practice Area(Lead)** Social Sustainability and Inclusion	
L/C/TF Number(s) IDA-60210,IDA-D1840,TF-A7762	**Closing Date (Original)** 29-Apr-2022	**Total Project Cost (USD)** 116,583,644.36
Bank Approval Date 26-Apr-2017	**Closing Date (Actual)** 28-Apr-2024	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	103,000,000.00	11,580,000.00
Revised Commitment	114,580,000.00	11,580,000.00
Actual	116,623,455.26	11,330,793.17

Prepared by	Reviewed by	ICR Review Coordinator	Group
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Project ID P166266	**Project Name** Kenya DRDIP AF (P166266)	
Country Kenya	**Practice Area(Lead)** Social Sustainability and Inclusion	
L/C/TF Number(s)	**Closing Date (Original)**	**Total Project Cost (USD)** 0

Bank Approval Date	Closing Date (Actual)	
06-Nov-2018		

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	0.00	0.00
Revised Commitment	0.00	0.00
Actual	0.00	0.00

Project ID	Project Name
P179954	KDRDIP AF2 (P179954)

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
		0
Bank Approval Date	**Closing Date (Actual)**	
22-Feb-2023		

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	0.00	0.00
Revised Commitment	0.00	0.00
Actual	0.00	0.00

2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) was “to improve access to basic social services, expand economic opportunities, and enhance environmental management for communities hosting refugees in the target areas in the Recipient's territory”. (Financing Agreement, page 5). The PDO was stated identically in the Project Appraisal Document (PAD, page 1).

The PDO was not revised.

For the purposes of this ICR review, the objective will be assessed as follows:

PDO 1: To improve access to basic social services for communities hosting refugees in the target areas in the Recipient's territory.

PDO 2: To expand economic opportunities for communities hosting refugees in the target areas in the Recipient's territory.

PDO 3: To enhance environmental management for communities hosting refugees in the target areas in the Recipient's territory.

Note: The term “Recipient territory” in the PDO refers to Kenya.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
22-Feb-2023

c. Will a split evaluation be undertaken?
Yes

d. Components
Context: The Project was implemented in Kenya and constituted Phase 2 of a regional operation in the Horn of Africa (HOA), following the Phase 1 operation in Djibouti, Ethiopia, and Uganda. The Project used a community driven development (CDD) approach, which involved supporting grassroots institutions, promoting inclusive decision-making process, fostering social cohesion, and strengthening decentralized government functions and public service delivery.

Component 1: *Social and Economic Infrastructure and Services* (cost at appraisal: US$45.0 million; actual cost: US$58.94 million) would support improvements in access to basic services for the host communities. It would consist of the following sub-components:

Sub-component 1.a *Community Investment Fund* would finance investment funds, which, combined with community contributions, would support sub-projects aimed at improving community access to basic social services and building economic infrastructure. Using the CDD approach, beneficiary communities would identify, prioritize, implement, and monitor these sub-projects.

Sub-component 1.b *Capacity Support for Local Planning and Decentralized Service Delivery* would aim to build the capacity of local and national governments in community-driven planning, local development, service delivery, and the integration of Project interventions into development planning and budgeting. It would also focus on coordinating stakeholders at the local level and promoting community learning. Additionally, the component would support capacity building for the Executive Office of the President, line ministries, and specialized agencies.

Component 2 Environmental and Natural Resource Management (cost at appraisal: US$20.0 million; actual cost: US$17.45 million) would aim to address environmental impacts of protracted refugee presence. It would consist of the following sub-components:

Sub-component 2.a *Integrated Natural Resources Management* would finance community-based environmental measures, including natural regeneration, grass and tree reseeding, reforestation/afforestation, rainwater harvesting, and solid waste and pollution control, with a particular focus on plastics. Activity selection would follow the CDD approach. The component would use labor-intensive public work (LIPW), with efforts to integrate women, both in the work and as beneficiaries.

Sub-component 2.b *Access to Energy* would finance the provision of improved cooking devices, solar lanterns and lamps, and other interventions to address energy needs. These inputs would complement the World Bank's proposed off-grid solar operation in Kenya.

Component 3 *Livelihoods Program* (cost at appraisal: US$27.5 million; actual cost: US$28.21 million) would aim to improve the productivity of traditional (mainly agricultural) and non-traditional (mainly small businesses and services) livelihoods and strengthen community resilience.

Subcomponent 3.a *Support to Traditional and Non-Traditional Livelihoods* would enhance on-farm productivity, strengthen value chains, improve access to input and output markets, and build skills. It would also promote access to financial services through grassroots financial institutions) and strengthen advisory services to help host communities identify income-generating activities.

Subcomponent 3.b *Capacity Building of Community-Based Organizations for Livelihoods* would support the establishment of community institutions, including community groups (CGs), village level livelihoods sub-committees, ward/cluster level committees, and producer organizations. Members would be trained in management, conflict resolution, savings, financial management, and procurement. These subcomponent would be implemented by a field-based facilitation team or NGO.

Component 4: *Project Management, Monitoring and Evaluation (M&E), and Knowledge Sharing* (cost at appraisal: US$7.5 million; actual cost: US$8.63 million) would support Project management.

Component 5: Support to the Intergovernmental Authority on Development (IGAD) for Expansion of the Regional Secretariat on Forced Displacement and Mixed Migration (FDMM) (cost at appraisal: US$3 million; actual cost: US$3.15 million) would facilitate Kenya's inclusion in IGAD's Regional Secretariat on FDMM, alongside other DRIP countries. IGAD, a regional economic community, and its FDMM Regional Secretariat have the mandate to support capacity and systems development in member countries to address forced displacement. The Project Regional Steering Committee (PRSC), hosted by the IGAD's FDMM Regional Secretariat, would oversee the implementation of the regional program. Kenya would benefit from Secretariat-led activities including research, knowledge generation, and activity coordination. Additionally, IGAD Member States would discuss their potential support to Somalia in addressing refugee return and forced displacement. Somalia's arrears status has resulted in its non-eligibility for IDA funding, preventing direct World Bank involvement in such support. Support to Somalia would follow two steps: (i) conducting a needs assessment, and (ii) providing technical assistance for policy development and capacity building to enable sustainable refugee return and reintegration. The component would also enhance the staffing and operational resources of the IGAD's Regional Secretariat on FDMM.

Revised Components:

The components were not revised, but indicator targets were decreased during one of the project’s 11 restructuring events.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The appraisal estimate was US$103.0 million, while the actual disbursement amounted to US$116.58 million. The discrepancy of US$13.38 million is due to two additional financing (AF) contributions totaling US$11.58 million, which increased the total financing to US$114.58 million, and exchange rate fluctuations between the Special Drawing Rights (SDR), the currency in which the Project was denominated, and the US dollar.

Project Financing: At appraisal, the Project was financed by a US$100 million IDA credit (IDA-60210) and a US$3.0 million IDA grant (IDA-D1840); the actual disbursement at closure was US$102.11 million and US$3.15 million, correspondingly. Two AFs totaling US$11.58 million were provided by the Danish International Development Agency (DANIDA) through the Kenya DRDIP Multi-Donor Trust Fund (MDTF, TF-0A7762); the actual disbursement was US$11.33 million. Taken together, the IDA credit the grant, and the DANIDA funding, amounted to a total actual disbursement of US$116.58 million.

Borrower/Recipient contribution: There was no Borrower’s contribution.

Project Dates: The Project was approved on April 26, 2017, and became effective two months later, on June 20, 2017. The mid-term review (MTR) was planned for November 30, 2021, and was concluded in February 2022 (Restructuring Paper of June 1, 2022, page 3). The Project was restructured 11 times, and two of the restructurings involved additional financing (AF). The original closing date was April 29, 2022 (Restructuring paper of May 27, 2020). The Project was extended by a total of two years (24 months), to April 28, 2024 (the actual closing date), to accommodate delays caused primarily by inefficiencies resulting from changes in implementing agencies; the COVID-19 impact on the CDD activities; and challenges with the DANIDA grant, including its delayed effectiveness.

Restructurings involved two AFs, a change in the implementing agency (IA), a change in the community level implementation modality, and several closing extensions, as follows. There was a decrease in the Project scope at Restructuring 8 (AF2).

Restructuring 1 (AF1; January 30, 2019) was due to the US$11.58 million AF1 from DANIDA. One PDO indicator target and seven intermediate result indicator (IRI) targets were increased accordingly.

Restructuring 2 (May 27, 2020) was only to extend the closing date of the DANIDA grant from June 30, 2020, to June 30, 2021 (Restructuring Paper of May 2020, page 3) because the funds became available only in January 2020, one year after the grant agreement was signed.

Restructuring 3 (November 12, 2020) was only to change the IA from the Executive Office of the President to the State Department for the Development of Arid and Semi-Arid Lands (ASALs) in the Ministry of Devolution (Restructuring Paper of November 2020, page 4).

Note: In late 2021, there was another change in IA, to the Ministry of Public Service, Gender, Senior Citizens Affairs and Special Programmes (Restructuring Paper of February 2022, page 4).

Restructuring 4 (July 12, 2021) was only to extend the closing date of the DANIDA grant from June 30, 2021, to April 30, 2022, due to delays caused by COVID-19.

Restructuring 5 (February 21, 2022) was only to extend the closing dates of all three funding sources as follows: the IDA Credit was extended from April 30, 2022, to April 28, 2023; the IDA grant from April 30, 2022, to December 31, 2022; and the DANIDA grant from April 29, 2022, to May 31, 2022. The extensions were needed to allow time to complete the activities, which had been delayed due to changes in implementing agencies and the COVID-19 impact.

Restructuring 6 (June 1, 2022) was to: (i) extend the closing date of the DANIDA grant from May 31, 2022, to April 30, 2023 (due to challenges of including it into the government budget); and (ii) shift to a different community implementation model, working with locally sourced Social Mobilisers (SMs) and Community Facilitators (CFs) instead of the centrally sourced Facilitating Partners (FPs).

Restructuring 7 (December 16, 2022) was only to extend the closing date of the IDA grant from December 31, 2022 to April 30, 2023, to allow time to complete the work (Restructuring paper, page 4).

Restructuring 8 (AF2; February 22, 2023) was undertaken for the following reasons:

- Provision of US$3.4 million AF2 from DANIDA: To address a significant increase in the cost of imported construction materials caused by COVID-19-related supply chains disruption. Between 2019 and February 2022, the cost of 150 construction materials increased by 40-75 percent, depending on location within the country. (Restructuring Paper of June 2022, page 4)
- Reduction in the Project scope: As recommended at the MTR, some indicator targets were reduced.
- Extension of the closing dates of two funding sources: the DANIDA grant from April 30, 2023, to June 30, 2023; and of the IDA credit from April 30, 2023, to December 31, 2023.

Restructuring 9 (April 18, 2023) was only to extend the closing date for the IDA grant from April 30, 2023, to December 31, 2023, to align with the closing date of the IDA credit and to allow time to complete the work (Restructuring paper of April 2023, page 4).

Restructuring 10 (June 30, 2023) was only to extend the closing date for the DANIDA grant from June 30, 2023, to December 31, 2023, to allow time to complete the work (Restructuring Paper of June 2023, page 4).

Restructuring 11 (December 8, 2023) was only to extend the Project closing date from December 31, 2023, to April 28, 2024, which was the final closing date, to allow time for the completion of the ongoing subprojects.

Split evaluation. The Project was restructured eleven times. A split evaluation is required because Restructuring 8 of February 2023 scaled down several activities under Components 2 and 3 and reduced the related PDO indicator and IRI targets.

3. Relevance of Objectives

Rationale

Country and Sector Context. The Horn of Africa (HoA) region, with a population of 242 million people, includes eight countries: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda. HOA faces persistent development challenges, including endemic conflict, marginalization, poverty, insecurity, environmental degradation, imbalanced service provision, increasing competition for scarce natural resources, and frequent droughts and floods. Displacement has been a long-standing issue, starting in Uganda in1959 and in Kenya in 1991. At the time of the Project appraisal, HOA countries were hosting 6.5 million internally displaced persons (IDPs) and 3.5 million refugees. In Kenya alone, there were 500,000 refugees and asylum seekers - the third largest number of refugees in Africa, after Ethiopia and Uganda - mainly located in two rural camps of Kakuma and Dadaab. Local communities surrounding the camps lived in poverty, suffering from insecurity and inadequate government services. Many believed that life in the camps was better due to the aid from humanitarian agencies, which led to social tensions. The Project was designed to support the resilience and coping capacity of host communities affected by the prolonged presence of refugees around the Kakuma and Dadaab camps. It was an integral part of the broader “North and Northeastern Development Initiative” (NEDI) for Kenya. (PAD, pages 10-14)

Relevance to Government Strategies at closure. At closing, the Project was aligned with Kenya's "Vision 2030" goal for refugees, which was to promote their greater inclusion and integration. This objective was primarily advanced through the 2023 Shirika Plan, which aimed at transitioning camps like Dadaab and Kakuma into integrated settlements. The plan focused on enhancing access to services and livelihoods for refugees through skills development, improved access to work permits and business opportunities, and fostering social cohesion with host communities. The Project contributed to the development of progressive policies on forced displacement in the HoA through the Intergovernmental Authority on Development (IGAD)-led Nairobi Process. This initiative resulted in the Nairobi Action Plan and regional policies addressing refugee livelihoods, jobs, education, and health. It also informed a new, progressive approach to refugee management, culminating in the Refugees Act of 2021, which aimed to transform refugee camps into formal local settlements. (ICR, page 6) Building on the 2021 Refugee Act and the 2020-2024 strategy to further implement the global Comprehensive Refugee Response Framework, the country was working with partners to address the protracted refugee situation. (Country Partnership Framework (CPF) FY2023-28, page 11)

Relevance to the WBG’s Assistance Strategies at closure. At closing, the Project was aligned with the CPF FY2023-28. The CPF highlighted that addressing the historic marginalization of Kenya's north and north-east regions was a priority; it emphasized supporting Kenya’s shift toward building self-reliance and delivering integrated services in the country’s longstanding refugee camps and their host communities (CPF, page 18). Supporting refugee communities in job creation was included under Objective 3 "Foster MSME and Small Producer Success for Faster Job Creation". Measures to reduce disparities in education in refugee communities was included under Objective 4 "Shrink Disparities in Learning and Health Outcomes". Additionally, support for implementation of Kenya’s 2021 Refugee Act, which aimed to transition camps into formal settlements was highlighted under Objective 5 "Extend Sustainable Infrastructure Services to the Last Mile". (CPF FY 2023-28, pages 18-23)

Previous sector experience. The World Bank launched the Regional Initiative in Support of the HoA on October 23, 2014, to address vulnerability, increase resilience and economic opportunities, and promote development. Complementary to the HoA Initiative, a regional study “Forced Displacement and Mixed Migration in the Horn of Africa” was completed in June 2015. A regional investment operation “Development Response to Displacement Impacts Project (DRDIP) in the Horn of Africa” (P152822), supporting three refugee-hosting countries - Djibouti, Ethiopia, and Uganda - was approved in FY2016, alongside a regional grant to the IGAD. The reviewed Project for Kenya was prepared as part of the second phase of DRDIP, which was designed as a series of projects. Other potential countries include South Sudan, Somalia, Sudan, and Eritrea, with additional Financing possibly available for Djibouti, Uganda, Ethiopia and Kenya. (PAD, pages 10-11)

The objectives were pitched at the correct level considering that the Project was part of a wider Bank program, constituting its second stage. The Project was responding to a priority need and aligned with the strategic objectives of Kenya and the World Bank. Therefore, the Relevance of Objectives is rated as High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve access to basic social services for communities hosting refugees in the target areas in the Recipient's territory.

Rationale

The theory of change (ToC) for the Project was not included in the PAD but was created for the ICR. It listed the Project components, activities, outputs, and outcomes for the three investment Objectives, as well as for the institutional development objective of supporting IGAD. Under Objective 1, the Project supported the following activities: (i) construction/rehabilitation of infrastructure for basic services; and (ii) capacity building for local service delivery. The expected outputs of these activities were: (i) social and economic infrastructure constructed; and (ii) communities and local governments mobilized to assess problems and prepare development plans. The achievement of the outputs was expected to lead to the following outcomes: (i) improved access to quality infrastructure and services; and (ii) improved community and government capacity to plan and implement development activities.

The ToC listed main inputs (activities), outputs, and outcomes but had some shortcomings. Instead of illustrating the Project’s implementation logic (result chains) by linking activities to outputs and then to outcomes, and by showing interconnections across results chains, it simply provided lists of Project components (column “Activities), aggregated outputs (column “Outputs”), and aggregated outcomes (column “Outcomes”). The absence of details and the lack of connections between the elements of the chart made the causality of the result chain vague. For example, it was unclear what constituted capacity building for local planning and service delivery and how it would result in enhanced capacity to implement development interventions and in better access to services. Similarly, the link between the infrastructure built and the outcome of improved access to quality services was not clarified. In addition, under the heading “Assumption”, the ToC presents the Project’s rationale (stating that targeting host communities would optimize benefits by addressing service delivery, livelihood deficits, and environmental degradation), but does not outline the critical conditions necessary for the result chains to function as expected during implementation. These critical assumptions were missing from the ToC chart.

IRI results:

1. “Beneficiaries that feel Project investments reflected their needs, %”. The achievement at closure was 80 percent, against the original target of 70 percent. The target was exceeded.

2. “Beneficiaries that feel project investments reflected their needs - female, number”. The achievement at closure was 314,989 people, against the original target of 364,000 people. The target was 86.5 percent achieved (substantially achieved).

3. “Infrastructure investments for which local governments adopt recurrent budget allocations and/or operation and maintenance plans, %”. The achievement at closure was 100 percent, against the original target of 70 percent. The target was exceeded.

4. “Project Financed subprojects that are functioning or delivering services to communities six months after completion, %”. The achievement at closure was 99 percent, against the original target of 80 percent. The target was exceeded.

PDO outcomes:

1. “Beneficiaries with access to social and economic services and infrastructure, number”. Monitored through beneficiary assessments and progress reports, the indicator tracked the number of people benefiting from the new infrastructure and services supported by the Project. The achievement at closure was 1,320,329 people, against the original target of 1,500,000 people. The target was 88.0 percent achieved (substantially achieved).

The ICR noted that the impact evaluation demonstrated improved access to services in Project areas compared to control areas. Key findings included: 30 minutes less time to access water; a 16-minute reduction in travel time to all-season roads; and closer proximity to market facilities for crops and livestock (9 km and 15 km closer, respectively), as well as to schools (2.5 km closer on average) and maternity services. (ICR, page 7)

2. “Direct project beneficiaries, number”. Monitored through beneficiary assessments and progress reports, the indicator tracked the number of people who were directly provided with new infrastructure or services, such as new water connections or immunizations. The achievement at closure was 837,739 people, against the original target of 1,041,436 people. The target was 80.4 percent achieved (substantially achieved). The

gender specific sub-target for "Female beneficiaries, %" was also substantially reached at 94.0 percent, with 47 percent achieved compared to the original target of 50 percent.

Rating. The Original Project under Objective 1 substantially achieved its two PDO indicator targets for the number of beneficiaries receiving improved services, both for all beneficiaries and for those directly affected. It also exceeded its three IRIs on (i) the functionality of Project-supported infrastructure six month post-construction, (ii) local government budgeting for infrastructure investment and O&M, and (iii) beneficiaries' perception that Project investments reflected their needs. The fourth IRI on female beneficiaries' perception that Project investments reflected their needs, was substantially achieved. Impact surveys further demonstrated improved access to services, including water, roads, markets, schools, and maternity services. Accordingly, the rating is Substantial.

Rating
Substantial

OBJECTIVE 1 REVISION 1

Revised Objective
The Objective was not revised.

Revised Rationale
Please see the discussion of the TOC under the previous section - Objective 1, Original Project.

None of the Objective 1 results were modified during Restructuring 8 of February 2023. Therefore, the Substantial rating remains unchanged for the Revised Project under Objective 1.

Revised Rating
Substantial

OBJECTIVE 2

Objective
To expand economic opportunities for communities hosting refugees in the target areas in the Recipient's territory.

Rationale
The theory of change (ToC) for the Project was not included in the PAD but was created for the ICR. It listed Project components, activities, outputs, and outcomes for the three investment Objectives, as well as for the institutional development objective of supporting IGAD. Under Objective 2, the Project supported one activity: soil and water conservation, irrigation, afforestation, and alternative energy sources. The expected outputs of this activity were: (i) soil and water protection measures applied, irrigation systems built, trees planted; and (ii) energy efficient lights and stoves provided. The achievement of the outputs was expected to lead to the

following outcomes: (i) soil and watershed degradation and deforestation slowed or reversed; and (ii) communities consume less firewood and have electricity access.

The shortcomings of the ToC are listed under Original Project, Objective 1.

IRI results:

1. “Community-based organizations formed or reinforced and still operational one year after receiving funding, number”. The achievement at closure was 3,538 organizations, against the original target of 2,700 organizations. The target was exceeded.

2. “Beneficiaries of livelihood-support activities, number”. The achievement at closure was 64,701 activities, against the original target of 80,000 activities. The target was 80.9 percent achieved (substantially achieved).

PDO outcome:

1. “Beneficiaries of economic development activities that report an increase in income, number”. The achievement at closure was 52,407 beneficiaries, against the original target of 48,000 beneficiaries. The target was exceeded.

The ICR noted that the Project contributed significantly to increased economic well-being. The impact evaluation showed that, due to the combined effects of infrastructure provision (e.g., reduced travel time and improved access to services), livelihood investments, LIPW, and natural resource management activities, beneficiary households had a 32-percent increase in both total and food expenditure (used as a proxy for income) compared to control groups. (ICR, page 8)

Rating. The Original Project under Objective 2 exceeded its PDO indicator target for increased beneficiary income resulting from Project-supported economic activities. It also exceeded one of its two IRIs, which measured the functionality of Project-supported community organizations one year after they received funding; and substantially achieved the other IRI on the number of beneficiaries of the livelihood-support activities. Impact surveys further demonstrated improved economic well-being, specifically, a 32-percent in expenditures (used as a proxy for income). Accordingly, the rating is Substantial.

Rating
Substantial

OBJECTIVE 2 REVISION 1

Revised Objective
The Objective was not revised.

Revised Rationale
Please see the discussion of the TOC under the previous section - Objective 2, Original Project.

All indicator targets under Objective 2 were revised at the Restructuring 8 of February 2023 as follows:

IRI results:

1. “Community-based organizations formed or reinforced and still operational one year after receiving funding, number”. The achievement at closure was 3,538 organizations, against the revised target of 2,890 organizations. The target was exceeded.

2. “Beneficiaries of livelihood-support activities, number”. The achievement at closure was 64,701 activities, against the revised target of 56,225 activities. The target was exceeded.

PDO outcome:

1. “Beneficiaries of economic development activities that report an increase in income, number”. The achievement at closure was 52,407 beneficiaries, against the revised target of 42,168 beneficiaries. The target was exceeded.

Rating. The Revised Project under Objective 2 exceeded all its indicator targets, and the rating is High.

Revised Rating

High

OBJECTIVE 3

Objective

To enhance environmental management for communities hosting refugees in the target areas in the Recipient's territory.

Rationale

The theory of change (ToC) for the Project was not included in the PAD but was created for the ICR. It listed Project components, activities, outputs, and outcomes for the three investment Objectives, as well as for the institutional development objective of supporting IGAD. Under Objective 3, the Project supported the following activities: (i) support to livelihoods and skills development; and (ii) formation of community groups and strengthened cooperatives. The expected outputs of these activities were: (i) provision of training and cash grants to businesses; and (ii) provision of financial and accounting training to communities. The achievement of the outputs was expected to lead to the following outcome: increased productivity of farming and non-farming economic activities.

The shortcomings of the ToC are listed under Original Project, Objective 1.

IRI results:

1. “Beneficiaries with access to improved energy sources, number”. The achievement at closure was 299,433 people, against the original target of 300,000 people. The target was 99.8 percent achieved (almost fully achieved).

The ICR stated that the Project substantially benefited targeted communities by providing energy-saving stoves, streetlights, solar pumps for boreholes, and solar panels for public facilities and homes. These interventions reduced dependence on wood for cooking, which had escalated tensions between host communities and refugees; improved the safety of women, who previously had to harvest firewood; enhanced health due to reduced pollution; and saved time that was previously spent collecting firewood. (ICR, pages 8-9)

2. “Area provided with irrigation and drainage services, hectares”. The achievement at closure was 1,034 hectares, against the original target of 1,000 hectares. The target was exceeded.

3. “Area provided with irrigation and drainage services - New, hectares”. The achievement at closure was 488 hectares, against the original target of 700 hectares. The target was 69.7 percent achieved (partially achieved).

4. “Area provided with irrigation and drainage services - Improved, hectares”. The achievement at closure was 546 hectares, against the original target of 300 hectares. The target was exceeded.

5. “Workdays created for short-term employment in the subprojects, number. The achievement at closure was 3,369,325 workdays, against the original target of 3,600,000 workdays. The target was exceeded.

PDO outcomes:

1. “Land area where sustainable land management practices have been adopted as a result of the project, hectares”. The achievement at closure was 4,674 hectares, against the original target of 11,190 hectares. The target was 41.8 percent achieved (partially achieved).

The ICR highlighted that the MTR attributed the slow implementation of these activities primarily to the impacts of COVID-19 and water scarcity caused by drought. These challenges led communities to prioritize food security and survival over land restoration efforts. (ICR, page 8)

Rating. The Original Project under Objective 3 partially achieved two important objectives: the PDO outcome on land area under sustainable management and an IRI on new area provided with irrigation and drainage services. Other IRIs were either almost achieved or exceeded. On balance, the rating is Modest, mainly due to the low achievement of the PDO target.

Rating
Modest

OBJECTIVE 3 REVISION 1

Revised Objective
The Objective was not revised.

Revised Rationale
Please see the discussion of TOC under the previous section - Objective 3, Original Project.

All indicator targets under Objective 3 were revised at the Restructuring 8 of February 2023 as follows:

IRI results:

1. “Beneficiaries with access to improved energy sources, number”. The achievement at closure was 299,433 people, against the revised target of 321,000 people. The target was 93.3 percent achieved (substantially achieved).

2. “Area provided with irrigation and drainage services, hectares”. The achievement at closure was 1,034 hectares, against the revised target of 1,070 hectares. The target was 96.6 percent achieved (almost fully achieved).

3. “Area provided with irrigation and drainage services - New, hectares”. The achievement at closure was 488 hectares, against the revised target of 500 hectares. The target was 97.6 percent achieved (almost fully achieved).

4. “Area provided with irrigation and drainage serv. - Improved, hectares”. The achievement at closure was 546 hectares, against the revised target of 570 hectares. The target was 95.8 percent achieved (almost fully achieved).

5. “Workdays created for short-term employment in the subprojects, number. The achievement at closure was 3,369,325 workdays, against the revised target of 3,000,000 workdays. The target was exceeded.

PDO outcomes:

1. “Land area where sustainable land management practices have been adopted as a result of the project, hectares”. The achievement at closure was 4,674 hectares, against the revised target of 5,000 hectares. The target was 93.5 percent achieved (substantially achieved).

Rating. The Revised Project under Objective 3 substantially or almost fully achieved, or exceeded all its indicator targets, and the rating is Substantial.

Revised Rating

Substantial

OVERALL EFFICACY

Rationale

For the Original Project, the rating for efficacy is Substantial, with moderate shortcomings. In targeted communities, both access to basic social services (Objective 1) and economic opportunities (Objective 2) were substantially expanded. However, under the objective of enhanced environmental management (Objective 3), only the sustainable energy target was substantially achieved, while the targets for sustainable land management and newly built irrigation and drainage were only partially met. This underachievement is attributed to the impacts of COVID-19 and water scarcity caused by drought, which led communities to prioritize food security and survival over land restoration efforts.

Note regarding activities under Component 5 "Support to IGAD for Expansion of the Regional Secretariat on Forced Displacement and Mixed Migration (FDMM)" and the related fourth ToC's outcome of enabling regional level response to forced displacement. The RF included two indicator targets under this expected outcome, and both were exceeded. The IRI aimed to assess whether the regional activities of the Regional Secretariat's expanded mandate were endorsed and validated by IGAD's member states (PAD, page 52). The achievement at closure was seven regional activities, against the original target of five regional activities. The PDO indicator aimed to register the expanded activities of the Regional Secretariat, including research, studies, regional learning and workshops, technical assistance to countries, and monitoring, that were endorsed by participating countries (PAD, page 49). The achievement at closure was seven reports, against the original target of five reports.

Overall Efficacy Rating

Substantial

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale

For the Revised Project, the efficacy rating is Substantial. The objectives of improved access to basic social services and enhanced environmental management (Objective 1 and 3) were substantially achieved, while the objective of expanded economic opportunities (Objective 2) was exceeded.

Note regarding activities under Component 5: neither of the results was modified during Restructuring 8 of February 2023. The targets were exceeded.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Economic analysis

1. At approval, economic analysis was conducted for representative types of potential investments across the three investment components (Components 1,2, and 3), as the specific investments to be implemented were not known in advance. The analysis included the following types of investments: (i) improved access to water points, schools, and primary health care; (ii) reforestation and charcoal production management; and (iii) increased livestock production. Net present value (NPV) was estimated over five years at a social discount rate of three percent for four investment types: water boreholes (NPV of US$75,986), charcoal production (NPV of US$2,267), livestock dairy productivity (NPV of US$2,359), and livestock dairy and meat productivity (NPV of US$1,402). All investments showed positive NPV, which remained robust under a sensitivity analysis of a 10 percent cost increase and a 10 percent benefits decrease. However, the Economic Internal Rate of Return (EIRR) was not presented in the Project's PAD.

2. At closure, the economic analysis was conducted for the implemented Components 1, 2, and 3, using a discount rate of 12 percent. The overall NPV was estimated at US$35.8 million, and the EIRR at 28.0 percent, covering investments in Component 1 (schools, health facilities, markets, roads, and water and sanitation facilities), Component 2 (agricultural inputs, livestock support, sustainable land management, and sustainable energy), and Component 3 (livelihoods program).

Both at appraisal and closure, the NPV was positive. No EIRR was presented in the PAD. At closure, the EIRR of 28 percent significantly exceeded the opportunity cost of capital (12 percent). However, the economic outcomes at appraisal and closure are not directly comparable due to differences in analytical approaches.

Administrative efficiency

The ICR highlighted the Project's efficiency in adapting to various external challenges through operational responsiveness and restructurings, including measures to fast-track activities and secure additional infrastructure financing (ICR, page 9-10). The Bank team proactively identified implementation challenges, mitigated risks, and worked closely with government counterparts to address issues in a very challenging operating environment (ICR, page 15)

Given significant external challenges, the Project experienced a two-year delay, extending from the original implementation period of five years (60 months) to seven years (84 months). Delays, however, were primarily attributed to external factors, including the COVID-19 impact on CDD activities; a sharp increase in construction material prices due to global supply chain disruptions in 2020–21, resulting in cost overruns; extreme drought and water shortages affecting environmental and livelihood activities; insecurity and restricted access in some project areas; and political interference and litigation delaying the selection of Facilitating Partners (FPs) and the award of contracts (ICR, page 12). Internal factors also contributed, such as inefficiencies from changes in implementing agencies, procurement challenges for LIPW, inefficiencies in the initial CDD model with FPs (as described in section 2.e under "Restructuring 6"); and challenges with the DANIDA grant, including its delayed effectiveness.

Considering the Project's economic efficiency at closure, the positive NPV at both appraisal and closure, and timely adjustments to external challenges, the Project's efficiency is rated Substantial.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable

ICR Estimate	✓	28.00	89.90 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

	Original Project:	Revised Project:
Relevance of objectives	High	
Efficacy	Substantial, with moderate shortcomings	Substantial
Efficiency	Substantial	
Outcome	Moderately Satisfactory	Satisfactory
Outcome value	4	5
Amount disbursed, US$ million	79.44	25.82
Disbursement percentage	75.5%	24.5%
Weight value	3.02	1.23
Total weight	4.25	
Overall outcome rating	Moderately Satisfactory	

The overall Relevance of objectives is rated as High. Original Project's efficacy is Substantial, with moderate shortcomings; and Revised Project's efficacy is Substantial. Efficiency is rated as Substantial. Thus, the overall outcome is rated as Moderately Satisfactory for the Original Project and as Satisfactory for the Revised Project. Based on the shares of the disbursed funds before and after Restructuring 8 (AF2) of February 2023 (US$79.44 million or 75.5 percent and US$25.82 million or 24.5 percent), the overall Project outcome rating is Moderately Satisfactory* (0.755 * 4 + 0.245 * 5 = 4.25). This is consistent with the Bank team's Moderately Satisfactory ratings for the Development Outcome and Implementation Progress throughout almost the entire project implementation period (ICR, pages iii-iv), as well as for the safeguards compliance, financial management, and procurement.

* Based on a six-point scale, where: 1 = Highly Unsatisfactory, 2 = Unsatisfactory, 3 = Moderately Unsatisfactory, 4 = Moderately Satisfactory, 5 = Satisfactory, and 6 = Highly Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Insecurity (the risk of political and climate shocks). The region's high vulnerability to climate shocks and security threats poses a significant risk to overall development efforts. The project regions are characterized by marginalization, poverty, insecurity, environmental degradation, uneven service provision, increasing competition for scarce natural resources, and frequent droughts and floods. These challenges have built up over decades, requiring a long-term development approach to address them effectively. To mitigate this risk, more intensive development efforts will be necessary.

Financial. The sustainability of project-supported investments will depend on the availability of funds for operations and maintenance (O&M). Although memorandums of understanding (MOUs) were signed with county governments for the O&M of investments, the limited availability of county funds, due to competing priorities, poses a challenge.

Technical. Technical capacity to provide O&M is crucial for the sustainability of project outcomes. While the O&M training provided by the project offers a reasonable level of assurance that routine maintenance will be carried out, major repairs—such as those for boreholes, which are technically complex—may present greater challenges. Additionally, the sustainability of some water investments is uncertain, as community motivation declined once the Labor-Intensive Public Works (LIPW) payments stopped.

Economic. At the time of appraisal, the project favored a free distribution approach for improved cooking stoves and solar systems. However, subsequent lessons emphasize the importance of developing long-term, private sector-driven market solutions for renewable energy to ensure sustainability.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Project's design was informed by in-depth analytical work and aligned with the government's focus on reducing poverty and marginalization in the northern counties, as well as the shift in the refugee response model from humanitarian to long-term development. The Project was well-structured, and the component design was thorough and adequate in relation to the objectives. However, there were shortcomings. *First,* the implementation model led to challenges in coordination with newly formed counties. The flow of funds flow from central government did not align with the devolved structures, which were new at appraisal, leading some county governments to refuse participation in the Project. The CDD model and the use of NGOs as FPs also initially caused negative reactions, as counties wanted a more central role. These initial issues were later resolved. *Second*, there were shortcomings related to Project design, particularly, in M&E, as well as financial management and procurement arrangements. The design of the IRIs under Objectives 2 and 3 could have been improved: as detailed in section 9.a, they only partially linked activities to outcomes, and important intermediate results were not captured. Additionally, the implementation arrangement for financial management and procurement were inadequate at approval, creating challenges during implementation. (ICR, pages 11, 14-15)

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The supervision was effective in identifying and addressing implementation challenges, as reflected in the Project restructurings. Based on the information provided in the ICR, the Bank team worked closely with government counterparts to address problems as they arose in a challenging operating environment. Eleven Implementation Support Missions (ISMs) and multiple technical missions were conducted. The Bank provided intensive support to address environment and social issues, such as performance of the GRM, screening processes, and monitoring of compliance. Fiduciary issues were a primary focus, and after the MTR, the task team held bi-weekly safeguards and FM meetings for nearly a year to resolve these issues and help upgrade the ratings from Moderately Unsatisfactory to Moderately Satisfactory. Relocating the TTL position to Nairobi in mid-2021 also supported Project management. While the impact of COVID-19 was significant, the team adapted by shifting to virtual missions and phone surveys and piloted the use of drones for monitoring. (ICR, pages 15-16) The Project experienced significant external challenges, including the COVID-19 impact on CDD activities, an increase in construction material prices due to global supply chain disruptions in 2020–21, extreme drought and water shortages, insecurity in Project areas, and political interference and litigation, thus resulting in a two-year delay. (ICR, page 12).

Considering the shortcomings in the Project design and implementation arrangements, but also the hands-on implementation and ability to adapt to very challenging circumstances and attenuate the impacts of delays, the overall Bank Performance is rated as Moderately Satisfactory.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The original Result Framework (RF) reflected the logic of the Project interventions in the PAD and was linked to the PDO. The objectives were clearly defined, and all RF indicators were quantitative, with established baselines, targets, and time-bound parameters. The ICR reported that the M&E design had robust features, including a rigorous before-after/treatment-control impact evaluation and beneficiary phone surveys (ICR, page 12). The PDO indicators covered all four main outcomes and were valid, specific, measurable, and formulated at the outcome level. The quality of IRIs differed by Objective but there were minor shortcomings. *Under Objective 1* (improved access to infrastructure and services), the IRIs effectively linked activities (inputs) to outcomes and provided the necessary details. However, *under Objective 2* (expanded economic opportunities), the IRIs only partially linked activities to outcomes, and important intermediate results were not captured. Specifically, it is unclear whether the PDO indicator of increased incomes was achieved through improved productivity, as intended, since the only IRIs under this objective measured: (i) the formation and sustainability of the community organizations, and (ii) the number of recipients of livelihood support activities (the latter also being an input indicator). IRIs *under Objective 3* had the same shortcoming: the link between activities and outcomes was insufficiently covered by the IRIs.

Specifically, the IRIs measuring area provided with irrigation services do not translate into the PDO outcome of adopted sustainable land management practices.

b. M&E Implementation

The ICR highlighted several challenges in data collection during the first two years of the Project. The project implementation unit (PIU) reporting was based on data collected by its own staff, supplemented by data from Community Facilitators (CFs). However, delays in payment to CFs and insufficient travel funding hindered their ability to perform effectively. In the second half of the project, data collection improved, particularly after in-person training resumed post-COVID-19 and direct supervision became feasible. However, quality issues with the data persisted throughout the project. Additionally, due to the high insecurity in certain areas, third-party monitoring (TPM) was necessary for reliable data collection in those regions. After the MTR, it was decided to hire a firm for an in-depth technical and fiduciary review covering over 10 percent of subprojects rather than a TPM agent. The ICR later acknowledged that, in hindsight, it would have been more appropriate to involve a TPM agent from start, given the security conditions. (ICR, page 13)

c. M&E Utilization

The ICR reported that the M&E data were utilized to support changes to project implementation. It facilitated the integration of investments across different components and helped inform decisions, such as ensuring that water subprojects would only proceed with guaranteed access to water. However, there were challenges with data quality that affected the reliability of the reporting. For instance, the community reporting on new areas under irrigation and the adoption of 'sustainable land practices' was subjective, despite the technical support from CFs and SMs. Additionally, the Management Information System (MIS) did not meet expectations in terms of providing real-time, accurate data on the project, limiting its effectiveness.

Considering the shortcomings of the RF design, and the M&E implementation and utilization issues that persisted through the Project life, the M&E quality is rated as Modest.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

Environmental and Social Safeguards. The ICR reported that at appraisal, the Project was classified as Environmental Category B and triggered nine of the Bank's environmental and social (E&S) safeguard policies: OP/BP 4.01 (Environmental Assessment), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP 4.12 (Involuntary Resettlement), OP 4.11 (Physical Cultural Resources), OP 4.37 (Safety of Dams) and OP/BP 7.50 (Projects on International Waterways). The E&S risks stemmed from the Project's infrastructure, livelihood, and environmental activities. However, the implementation of these safeguards faced several challenges, including: the high number of subprojects dispersed across remote and insecure areas; inadequate staffing and high personnel turnover; slow production and low quality of E&S documentation; lack of quality assurance at the national PIU level; and insufficient resources allocated for the development and implementation of safeguards instruments. Despite these challenges, there was an improvement in the E&S risk management after Restructuring 6 in June 2022, which introduced a new community implementation model, where locally sourced SMs and CFs replaced the centrally sourced FPs. This change allowed for more effective and contextually relevant community engagement. Furthermore, after COVID-19, the World Bank team was able to directly support capacity building and conduct field monitoring, which further contributed to improvements in the performance of E&S safeguards. The final social and environmental ratings were Moderately Satisfactory. (ICR, pages 13-14)

The ICR reported that Grievance Redress Mechanism (GRM) was established at the community, county and national levels, and a high number of complaints was received. The most common ones related to exclusion of potential beneficiaries from project activities, and inadequate consultations and information. With stronger management oversight and World Bank support, improvements were made over the final 18 months of the implementation.

b. Fiduciary Compliance

Financial management (FM). The ICR reported that the Project faced significant FM challenges due to several factors. At appraisal, fiduciary risks were underestimated, considering that the Project’s target areas were remote, insecure, and had weak governance, making FM compliance complex. Although the CDD approach helped minimize corruption, the scale of the project, with thousands of transactions and a vast area, added complexity. To address these issues, the World Bank used funds from a DANIDA grant to strengthen government systems. Another challenge was the inadequate resources allocated to FM. The Project's FM staff had other Ministry or county responsibilities and could not provide sufficient FM support. While hiring FM consultants was essential, the budget was insufficient given the fragile context. Community capacity was also weak, as many beneficiaries were illiterate, and the initial terms of reference for Field Practitioners (FPs) did not cover FM adequately. To mitigate these challenges, the Project developed standardized FM reporting templates, which improved FM performance. Additionally, disbursements to the counties were delayed by up to four months, and some communities failed to submit statements of expenditures (SOEs), which were required to maintain funds flow. More resources were needed at the PIU level for regular follow up on SOEs in the field. The Project could have adopted a report-based disbursement system, which would have provided for a three-month cash flow buffer. (ICR, page 14) In the final three years of implementation, the FM rating was mostly Moderately Satisfactory, but it was reduced to Moderately Unsatisfactory at closure.

Procurement.

The ICR indicated that the procurement risk was initially rated as Substantial but was later lowered to Moderate. Overall, procurement was adequate, although there were several instances of non-compliance. A procurement post-review of national-level activities, along with a 2023 in-depth technical and fiduciary review, identified weaknesses such as the use of undisclosed evaluation criteria, procurement delays, and missing contract management records. At the county level, reviews revealed additional gaps including missing procurement and contract management records, inappropriate use of rated criteria (scores) in the evaluation of quotations, uncompetitive procurement procedures, overpriced items, incomplete contract management documentation, and inadequate inspection, testing and acceptance procedures for deliverables. Despite these shortcomings, the procurement rating was Moderately Satisfactory in the last three years of Project implementation, increasing to Satisfactory in the last two reporting periods.

c. Unintended impacts (Positive or Negative)

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d. Other

Gender. The ICR reported that the Project promoted women's participation and voice in community structures. The beneficiary assessment of the livelihood component found that: (i) involvement in community groups enhanced women's engagement in economic activities; (ii) increased incomes led to stronger decision-making roles within households; and (iii) women were increasingly viewed as entrepreneurs rather than passive community members. Social interactions among women during LIPW activities helped alleviate stress and anxiety related to the severe drought, while the cash payments supported families by helping to feed them, keep children in school, and cover medical expenses. (ICR, page 11)

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Low achievement of PDO3 (environmental management) under Original Project, and resulting Modest rating, leading to the overall efficacy rating for Original Project as Substantial, with moderate shortcomings. The split evaluation led to a final outcome rating of MS.
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The following lessons were derived from the ICR (based on ICR, pages 16-17):

1. Appropriate use of government systems plays a significant role in supporting project implementation. The Project design favored national level implementation arrangements and did not take a full advantage of the opportunities offered by the ongoing devolution of decision making to counties. A more effective approach would involve a combined use of central government institutions and the devolution achievements, including increased fund flows to counties, while placing greater reliance on countries and communities for decision-making. A stronger devolution of authority to the counties could have helped to prevent several of the inter-governmental challenges face during the Project's implementation.

2. Achieving a balance between desirable geographic coverage and targeted results, given the available resources, can lead to better development outcomes. In the reviewed project, a greater impact could have been achieved by focusing on a smaller number of sites, selected based on clear, objective criteria, rather than targeting a large area with limited resources. As a result, there were several shortcomings. Specifically, the CDD approach was designed to create comprehensive community development plans that addressed the full range of needs and displacement impacts. An effective plan would involve integration between component investments to generate mutually reinforcing outcomes. However, in practice, this integration was inconsistent, which reduced the overall impact.

3. Clearly defined responsibilities and accountability within project implementation structures provide a foundation for efficient implementation. In the reviewed Project, some county officials felt undermined by the FPs and the CDD model, particularly when their technical advice – such as recommendations on the appropriate location of subprojects - was not always followed by communities. This led to finger-pointing between communities and local governments regarding the appropriateness of certain designs, budgets, and the location of subprojects. A clearer definition of roles and responsibilities in the Project Operations Manual, along with recognition that communities require intensive facilitation and technical support to make informed decisions, would have helped address this issue.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provides sufficient technical details to understand the value-added of the activities and outcomes of the Project; offers a strong justification of the PDO relevance; presents comprehensive and robust evidence on all aspects of the Project's self-evaluation. It is technical, analytical, and internally consistent. The lessons learned are well-connected to the implementation experience and ratings, offering useful insights for future lending operations. However, the ICR has the following minor shortcomings: (i) there is a slight discrepancy in the description of the restructurings and the attribution of related changes, compared to the data in the restructuring papers (specifically, two restructurings are missing from ICR Table 2 on pages 4-5, and the changes introduced are attributed to other restructurings); and (ii) the ToC lacks connections between the elements in the chart (arrows from inputs to outputs, and further to outcomes), making the causality of the result chain unclear.

Overall, the ICR provides a candid and analytical discussion of the Project's achievements and deficiencies, and therefore, the Quality of ICR is rated as Substantial.

a. Quality of ICR Rating

Substantial