

# **Completion and Learning Review**

# Kenya

# FY14-FY20 Country Partnership Strategy

April 15, 2022

# **Ratings**

	CLR Rating CLRR (IEG) Rating		
Development Outcome:	Moderately Satisfactory	Moderately Satisfactory	
WBG Performance:	Good	Good	

# I. Executive Summary

- i. This review of the World Bank Group's (WBG) Completion and Learning Review (CLR) for Kenya covers the period of the Country Partnership Strategy (CPS), FY14-FY20, as updated in the Performance and Learning Review (PLR) dated June 2017, which extended the CPS period by 2 years to FY20. The CPS period was further extended to FY21 under the blanket extension provided by the WBG's Board of Executive Directors due to the COVID-19 pandemic; however, this extension did not affect the results framework.
- ii. The CPS objectives increasing competitiveness and sustainability, protecting the vulnerable and assisting them to develop their potential, and building consistency and equity, bound together through an overarching platform of garnering good governance were consistent and aligned with the country's major development challenges and government strategies. Kenya had experienced over the past decade real GDP growth of close to five percent. Because of high population growth, this was insufficient to make a serious dent in the poverty rate. Constraints to growth arise primarily from the low productivity of the Kenyan economy, in particular as a result of the large number of poorly functioning state-owned enterprises.
- iii. **IEG** rates the CPS development outcome as Moderately Satisfactory. Of the ten objectives, six were achieved and four were partially achieved. Under the Competitiveness and Sustainability focus area, two objectives were fully achieved, and one was partially achieved. Similar results were attained under focus area three, Consistency and Equity—Delivering a Devolution Dividend, although the WBG underestimated capacity issues in implementing the

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devolution agenda. Under focus area two, Protection and Potential—Human Resource Development for Shared Prosperity, two objectives were achieved and two were partially achieved. In the first focus area, Competitiveness and Sustainability: Growth to Eradicate Poverty, business registration was simplified and there were important reforms in the legal framework for doing business, particularly with respect to the companies and insolvency acts that were associated with a substantial increase in new business registration. It remains to be seen whether this will lead to an increase in private sector investment or productivity. While substantial new electricity generation capacity was added with World Bank Group assistance, the significant transmission system losses increased over the CPS period. Results for agriculture productivity (focus area II) were generally poor, but social protection improved substantially. Results related to devolution¹were generally positive although the WBG underestimated the issues associated with capacity for implementing reforms at the county level.

- iv. The objectives of the program responded to many of Kenya's development priorities. Interventions in the agricultural sector laid a foundation for future development, particularly through the e-voucher program and the warehouse receipts reform, which will provide short term financing for Kenya's farmers. There were significant reforms in the legal framework for private sector development through the modernization of the legal basis for starting and running businesses. Poverty reduction was supported by the expansion of social protection and improvements in the delivery of health and sanitation services. While the dividend from devolution is still early, in the longer run, bringing services to the local level will reduce poverty as local government accountability increases. Less successful were attempts to improve the productivity of the economy, notably with the failure to deal with loss-making state-owned enterprises. Similarly, in infrastructure, raising generation capacity and reducing the substantial line losses in the electricity grid remain unresolved issues, as is the urban planning initiative.
- v. **Overall, IEG rates World Bank Group performance as Good**. The three areas of WBG intervention reflected country and SCD-identified priorities, and as a whole, the WBG program moved towards achieving the CPS priorities although engagement across numerous sectors and activities scattered its focus. The program delivered substantial lending, which exceeded CPS intentions to a significant degree through both lending to national projects and a regional lending program (the Horn of Africa Gateway, to promote digitization of the economy). The IFC program expanded considerably and became its fourth largest in Africa by the end of FY20, and MIGA's program in Kenya also expanded to be its third largest in Africa as of FY20. There was good collaboration between IBRD, the IFC and MIGA. IFC Advisory Services (AS) made a contribution to the knowledge base in Kenya, though impact is unclear with half the evaluated projects rated Mostly Unsuccessful or Unsuccessful. The Bank's substantial ASA program its largest in Africa produced substantial knowledge, which contributed to investment climate reforms, and energy sector outcomes, and led to enhanced dialogue in a number of areas. However, its size made it unwieldy and difficult to manage.
- vi. The program responded to changes in priorities that arose from the new government in 2017 and reacted rapidly to deal with the COVID-19 pandemic. While the number of

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<sup>&</sup>lt;sup>1</sup> Shifting responsibilities for the delivery of many government services to county governments

projects at risk increased sharply in the middle of the CPS period, it fell sharply towards the end of the period and was below that of regional comparators. The WBG maintained a close working relationship with the government and has established a foundation for future engagement with Kenya that can be reflected in the next CPS. In the preparation process, closer attention to the lessons from this CLRR is warranted, including a stronger focus on state owned enterprises.

vii. The CLR contains 11 lessons. However, many of these are closer to observations than lessons. Those with which this review concurs are:

- The need to be more selective and focused with respect to engagement within sectors and issues, particularly in the area of SOE reform.
- The need for close tracking of results and outcomes at the county level in order to better focus the WBG's support for devolution.
- The need to improve the design of program indicators that would enable a better understanding of the relationship between WBG programs and outcomes
- The need for reflecting local capacity in program design and providing additional assistance where necessary.
- The need for a more coordinated approach to target pockets of corruption.

# **II. Strategic Focus**

#### Relevance of the CPS

- 1. Country Context. Kenya is a lower middle-income country, with a per capita gross national income of US\$1879 in 2020. Kenya is the largest economy in East Africa and since 2004 has been one of the fastest growing in sub-Saharan Africa, with an annual growth rate of nearly five percent. In 2020, for the first time in nearly 30 years the economy contracted as a result of the COVID-19 pandemic; it is expected to have rebounded sharply in 2021. Kenya's human development indicators are the highest in the East Africa Community although, some 33 percent of the population remained below the national poverty line in 2019. Kenya has a high rate of population growth with an estimated population of 50 million in 2021. By 2050, the population is expected to be over 80 million, implying that the historic rate of economic growth is insufficient to make a serious dent in the poverty ratio. Low productivity has been a continuing feature of the economy. The investment ratio is less than 25 percent of GDP. The impact of the Covid-19 pandemic in the first half of calendar 2020, saw unemployment double in the second quarter of the year. The service sector, which has been the main driver of growth in the economy was particularly affected.
- 2. Macro-economic performance has been mixed. Over the past decade, both the current account of the balance of payments and the fiscal balance have registered substantial deficits. The debt to GDP ratio rose from 39 percent of GDP in 2013 to 72 percent in 2020 as a result of public investment in infrastructure, SOE deficits and the COVID-19 crisis. Kenya is currently at a high risk of debt distress. The large informal sector employs four out of every five workers. The public sector is the largest employer in the formal sector. Furthermore, Kenya is

environmentally fragile and suffers from extended periods of drought. Climate change adds to these pressures and poses a risk to future development.

- 3. According to the 2020 Systematic Country Diagnostic,<sup>2</sup> the factors that underlie low productivity and low private investment in Kenya are weak infrastructure services, particularly electricity and transportation, a weak environment for doing business, limited access to finance, and human capital constraints. An important factor constraining the growth of productivity in Kenya is the substantial presence of SOEs, which dominate strategic sectors of the economy, namely electricity, transport, finance, telecommunications, and education. Furthermore, SOEs are also a significant drain on the budget.
- 4. Government Strategy and the CPS. The development strategy of the government was embodied in the second Medium Term Plan (2013-17) which operationalizes its Vision 2030. The Plan had three pillars; an economic pillar, which envisaged "moving up the value chain in key areas"; a social pillar, which focused on investing in education, health, and housing; and a devolution agenda that was part of the political pillar, which sought to improve the rule of law, transparency, and accountability by devolving the delivery of government services to local county governments.
- 5. The World Bank-supported Kenya Country Partnership Strategy FY14-FY18 was consistent with the goals of the second Medium Term Plan.<sup>3</sup> It was based on three pillars, which the CPS labelled "domains of engagement". The first was increasing competitiveness and sustainability to increase growth that would eradicate poverty, through improving infrastructure and logistics, better management of urban growth, and a better business environment. These were consistent with the first pillar of the Plan. The second pillar was aimed at protecting the vulnerable and assisting them to develop their potential. This was expected to contribute to shared prosperity and was consistent with the second pillar of the Plan. The third pillar was building consistency and equity, which was expected to assist the government with its devolution agenda. The CPS had a cross cutting pillar that was labelled "a connecting platform of garnering good governance" (CPS para. 12), which, based on the discussion in the CPS, could be interpreted as being consistent with the rule of law, accountability and transparency agenda of the third pillar of the Plan, although its precise meaning is unclear.
- 6. Some of the priorities were adjusted following the 2017 elections when the new president outlined a Big Four set of priorities based on developing the manufacturing sector, promoting universal healthcare, supplying affordable housing, and increasing food security. The WBG was able to respond to some of the change in priorities, which also included the need for additional assistance to counties in the North and Northeastern sections of Kenya, as part of the WBG support to the country's devolution agenda.
- 7. At the Performance Learning Review (PLR) stage the CPS period was extended by two years, and was further extended to FY21 under the blanket extension due to the COVID-19

<sup>&</sup>lt;sup>2</sup> World Bank. 2020. Systematic Country Diagnostic.

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<sup>&</sup>lt;sup>3</sup> International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency. 2014. *Country Partnership Strategy. The Republic of Kenya for the Period Fy2014-2018*.

pandemic. The overall objectives of the CPS remained unchanged at the PLR stage. However, once the scale of the COVID-19 pandemic became apparent, a Covid-19 response was added. The CPS, as updated at the Performance Learning Review (PLR) stage,<sup>4</sup> remained relevant.

- 8. Relevance of Design: The objectives of the CPS focused on some of Kenya's major development priorities, including those subsequently articulated in the SCD. The constraints to growth that the SCD identified were the threat of macroeconomic instability, a costly, complex and unpredictable business environment, the large role that existing low productivity and loss-making state-owned enterprises play in the economy, a significant level of corruption and a lack of access to finance for private sector businesses. However, there were important gaps in addressing the low productivity in the economy, a key issue for actual and potential economic growth. These were only partly addressed in the CPS. Also missing was a strong causal connection between proposed interventions and addressing the low productivity challenge. Another significant gap in the CPS was a lack of focus on the reform of state-owned enterprises, which the 2020 SCD identified as a substantial contributor not only to low productivity but also to fiscal stability through the need to finance their deficits. Furthermore, as the CLR points out (para.12), the program was fragmented across sectors and regions, which resulted in some lack of focus and impact.
- 9. Alignment with WBG Corporate Goals: An overarching goal of the CPS was a sustainable reduction in poverty and an increase in shared prosperity. The CPS states (para. 2) that to end extreme poverty by 2030, Kenya's economic growth rate would need to double, and inequality would need to halve, which implies an annual real growth rate of 10 percent, which appears to be overly optimistic, especially given Kenya's relatively modest investment rate. Increasing shared prosperity would be achieved through the first pillar, Competitiveness and Sustainability: Growth to Eradicate Poverty, aimed to raise the growth rate through improving infrastructure, particularly in the energy sector, better logistics and distribution networks, and improving the enabling environment for private investment. The second pillar, Protection and Potential—Human Resource Development for Shared Prosperity would contribute to poverty reduction and shared prosperity through increasing agricultural productivity, strengthening social protection, managing climate change and improving the delivery of social services. The third focus area, Consistency and Equity: Delivering a Devolution Dividend, indirectly related to the WBG corporate objective of Boosting Shared Prosperity.
- 10. While neither the CPS nor the CLR contained an explicit articulation of a results chain linking interventions to the achievement of objectives, connection between the pillars and corporate objectives is plausible. Pillar one would increase shared prosperity through rate a better business environment that would raise the growth rate and through improved infrastructure that would make electricity available to a larger number of people and Pillar two aimed to increase agricultural productivity in a sector where large number of the rural poor were employed and contained measures to improve social services. Both of these contributed to

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<sup>&</sup>lt;sup>4</sup> International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency. 2017. Performance and Learning Review of the Country Partnership Strategy for the Republic of Kenya for the Period FY14-FY18.

poverty reduction as did the improved services at the local level, which also would contribute to poverty reduction.

# **Results Framework**

- 11. The CPS originally had 20 results indicators and 10 objectives (although some objectives had as many as five sub-objectives). The PLR added nine additional indicators for a total of 29 across 10 strategic outcome areas in the three pillars and revised some indicators to make them more relevant. It did not add additional objectives.
- 12. Under pillar one (Competitiveness and Sustainability: Growth to Eradicate Poverty), results indicators did not capture some important dimensions of the objectives and a number related to outputs rather than outcomes. For objective 3, "Improved enabling Environment for Private Investment", the results framework relied primarily on Doing Business indicators, which are not a fully effective measure of the business environment. Collectively, the indicators did not measure whether productivity improved.
- Development for Shared Prosperity) were more outcome focused. For example, objective 4, increased agricultural productivity, was measured by higher crop yields, and pertains to higher growth in the sector and relates to improvements in livelihoods among a substantial proportion of the population. Objective 7, greater citizen feedback on the quality-of-service delivery in key sectors would have more naturally been placed under the third pillar that related to the delivery of services as a result of devolution. Under the devolution pillar (Consistency and Equity—Delivering a Devolution Dividend), objective 8 regarding the provision of health and sanitation services measured improvements in the provision of health and sanitation services and related directly to the objective. However, the indicator for objective 9 was an input and did not measure whether the services had actually improved.
- 14. There were difficulties in measuring achievements per the results framework. For many indicators, data was not available as of the target year although in most cases data was available for a later year. Data on some indicators could not be validated based on project documents and other sources. (See details on these points in each objective in the Development Outcome section.) Additionally, there was no indicator directly measuring the "connecting platform of garnering of good governance", so it is difficult to assess the outcome or even discern the meaning of this concept.

# III. CPS Description and Performance Data

# **Advisory Services and Analytics**

15. **The Kenya ASA program was the World Bank's largest in Africa.** There were 118 ASA activities over the CPS period and at the end of FY20, there were 32 ongoing activities. To some extent, the ASA program was supply driven, with the CLR reporting that the availability of

trust fund resources<sup>5</sup> resulted in an opportunistic approach to delivering ASA. As a result, the CLR reports (para. 47) that the program became unwieldy and difficult to manage. The CLR points out that sheer size of the ASA portfolio was in contradiction to the World Bank ASA consolidation agenda that was aimed at reducing the number of standalone pieces of ASA. While the ASA was appreciated by the Kenyan authorities in general, its unwieldiness compromised its impact.

- 16. The CLR states that over the CPS period, the ASA program became linked to the overall policy dialogue, but IEG could not validate this. It was also not possible to make a concrete connection between the wide array of reports and the policy dialogue.
- 17. Nevertheless, ASA generated some valuable and high-quality reports that were linked to the adoption of reforms. ASA was most effective in the reforms related to the business environment. IFC Advisory Services contributed to business environment reforms as discussed in the next paragraph. The ASA "Financial Advisory Services for the Kenya Energy Utilities" was also quite important and led to dialogue with the government on unbundling the sector and successful efforts to attract private sector participation in electricity generation (see discussion of energy sector outcomes under objective 1 in the Development Outcome section).
- 18. During the CPS period, IFC approved eight advisory services (AS) projects amounting to US\$15.1 million of which about 60 percent were in the investment climate area and the water sector, and about 40 percent provided technical assistance to five companies (mostly financial institutions). In addition, there were 14 AS projects approved during the prior strategy period that remained under implementation. These projects totaled \$38.8million, of which 65 percent were in various investment climate topics including trade logistics, energy efficiency, and climate change investments. AS projects that were active during the CPS period supported CPS priorities and outcomes in energy (outcome 1.1,)6, logistics (outcome 1.2)7, enabling environment for private investment (outcome 3)8, agricultural productivity (outcome 4)9, and climate change (outcome 6)10. Of note are the AS activities that contributed to reforms related to the Companies Act, the Insolvency Act, the Special Economic Zones Act, the Business Registration Service Act and the Statute Act, the outcomes of which are discussed under objective 3 in the Development Outcome section.
- 19. Out of 15 AS projects reviewed by IEG, eight (53 percent) were rated Successful (3) or Mostly Successful (5) and 7 (47 percent) were rated Mostly Unsuccessful (4) or Unsuccessful (3). The eight AS projects covering investment climate, energy, health and education had a relatively high success rate, with three rated Successful, three Mostly Successful, one Mostly Unsuccessful, and one Unsuccessful. However, among the four financial institution projects

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<sup>&</sup>lt;sup>5</sup> The CLR indicates that the program utilized and executed on 75 active trust funds financed by bilateral donors.

<sup>&</sup>lt;sup>6</sup> IFC project numbers 129204, 132436, 149732, 149730, and 161773

<sup>&</sup>lt;sup>7</sup> IFC project numbers 152803, 167893, and 172218

<sup>&</sup>lt;sup>8</sup> IFC project numbers 133163, 151793, 147897, 145004, 151870, 154647, 158356, 163792, and 171828

<sup>&</sup>lt;sup>9</sup> IFC project numbers 148649, 129610, and 165731

<sup>&</sup>lt;sup>10</sup> IFC project number 129610 (climate smart agriculture).

reviewed, half were rated Mostly Successful and half were rated Unsuccessful. The three projects in the manufacturing, agribusiness, and services group were all rated Moderately Unsuccessful. Most of the projects rated Mostly Unsuccessful or Unsuccessful had ambitious development objectives, including increasing investment in cleaner production technologies, addressing market failures in climate change finance, developing market-based approaches to bringing safe water to the poor, and scaling up an innovative business model for developing a market for clean fuels.

# **Lending and Investments**

- During the CPS period, new IDA/IBRD commitments totaled US\$6,486 million, more than twice that envisioned in the CPS. At the beginning of the CPS period, there was US\$3,543 million in outstanding commitments. The amount planned in the CPS was IDA lending of US\$2,720 plus US\$250 million from IBRD as an addition to the mortgage refinance facility and affordable housing loan. Additional commitments approved during the CPS period amounted to US\$2,668 million, including a US\$250 million DPO by the IBRD. Kenya's share of regional funding was provided through nine projects for a total of US\$848 million. During the CPS period plus FY21, there were three multisector DPOs. There was a programmatic series of two operations, which had as its objective crowding in private investment and financing for affordable housing, enhancing food security and farmer incomes, creating fiscal space, and leveraging digitization to support the government's inclusive growth agenda. A further DPO, for US\$750 million assisted Kenya with recovery from the COVID-19 shock and advancing the country's inclusive growth agenda. None of these DPOs have been rated by IEG as of yet. There were six Program for Results projects during the CPS period.
- 21. **During the CPS period, the success rate of the twenty operations that were rated by IEG was substantial:** Eighty-five percent were rated Satisfactory of Moderately Satisfactory (30 percent satisfactory and 55 percent moderately satisfactory), and 15 percent were rated Moderately Unsatisfactory or Unsatisfactory (10 percent moderately unsatisfactory and five percent one project –unsatisfactory). Overall, this performance was substantially better than project ratings for Africa even when weighted by value; the corresponding ratings for moderately satisfactory or better were 71 percent (73 percent when weighted by value). Moderate or lower risks to development outcome for operations in the whole of Africa were 26 percent (23 percent when weighted by value).
- While commitments at risk averaged US\$1,494 billion over the FY14-FY21 period, there was a sharp improvement in FY20 and FY21. Commitments at risk peaked in FY19, at US\$2.6 billion, or 43 percent of total outstanding commitments. However, these fell sharply to US\$949 million in FY20 (17.6 percent) and further to US\$899 million, but rose to 18.6 percent in FY21).
- 23. There were 42 trust fund activities during the period totaling US\$468 million that primarily financed ASA linked to lending. The focus of the trust funded inputs were education, social transfers, and health. The largest, a primary education development project, was for US\$88.4 million, followed by a cash transfer for orphans' program of US\$79.2 million and a social and economic inclusion project for US\$70 million.

- 24. IFC made net commitments of almost US\$1.0 billion and mobilized an additional US\$530 million during the CPS period, making the Kenya investment portfolio its fourth largest in Sub-Saharan Africa. Average annual net commitments were US\$141 million during the CPS period, compared to US\$16 million in the previous CPS period. About 75 percent of net commitments were in financial institutions mainly supporting SMEs and financial inclusion, and about 17 percent in manufacturing, agribusiness and services. IFC increased its support to banks in the areas of climate and housing finance. Energy accounted for about 6 percent of IFC net commitments, with small investments in health and education. IFC investments mainly supported the CPS objective on enhanced infrastructure for growth (objective 1) with smaller contributions to increased agricultural productivity (objective 4) and climate change (objective 6). There were challenges to the scaling up of energy investments, including uncertainties in the regulatory environment and concerns about system planning. About \$90 million of investments committed during the previous CPS were active, of which 62 percent were in energy, 27 percent in manufacturing, agribusiness and services, and 11 percent in financial sector.
- During the CPS period, IEG validated nine XPSRs and conducted a Project Evaluation Summary for one investment project. Seven of the 10 investment projects were rated Mostly Unsuccessful (4), Unsuccessful (2), or Highly Unsuccessful (1) for development outcome. Three projects were rated Mostly Successful. IEG questioned whether an energy project was the best economic alternative and its consistency with WBG strategic focus in the sector. Three banking projects suffered losses and had weak asset quality. A project that sought to mobilize a new source of equity capital for real estate investments did not meet its targets. Lessons from IEG's validations of the XPSRs included use of advisory services to mitigate certain risks and improved assessment of corporate governance. The projects with successful outcomes supported the private provision of education services, increased supply of cement at lower cost, and scaling up of lending to SMEs, agribusiness, and housing.
- 26. MIGA's program in Kenya is its third largest in Africa. MIGA issued new guarantees for two investment projects during the CPS period. The FY14 MIGA guarantee of Euro 20.6 million was issued in favor of the Standard Bank of South Africa to cover its loan and swap exposure to Gulf Power Limited for an IPP project. Standard Bank cancelled the guarantee in FY21. The FY17 MIGA guarantee of US\$ 109.7 million was issued to cover the risk of expropriation of mandatory reserves held by Absa Group, a South Africa based financial institution. The guarantee increased the capacity of Absa Group to support investments in the climate change space. In addition, MIGA had outstanding guarantees totaling US\$ 124.4 million for two projects (Thika Power and Triumph Power) approved during the previous CPS period.

# IV. Development Outcome

# A. Overall Assessment and Rating

27. **IEG Overall, IEG rates World Bank Group performance as Good.** The three areas of WBG intervention reflected country and SCD-identified priorities, and as a whole, the WBG-supported program supported progress to achieving the CPS objectives. The program delivered substantial lending, which exceeded the ambitions of the CPS to a significant degree. The IFC program expanded considerably and MIGA's program also expanded. There was good

collaboration between IBRD, the IFC and MIGA. IFC ASA made a substantial contribution to the knowledge base in Kenya, though impact is unclear with half the evaluated projects rated Mostly Unsuccessful or Unsuccessful. The Bank's ASA program – the largest in Africa – produced substantial knowledge but evidence of impact on development outcomes is lacking. The program responded to changes in priorities from the new government in 2017 and reacted rapidly to deal with the COVID-19 pandemic. While the number of projects at risk increased sharply in the middle of the CPS period, it also fell sharply towards the end of the CPS period.

Table 2: Objectives and Ratings		
Objectives	CLR Rating	CLRR (IEG Rating)
Focus Area 1: Competitiveness and Sustainability: Growth to Eradicate Poverty	[Not rated]	Moderately Satisfactory
Objective 1. Enhanced Infrastructure and Logistics for Sustainable Growth	Mostly Achieved	Mostly Achieved
Objective 2: Strengthened planning and Management of Urban growth	Achieved	Mostly Achieved
Objective 3: Improved enabling environment for private investment	Achieved	Achieved
Focus Area 2: Protection and Potential—Human Resource Development for Shared Prosperity	[Not rated]	Moderately Satisfactory
Objective 4 Increased agricultural productivity	Partially Achieved	Not Achieved
Objective 5: Improve social service delivery for vulnerable groups, particularly women	Achieved	Mostly Achieved
Objective 6: Improved capacity to manage risks from climate change	Partially Achieved	Mostly Achieved
Objective 7: Greater citizen feedback on the quality of services delivered in key sectors	Partially Achieved	Achieved
Focus Area 3: Consistency and Equity—Delivering a Devolution Dividend	[Not rated]	Moderately Satisfactory
Objective 8: Better Provision of Health and Sanitation Services by Counties	Achieved	Achieved
Objective 9: Installation of systems to monitor the performance of services that are delivered to counties	Achieved	Achieved
Objective 10: Heightened Transparency and Accountability in the Use of Public Resources, particularly at the County Level (Capturing the Connecting Platform Outcome of Garnering Good Governance)	Partially Achieved	Not Achieved

# B. Assessment by Focus Area/Objective

Focus Area I: Fostering Conditions for Competitiveness and Sustainability<sup>11</sup>. This focus area comprised the following three objectives.

# Objective 1: Enhanced Infrastructure and Logistics for Sustainable Growth:

<sup>&</sup>lt;sup>11</sup> In the CPS, the Focus Areas were named "Domains of Engagement".

# 28. IDA interventions were directed at increasing the generating capacity of the electricity sector and expanding access to electricity in urban, peri-urban and rural areas.

They also aimed to reduce system losses, which were substantial, and which were detrimental to the financial sustainability of utilities. IFC had active investments in Gulf Power, Kipevu II Power, Thika Power diesel power plants, and the KTDA Hydro project (to provide small hydropower energy to smallholder tea farmers in various locations). MIGA had active guarantees in Gulf Power, Thika, and Triumph Power, with the latter two having been approved prior to the CPS. IFC also had several AS projects in the energy sector as part of regional programs. They were: Clean Cooking Africa, Utility Efficiency in Africa Program, and Lighting Africa. MIGA provided a guarantee to a commercial bank which lent to Gulf Power Limited. MIGA had active guarantees for energy projects approved during the previous CPS period for Thika Power and Triumph Power. There were three pieces of ASA directly related to energy and infrastructure. A major piece of ASA (Powering Kenya's Future: Future Role of the Public and Private Sectors; P133675) assessed the quality of the institutions underlying the power sector and influenced the reform agenda.

29. The rating of performance on each of the indicators is as follows:

Indicators	Baseline	Target (Year)	IEG Validated	IEG Rating
	(Year)		Result (Year)	
Installed generation capacity from diversified sources (geothermal, thermal, wind) (MW)	1,765 MW (2013)	3,570 MW (2020)	2,836.7 MW (2020)	Mostly Achieved
System loss reduction (% of output)	18.7% of output (2013)	15.9% of output (2020)	2,790.7 GWh (2020) (Accounts for 24.3% of total domestic generation)	Not Achieved
Increase electricity access: (number of people provided with electricity)	0 (2016)	1.8 million (2020)	8.2 million (2021)	Achieved
Waiting times at ports and border crossings	Ports 13 days and border crossings 2 days (2013)	Ports 8 days and border crossings 1 day (2018)	Ports 2 days  Border crossings 3.4 days in 2018 and 1 day as of January 2019.	Achieved

30. *Mostly Achieved:* The focus on electricity and border crossings only partially addressed the infrastructure challenge, which in the CPS and the CLR was significantly broader than electricity and border crossings. The adoption of a Single Customs Territory and One Stop Border Post within the East African Community led to a substantial reduction in border crossing times. Data on number of people provided with electricity is also not available for the

target year; however, the achievement of many times above the target leads IEG to consider this indicator achieved. The indicators on electricity generation shows some progress, but system losses have increased; the system generates more but is less efficient.

# Objective 2: Strengthened Planning and Management of Urban growth

- 31. To assist with the planning of urban growth and infrastructure requirements, IDA financed the Kenya Municipal Program and the Nairobi Metropolitan Service Improvement Project, both of which were ongoing at the start of the CPS period.
- 32. The rating of performance on indicators is as follows:

Indicators	Baseline (Year)	Target (Year)	IEG Validated	IEG Rating
			Result (Year)	
Urban centers with integrated	0 (2014)	24 (2020)	28 Integrated	Achieved
strategic plans for managing			Strategic Plans	
urban growth (number)			completed (2020)	

**33.** *Mostly Achieved.* The number of integrated strategic plans exceeded the target, although the existence of a strategic plan does not necessarily demonstrate that planning and management of urban growth was strengthened.

# **Objective 3: Improved Enabling Environment for Private Investment**

34. WBG supported reforms in this area focused on processes associated with starting and running businesses, closing businesses down, registering property, access to credit, and connecting to the electricity grid. An extensive program of ASA contributed to reducing the costs of business startup as well as to the processes associated with running businesses. <sup>12</sup> IFC Advisory Services played a key role, with 60 percent of the US\$15.1 million being in the investment climate area, 85 percent of which were rated by IEG as successful. The CPS described objective 3 as also being a good governance connecting platform, although there were no indicators or other evidence to measure this.

<sup>&</sup>lt;sup>12</sup> **World Bank ASA**: KE Export Competitiveness and Innovation TA (P147220) FY14; KE Commercial Financing for Urban Water and Sanitation TA (P144507) FY12; Manufacturing Export Competitiveness in Kenya Policy Note TA (P133164) FY12; Judicial Performance Improvement Project (P105269) FY14; KE Infrastructure PPP and AF (P121019) FY12 (P162182) FY17; CEM; **Joint WB-IFC**: Kenya Industry and Entrepreneurship (P161317) FY18; Kenya Competitiveness Enhancement Program; Kenya Mortgage Refinance Facility and Affordable Housing PPP; Additional Financing for SEZ Program; KE Investment Climate Assessment (P133163); KICP2 NLTA on Business Environment Reforms; ASA on Investment Climate Diagnostics; ASA on Sector Competitiveness including Services, Agribusiness and Extractive Industries; Enhancing Local Content ASA (P161206); Digital Entrepreneurship Kenya; Support to Kenya Climate Innovation Center (P156466); Kenya Climate Venture Facility; Investment Climate for Sub-National Business Regulation (593208); Investment Climate for Trade Logistics (57008); Investment Climate for Industry (594987); East Africa Competitiveness Project; Kenya Investment Climate Program 3 (KICP3); **IFC Advisory:** Constraints to Private Sector Development; Financial Sector Innovation; Boosting Private Sector Competitiveness; Financial Advisory: Financial Deepening & Development; Port City Interface Kenya EU series; Capital Mkts.

35. The rating of performance on each of the indicators is as follows:

Indicators	Baseline	Target (Year)	IEG Validated	IEG Rating
	(Year)		Result (Year)	
Completed key investment reforms in business regulation, trade logistics and industry (number)	0 (2014)	20 (2020)	20 reforms completed as measured by Doing Business (2020)	Achieved
Reforms at the national and sub-national level, as recorded by Doing Business/Subnational Doing Business (select Counties – number).	0 (2017)	20 and 10 (2020) at the National and County levels, respectively	20 national level reforms. No evidence of County level reforms after 2016.	Partially Achieved
Growth in new business registration (percentage)	0 (2017)	25% (2020)	43% (2020)	Achieved
Reduction in direct compliance costs to private sector from trade logistics/facilitation work using a standard cost model	0 (2017)	A reduction of US\$25 million (2020)	US\$28.3 million by (2019)	Achieved

36. Achieved: The business enabling environment was improved by reforms governing starting, running and closing down businesses (modernization of the Companies Act and the Insolvency Act, and reforms related to the Special Economic Zones Act, Business Registration Service Act, and Statute Act). While reforms of this type take time to be fully realized, the number of new business registrations point to their success. Similarly, the reduction in compliance costs with respect to facilitation and logistics indicate that there were improvements in the costs of doing business. Additionally, the Special Economic Zones Act led to the establishment of seven SEZs, five of which were operated by the private sector. The CLR reports that, by end FY20, this had led to attracting 25 new enterprises that undertook investments in manufacturing, agro-processing, and logistics. No information is available on the amount of investment, or the number of jobs created. However, success in this area has been limited to date since the number of businesses constitutes an average of fewer than four per SEZ.

# 37. IEG rates the outcome of WBG support under Focus Area I as Moderately Satisfactory.

# Focus Area II: Protection and Potential—Human Resource Development for Shared Prosperity

38. This area comprised objectives to increase agricultural productivity, enhanced social protection, improved capacity to manage climate change, and greater citizen feedback on the quality of public sector services.

# **Objective 4: Increased Agricultural Productivity**

- 39. Interventions under this objective were directed at improving agricultural productivity, increasing land under irrigation, building a dam and increasing agricultural acreage that is sustainably managed. The Kenya Agricultural Productivity and Agribusiness Project was ongoing at the start of the CPS period and closed in 2016, while the National Agricultural and Rural Inclusive Growth Project and the Kenya Climate Smart Agricultural project were both initiated during the CPS period. IFC advisory services supported agribusiness supply chain development. The Coastal Region Water Security and Climate Resilience Project (P145559) supported the construction of a new dam that was to supply 78,600,000 m³ by 2020.
- 40. The rating of performance on each of the indicators is as follows:

Indicators	Baseline (Year)	Target (Year)	IEG Validated	IEG Rating
			Result (Year)	
Annual increase in yields of	17 bags/ha	15% bags/ha	93% increase	Not Verified;
smallholder farmers of	maize;	increase for	(maize)	No data
selected agricultural	4.5 bags/ha	maize, beans	145% increase	available for
commodities (average	beans;	and Irish	(beans)	target year
percentage)	60 bags/ha Irish	potatoes (2020)	5% decline (Irish	
	potatoes (2013)		potatoes) (2018)	
Agricultural irrigated land	130,000 hectares of irrigation and	175,000 hectares of irrigation and	Not Verified	Not Verified
(ha)	30,000 hectares	40,000 hectares		
(IIa)	of drainage	of drainage		
	(2013)	(2020)		
Increases in water storage in	0 (2016)	78.6 M³ water	The earliest dam	Not
the Mwache Dam		stored 2020	works are	Achieved
			expected to be	
			completed is	
			August 2024	
Agricultural land brought	0 (2017)	420,000 ha	33,025 ha (2020)	Not
under sustainable land		(2020)		Achieved
management (SLM) due to				
adoption of new				
technologies, innovations,				
and improved management				
practices (TIMPs) (hectares).				

#### **Additional Evidence**

A major reform promoting access to finance for the agricultural sector was the
introduction, with the assistance of IFC advisory services, of a warehouse receipt
system, through which agricultural products stored in specified warehouses can be used
as collateral for loans. The reform consisted of capacity building for the operators of
warehouses and training banks with respect to warehouse receipt financing. Although
there were no formal indicators, the CLR states (para. 20) that, by the end of the project,

- over 5000 farmers were storing grain in participating warehouses and that four commercial banks were providing finance based on warehouse receipts collateral.
- 41. Not Achieved. The results under this objective have been poor. A project performance assessment report<sup>13</sup> evaluated a two-phase, 11-year program to improve agricultural productivity and concluded that the project's long-term efficiency was modest. With regard to yields for smallholder farmers for maize and beans, productivity rose sharply until 2018 but has since stagnated and declined for potatoes, although the productivity increase was mostly achieved. Only 3% of Kenya's agricultural land is under irrigation, making agricultural output dependent upon rainfall and subject to periodic droughts that characterize the country's weather. The amount of land under irrigation could not be verified. The construction of the dam to supply irrigation has not yet commenced because of delays in contract signing and construction.

# **Objective 5: Enhanced and More Systematic Social Protection**

- 42. Interventions under this objective were directed at increasing women's access to health services (Health Sector Support project (P074091); increased access by women to water services;<sup>14</sup> enhancing market skills for youth at risk;<sup>15</sup> and improving the social protection network<sup>16</sup>.
- 43. The rating of performance on each of the indicators is as follows:

Indicators	Baseline	Target (Year)	IEG Validated	IEG Rating
	(Year)		Result (Year)	
Women with access to a	21,292,054	25,000,000 (2020)	Not Verified	Not Verified
basic package of health,	(2013)		(Results not	
nutrition or reproductive			available by	
health services (number)			gender)	
Reduction in total fertility	3.9 (2014)	3.5 (2020)	3.37 (2020)	Achieved
(number) <sup>17</sup>				
Women with access to	260,050 (2013)	770,000 (2020)	1,898,700	Achieved
improved water sources in			(through	
areas supported by Bank			projects	
activities (number)			completed in	

<sup>&</sup>lt;sup>13</sup> World Bank. 2019. Kenya: Agricultural Productivity Program: KAPP I and II. Independent Evaluation Group. World Bank.

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<sup>&</sup>lt;sup>14</sup> Water and Sanitation Service Improvement Project (P096367) FY7; Kenya Informal Settlements Improvement Project (P113542) FY11; Urban Water and Sanitation OBA Fund for Low-income Areas, (P132979) FY14; Nairobi Sanitation OBA I and II Projects (P131512) FY12; Water and Sanitation Development Project (P156634) FY17

<sup>&</sup>lt;sup>15</sup> KE-Youth Empowerment Project (FY10) (P111546)

<sup>&</sup>lt;sup>16</sup> Kenya Cash Transfers for Orphans and Vulnerable Children (P111545/P146161); National Safety Net Program for Results and AF (P131305/P161179); and Social Protection Interventions – DfID TA (P121594) Poverty Monitoring TA

<sup>&</sup>lt;sup>17</sup> The number of children per woman during her reproductive years.

			2018 through 2020)	
Interns covered by the Kenya Youth Employment Project, employed or self- employed within six months after internship completion (%).	71% (2013)	80% (2015)	78% (2016)	Achieved
Percentage of youth receiving training and an internship through the Kenya Youth Employment Opportunities Project (Banksupported project) who find a job or are self-employed after at least six months	55% (2016)	70% (2020)	70% (2021)	Mostly Achieved (no data for target year)
People covered by social safety nets (number)	1,650,000 (2013)	4,280,000 (2020)	4.28 Million (2020)	Achieved
Beneficiaries for whom payments are made electronically using two factor authentication (percentage)	0% (2013)	90% (2020)	100% (2020)	Achieved

44. *Mostly Achieved.* Indicators on number of people covered by social safety nets and beneficiaries for whom payments are made clearly measure enhanced and more systematic social protection, and there was improvement in both. Access to reproductive services, youth employment schemes, and access to water also are related to the objective. However, it is not possible to verify whether the target on employment of participants in the internship program was achieved by the target date. Additionally, the fertility indicator is not a direct measure of social protection since a broad range of factors influence fertility.

# Objective 6: Improved Capacity to Manage Risks from Climate Change

- Interventions under this objective consisted of introducing climate smart agricultural inputs and assisting counties that had climate risk profiles with developing action plans and budgets to enhance climate risk management. In the agricultural, sector assistance was provided through the Kenya Climate Smart Agriculture Project (P154784). Assistance to counties was provided through the Kenya Accountable Devolution Program (P149129) and the Kenya Devolution Support Project (P133461). Two IFC Advisory Services interventions (Climate Change Investment Program [573947] and Climate Change Investment Support for Private Equity [568567] aimed to increase bank lending and equity investment to support climate change projects).
- 46. The rating of performance on each of the indicators is as follows:

Indicators	Baseline (Year)	Target (Year)	IEG Validated	IEG Rating
			Result (Year)	
Increased production of	Climate Smart	Climate Smart	Climate Smart	Achieved
climate smart agricultural	Generation	Generation seeds 35	Generation Seeds	
inputs by seeds (tons of early	seeds 0;	tons;	600 metric tons;	
generation and certified seed)	Certified seeds	Certified seeds 150	Early generation	
and breed (number of	0;	tons;	seed: 928 metric	
livestock) producers	Livestock parent	Livestock 1,020	tons;	
	stock 0 (2017)	(2020)	Livestock Parent	
			stocks: 7,700	
Counties with climate risk	0 (2013)	32 (2020)	31 (2019)	Achieved
profiles with concrete climate				
risk management activities				
reflected in County action plans				
and budgets (number).				

47. *Mostly Achieved*: The targets for agricultural climate smart inputs were exceeded, although this indicator could have been included in the agricultural productivity objective. Furthermore, there is no information on the success of using climate smart seeds, and it is unclear how livestock parent stock relates to the objective of managing risks from climate change. There is evidence that as of 2019, all but one county had a climate risk profile as per the indicator. As of 2021, 47 percent of counties have begun legally establishing a County Climate Change Fund (CCCF).

# Objective 7: Greater Citizen Feedback on the Quality-of-Service Delivery in Key Sectors

- 48. This objective appears out of place as part of focus area II. A more logical placement would have been under focus area III, or to have folded focus area III in this focus area.
- 49. A goal of Kenya's devolution agenda has been to improve local governments and foster citizen participation in order to monitor the quality of local services. To that end, World Bank projects in devolved sectors sought to promote increased citizen engagement. This was a component of the two devolution projects implemented under Objective six. Under Objective seven, the Accountable Development Program sought to strengthen the capacities and mechanisms for citizen participation in the planning, budgeting, and monitoring of services in water, health, urban planning, and agriculture.
- 50. The rating of performance on each of the indicators is as follows:

Indicators	Baseline	Target (Year)	IEG Validated	IEG Rating
	(Year)		Result (Year)	
Health, education, or water sectors using citizen feedback mechanism on service delivery (number)	2 (2014) counties met the Minimum Performance Condition on grievances	All devolved sectors (2020)	47 Counties (2020)	Achieved

- 51. *Achieved*. All 47 counties met the minimum performance conditions on grievances by 2020.
- 52. IEG rates the outcome of WBG support under Focus Area II as Moderately Satisfactory.

# Focus Area III: Consistency and Equity—Delivering a Devolution Dividend

53. Interventions in this area consisted of providing better provision of health and sanitation services by county and establishing systems to monitor performance of services delivered at the county level. IEG suggests that this focus area could have been folded into the second focus area which also contained components of county level provision of services and the establishment of feedback mechanisms from citizen engagement. Alternatively, part of focus area II could have been placed in this focus area.

# Objective 8: Better Provision of Health and Sanitation Services by Counties

- 54. There were eight IDA projects that related to this objective. They were the KE-Water & Sanitation Service Improvement (FY08) (P096367); Urban Support Program (P156777) FY18; Health Sector Support (P074091; Transforming Health Systems for Universal Care (P152394) FY; Transforming Health Systems for Universal Care (P152394) FY; Nairobi Metropolitan Service Improvement Project (P107314); Kenya Informal Settlements Improvement Project (P1135542); Nairobi Sanitation OBA Project (P131512); Nairobi Sanitation OBA II Project (P162248).
- 55. The rating of performance on each of the indicators is as follows:

Indicators	Baseline	Target (Year)	IEG Validated	IEG Rating
	(Year)		Result (Year)	
Counties with improved	0%	25%	28% (2020))	Achieved
sanitation performance as	(2013)	(2020)		
measured by annual				
benchmarking (percentage)				
Mothers delivered in local	851,945 (2014)	950,000 (2020)	4,670,155	Achieved
health facilities (number)			mothers (2020)	
People benefiting under the	0	500,000	512,278	Achieved
project from a connection to	(2016)	(2020)	(2020)	
the sewage system or from				
improved septic sludge				
management (number).				

# **Additional Evidence**

- The percentage of births attended by skilled personnel (a proxy indicator for mothers delivered in local health facilities) was 74.4% in 2021 compared with a baseline of 57% in 2015.
- **56.** *Achieved.* These indicators were clear and related directly to the objective. All indicators were achieved.

# Objective 9: Systems to Monitor Performance of Services Delivered by Counties

- 57. This objective was directed at establishing systems that would monitor the delivery and performance of county services in order to achieve the benefits of devolution. It was supported by Kenya Accountable Devolution Project, Kenya Devolution Support Project, Kenya Statistics Program for Results.
- 58. The rating of performance on each of the indicators is as follows:

Indicator	Baseline	Target (Year)	IEG Validated	IEG Rating
	(Year)		Result (Year)	
Counties with a county	0 % counties	20% of 47 counties	12 counties	Achieved
performance monitoring	(2013)	(2020)	(2020)	
system (%)				

59. *Achieved:* The indicator relates to the establishment rather than the use of the systems. Nevertheless, 12 of counties, or 27%, had performance management systems by 2020.

Objective 10: Heightened Transparency and Accountability in the Use of Public Resources. This objective was also described in the CPS as *Capturing the Connecting Platform Outcome of Garnering Good Governance*).

- This objective aimed at ensuring that county governments published budgets and audited outcomes in order to increase transparency in the use of devolved resources. Spending by county level governments was to be published using the Integrated Financial Management Information System (IFMIS), an Internet based platform that would provide information on budgets and outcomes at the county level. All procurement of public goods works and services by public entities requires the use of the E procurement module in the IFMIS. It was supported by the Bank's Program to Strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDEK, P161387).
- 61. The rating of performance on each of the indicators is as follows:

<b>Objective 10: Indicators</b>	Baseline	Target	IEG Validated Result	IEG Rating
	(Year)	(Year)	(Year)	
Timely submission of	Within 10	Within three	0 counties	Not
consolidated annual	months of	months of		Achieved
financial statements to	year end	year end		
Parliament by the Office of	(2016)	(2020)		
the Auditor General				
Counties using IFMIS for	10 counties	37	0 counties	Not
budget preparation and	(2014)	(2020)		Achieved
execution, accounting, and				
financial reporting				

62. Not Achieved. No counties submitted consolidated annual financial statements to Parliament and no counties were using IFMIS for budget preparation. According to the CLR, the counties' submission of budget preparation, execution, accounting and financial reporting was hampered by poor Internet connectivity. A Presidential Directive aimed at improving

connectivity has resulted in some improvement. Additionally, delays in the appointment of a new Auditor General delayed audited financial statements.

63. **IEG rates the outcome of WBG support under Focus Area III as Moderately Satisfactory** based on the discussion above.

#### V. WBG Performance

# Ownership, Learning, and Flexibility

- 64. Over the program period, the government showed strong commitment to the WBG-supported program. An example of this was the substantial reform agenda enacted related to the business enabling environment, and the release of a statement by the Government of Kenya reaffirming its commitment to continue reforms to improve the country's investment climate following the World Bank decision to discontinue producing the Doing Business Indicators.
- 65. The World Bank Group adjusted to changes in government priorities over the life of the CPS, particularly after the change in government in 2017. The 2017 PLR adjusted the priorities following the 2017 elections when the new president outlined a Big Four set of priorities based on developing the manufacturing sector, promoting universal healthcare, supplying affordable housing, and increasing food security. While CPS objectives did not change, results indicators were added to reflect the shift in focus.
- 66. The most significant manifestation of rapid adjustment was the response to the COVID-19 pandemic as its severity became apparent. As part of the response, the World Bank provided US\$10 million in Contingency Emergency Response (P152394) to fund Kenya's national COVID-19 Contingency Plan. Further assistance was contained in the Kenya COVID-19 Health Emergency Response Project to fund medical supplies and build capacity to respond to the crisis. A development policy operation of US\$750 million further supported the response and recovery from the pandemic.

# **Risk Identification and Mitigation**

- 67. The CPS noted that, while there might be significant risks for the Kenya program, they were likely to be manageable. The risks identified, and the ways in which they were mitigated, were:
  - Potential macroeconomic instability that could arise either from devolution, through budgetary overruns at the county level, or an external shock and which would be managed by the long-term drive to improve competitiveness and exports. This was to be mitigated by three DPOs, which sought to assist with debt distress risks, by improving the debt repayment profile and lowering the debt service ratio. The DPOs made some progress in this regard, but serious challenges remain.
  - Disasters and insecurity, to be mitigated by access to IDA's disaster risk management products, although how this would have occurred is not specified.
  - Political risks arising from changes in leadership. When government changed, the WBG
    adapted strategic priorities, particularly with respect to the Big Four priorities of the
    new government.

- A deterioration in governance, with mitigation sought through support for devolution and capacity building at the local level.
- Although the CLR states that the CPS identified risks that were associated with the extensive devolution program initiated by the government, this was not mentioned in the risks sections of the CPS or the PLR. However, extensive devolution assistance was part of the agenda, in terms of which assistance would be provided at the national and subnational levels. In practice, devolution issues were among the riskiest of the country programs because the CPS underestimated the extent to which capacity constraints at the county level would compromise implementation of the reform agenda. Program design included support for capacity building at the county level. However, the installation of performance monitoring systems, citizen participation feedback mechanisms, and county level fiscal performance, program design was undertaken at the level of individual operations and task teams. The CLR points out, and IEG agrees, that the lack of more centralized coordination meant that the response to challenges was reactive rather than proactive and there was no systematic learning process that allowed for lessons learned in one area to be applied to other areas, which resulted in mistakes being repeated and delays occurring.

# **WBG Internal Collaboration**

69. There was strong collaboration between the World Bank, IFC, and MIGA in program preparation and implementation. Close cooperation between the World Bank and the IFC lead to expanded engagement in the water sector, agriculture, and affordable housing. Cooperation between the World Bank, IFC and MIGA led to a significant increase in power generating capacity. In particular, the structuring arrangements for one of the power projects involved financial instruments and collaboration efforts from WB (partial risk guarantee to backstop government obligations under the power purchase agreement), IFC (loan and mobilization of financing), and MIGA (war and civil disturbance risk guarantee). World Bank/IFC cooperation also contributed to the improvement in Kenya's business environment.

# **Partnerships and Development Partner Coordination**

70. According to the CLR. the WBG played a leading role in the Development Partners Group, which was the primary forum in which discussions occurred with the Kenya authorities regarding development priorities and the respective roles of each development partner. Development partners as well as the private sector, and civil society organizations contributed to identifying priorities in the CPS program. However, there is no concrete information available about coordination or collaboration with Development Partners in specific sectors or on specific activities.

#### Safeguards and Fiduciary Issues

71. **Environmental and social safeguards implementation was challenging.** Nevertheless, most projects achieved compliance with the support of Bank Group staff. Twenty projects were closed and validated during the CPS in the health, energy & mining, agriculture, transport, social protection, jobs, social development, environmental & natural resources, water and the urban resilience sectors. At least one safeguard policy was triggered in nineteen projects. The

CLR and project ICRs and ICRRs indicated serious and continuous difficulties in the implementation of the safeguards policies especially in the early years. These included weak performance on the ground, high staff turnover, insufficient budget, poor preparation, and disclosure of safeguards documents, with specific challenges pertaining to resettlement and the ensuing cases submitted to the Inspection Panel. The Bank assisted the Government of Kenya with intensive implementation support, capacity building, stakeholder engagement and audit workshops. Safeguard compliance improved in many operations with a clear plan for the Government of Kenya to monitor the outstanding safeguards activities after projects closure.

72. During the CPS period the inspection panel investigated ten cases with allegations of harm by individuals or communities affected by Bank interventions. The Panel confirmed the allegations in the Electricity Expansion Project. The complainants expressed their discomfort with the relocation of four indigenous Maasai communities and the impact on their traditions and livelihoods. The Panel validated the claims that vulnerable people experienced harm and impoverishment during the resettlement process. The Panel found the quality of the Bank supervision poor and noncompliant with the resettlement policy. In its response, Bank management developed an action and mediation plan which was approved by the Board and is under implementation. The case is still open.

# **Overall Assessment and Rating**

73. Overall, IEG rates World Bank Group performance as **Good**.

# Design

- 74. The three areas of WBG intervention reflected country and SCD-identified priorities and on the whole, WBG interventions contributed to achieving CPS objectives. One of the lessons from the FY10-FY13 CPS was the need for a thorough and comprehensive results framework. The CLR states (para 41) that the CPS FY14–FY20 CPS "brought together multidisciplinary teams to formulate outcomes to which multiple sectors contributed". The 10 objectives and 29 indicators were meant to embody the broad scope of the program. However, this meant that the CPS program failed to comply with the government of Kenya's External Resources Program that was introduced in 2016 to direct the efforts of each development partner to no more than four sectors, although the Government did not object to the breadth of the program and welcomed WBG assistance. The design of the results framework was of mixed quality, as it contained indicators that were too high level such that attribution could not be made (e.g., the fertility index and the number of hectares of land under irrigation) to specific and verifiable indicators where the World Bank Group made a direct contribution through projects, such as the number of people covered by safety nets.
- A weakness of the WBG-supported strategy was wide range of sectors. The CLR points out that the breadth of the program hampered implementation and reduced the effectiveness of ASA. Furthermore, the Bank's support for devolution failed to recognize sufficiently the substantial challenges inherent in a devolution program of the scale attempted.

# Implementation

76. Implementation results were mixed. The program delivered substantial lending, which exceeded the ambitions of the CPS to a significant degree. The CLR reports (para. 88) that there were to have been regular client led reviews regarding cross cutting portfolio issues as well as semi-annual workshops to review project implementation and performance with respect to fiduciary issues, contract management and disbursement performance, but the only such review was held during the Performance Learning Review.

#### VI. Assessment of CLR

77. The CLR provided generally good evidence to assess the achievement of program objectives. It is also frank with respect to some of the shortfalls of World Bank Group interventions. However, the analytical foundation of the CLR are weak. It does not provide an assessment the causal chain between interventions and development objectives.

#### VII. Lessons

- 78. The CLR contains 11 lessons from the WBG program. However, many of these are closer to observations than lessons. Those with which this review concurs are:
- The need to be more selective and focused with respect to engagement within sectors and issues, particularly in the area of SOE reform.
- The need to be more selective and focused with respect to engagement within sectors and issues, particularly in the area of SOE reform.
- The need for close tracking of results and outcomes at the county level in order to better focus the WBG's support for devolution.
- The need to improve the design of program indicators that would enable a better understanding of the relationship between WBG programs and outcomes.
- The need for a more coordinated approach to target pockets of corruption.

The need for reflecting local capacity in program design and providing additional assistance where necessary.

# **Annexes**

Annex 1: Achievement of CPS Objectives (Results Framework)

**Annex 2: Comments on Lending Portfolio** 

**Annex 3: Comments on ASA Portfolio** 

**Annex 4: Comments on Trust Funded Portfolio** 

**Annex 5: IEG Project Ratings** 

Annex 6: Portfolio Status for Kenya and Comparators, FY14-21

Annex 7: Comments on IFC Investments in Kenya

Annex 8: Comments on IFC Advisory Services in Kenya

**Annex 9: Comments on MIGA Guarantees** 

Annex 10: Economic and Social Indicators for Kenya FY14-21

**Annex 1: Summary of Achievements of CPF Objectives** 

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CPS FY 2014-2018	Actual Results	IEG Comments
Focus Area 1: Competitiveness		<u> </u>
Objective 1: Enhanced Infrastr	<u>~</u>	
	• • • • • • • • • • • • • • • • • • • •	
Outcome 1.1: Reliable and effice 1.1. (i) Installed generation capacity from diversified sources (geothermal, thermal, wind) (MW)  Baseline: 1,765 MW (2013) Target: 3,570 MW (2020) - revised	<u>~</u>	
1.1. (ii) System loss reduction (% of output) *  Baseline: 18.7% of output (2013)  Target: 15.9% of output (2020)	Not Achieved. 2,790.7 GWh (2020) Accounts for 24.3% of total domestic generation in 2020. Source: (2021 Economic Survey, paragraph 9.20).	MIGA:  • Thika Power Ltd. (9722) • Gulf Power Ltd. (cancelled in FY2021) • Triumph Power Plant  PLR revised target to FY20 to match the new closing date of the CPS.  Lending • Kenya Electricity Expansion Project and AF (P103037) FY10 (P153179) FY16 • Kenya Private Sector Power Generation Support Project (P122671) FY12  IFC • Kipevu II Power Project (8917) • Thika IPP (2981) • Kenya Power and Lighting Company (28550) FY12 • Kenya Utility Efficiency in Africa Program (592107) CN Approval: 2011

CPS FY 2014-2018	Actual Results	IEG Comments
		Kenya Investment Climate Power Project (590607)     FY12
		• Lighting Kenya (555905) 2007
		TA
		Realizing PPP Opportunities (P148371)
1.1. (iii) Increase electricity access: (number of people	Achieved. 8.2 million (2021)	PLR added this indicator.
provided with electricity) (New	Source: Common Market for	Lending:
indicator)	Eastern and Southern Africa (COMESA).	Kenya Electricity Expansion Project and AF     (P103037/P153179)
Baseline: 0 (2016) Target: 1,800,000 (2020)		Kenya Private Sector Power Generation Support Project (P122671)
		IFC '
		Lighting Kenya (555905)
		Kipevu II Power Project (8917)
		<ul> <li>Kenya Power and Lighting Company (28550)</li> </ul>
Outcome 4.2: Enhanced laniet		Kenya Utility Efficiency in Africa Program (592107)

Outcome 1.2: Enhanced logistics and distribution network, and more efficient major gateways

1.2. (i) Waiting times at ports and border crossings <b>Baseline:</b> Ports: 13 days; Border crossings: 2 days (2013)	Achieved. Border Crossings: 81.65 hours (3.4 days) (2018) Source: Northern Corridor Performance Dashboard, http://kandalakaskazini.or.ke/	Northern Corridor Transport Improvement Project (P082615) FY04 + AF (P106200) FY09     East Africa Trade and Transport Facilitation Project I (P160009) FY11 + additional financing (P121354) FY11
Target: Ports: 8 days; Border crossings 1 day (2018)	The same source reports 1 day as of January 1, 2019.  IEG is unable to confirm border crossing times via the Northern Corridor Transport Observatory Dashboard; Kenya Port Authority.  Containerized Cargo Dwell Time at the Port: 49.38 hrs. (2 days)  Additional Evidence: Vessel Waiting Time at Ports: The average of the time difference in hours from the Entry in Port Area to the Berthing time:14.47 Hours (as of December 4th 2018). Northern Corridor Performance Dashboard (Vessel Waiting Time).  Ports, median number of days: 4 (2018). Source:	<ul> <li>East Africa Regional Transport, Trade and Development Facilitation Project II, Phase II (P148853) FY15</li> <li>Transport Sector Support Project (P124109) FY11 + AF (P146630) FY14</li> <li>KE National Urban Transport (P126321) FY13</li> <li>Kenya Transport Sector Project (P124109) FY11</li> <li>IFC</li> <li>Kenya Trade Logistics (57008) FY11</li> <li>Kenya Uganda Rail (24766) FY06</li> </ul>

CPS FY 2014-2018	Actual Results	IEG Comments
	Review of Maritime	
	Transport 2019 (unctad.org). Table 3.2	
	Table 3.2	
Objective 2: Strengthened Pl	anning and Management of Urb	an Growth
2. (i) Urban centers with	Achieved.28 Integrated	PLR changed target from 14 to 24 by 2018 due to
integrated strategic plans	Strategic Plans completed	additional support from the Nairobi Metropolitan Services
(number)	(2020)	project P10731.
	Source: <u>P107314</u> Page #30.	
Baseline: 0 (2014)		Lending
<b>Target</b> : 24 (2020) – revised	The 28 integrated strategic	<ul> <li>Nairobi Metropolitan Services (P107314) FY12</li> </ul>
	development plans	Kenya Nucipa Program (P066488) FY10
	completed under the Nairobi	
	Metropolitan Services project	
	provide broad and strategic	
	guidance for the	
	development of large areas	
	within the metro region.	
	Plans were previously	
	developed at the urban level	
	with little integration of the	
	surrounding metropolitan areas for urban	
	areas for urball	

development.

Objective 3: Improved Enabling Environment for Private Investment (Capturing the Connecting Platform Outcome of			
Garnering Good Governance)			
3. (i) Completed key investment reforms in business regulation, trade logistics and industry (number)	Achieved. 20 Business Reforms completed across 10 areas measured by Doing Business (2020).	<ul> <li>IEG was not able to verify the list of 54 key investment reforms purported by the CLR.</li> <li>New FY20 target reflects the extension of CPS to FY20 (PLR).</li> </ul>	
Baseline: 0 (2014)	Source: Doing Business	Lending:	
Target: 20 (2020) revised	2020 Pages # 66-68	<ul> <li>KE Export Competitiveness and Innovation TA (P147220) FY14</li> <li>KE Commercial Financing for Urban Water and Sanitation TA (P144507) FY12</li> <li>Manufacturing Export Competitiveness in Kenya Policy Note TA (P133164) FY12</li> <li>Judicial Performance Improvement Project (P105269) FY14</li> <li>KE Infrastructure PPP and AF (P121019) FY12 (P162182) FY17</li> </ul>	
		Joint WB-IFC:  • Kenya Industry and Entrepreneurship (P161317) FY18  • Kenya Competitiveness Enhancement Program  • Kenya Mortgage Refinance Facility and Affordable Housing PPP	

Additional Financing for SEZ Program
KE Investment Climate Assessment (P133163) • KICP2 NLTA on Business Environment Reforms

• ASA on Investment Climate Diagnostics

CPS FY 2014-2018	Actual Results	IEG Comments
3. (ii) Reforms at the national and sub-national level, as recorded by Doing Business/Subnational Doing Business (select Counties – number).  Baseline: 0 (2017) Target: 20 and 10 (2020) at the National and County levels, respectively	Not Verified. 20 national level reforms (Doing Business) – per the indicator above.  No evidence of subnational reforms. IEG was not able to verify subnational county level business reforms since the most recent subnational Doing Business Report IEG could verify was produced in 2016 (23 subnational reforms were produced by 2016). Subnational Doing Business Report (2016). Page #5, table 1.2	ASA on Sector Competitiveness including Services, Agribusiness and Extractive Industries Enhancing Local Content ASA (P161206) Digital Entrepreneurship Kenya; Support to Kenya Climate Innovation Center (P156466) Kenya Climate Venture Facility Investment Climate for Sub-National Business Regulation (593208) Investment Climate for Trade Logistics (57008) Investment Climate for Industry (594987) East Africa Competitiveness Project Kenya Investment Climate Program 3 (KICP3).  IFC Advisory: Constraints to Private Sector Development; CEM; Financial Sector Innovation Boosting Private Sector Competitiveness; Financial Advisory: Financial Deepening & Development; Port City Interface Kenya EU series; Capital Mkts  Lending KE Investment Climate Assessment (P133163) FY13 Investment Climate for Sub-National Business Regulation (593208) Investment Climate for Trade Logistics (57008) Investment Climate for Industry (594987) East Africa Competitiveness Project Kenya Investment Climate Program 3 (KICP3)  IFC Advisory: Constraints to Private Sector Development; CEM; Financial Sector Innovation Boosting Private Sector Competitiveness
3. (iii) Growth in new business registration (percentage).	Achieved. 2020:154,155 total registered entities, an	■ KE Export Competitiveness and Innovation TA (P147220) FY14
Baseline: 0 (2017) Target: 25% (2020)	increase of 43.2% from 107,697 registered entities in 2017. Source: Business Registration Service	<ul> <li>KE Commercial Financing for Urban Water and Sanitation TA (P144507) FY12</li> <li>Manufacturing Export Competitiveness in Kenya Policy Note TA (P133164) FY12</li> <li>Judicial Performance Improvement Project (P105269) FY14</li> <li>KE Infrastructure PPP and AF (P121019) FY12 (P162182) FY17</li> <li>Joint WB-IFC:</li> <li>Kenya Industry and Entrepreneurship (P161317) FY18</li> <li>Kenya Competitiveness Enhancement Program</li> </ul>

Kenya Mortgage Refinance Facility and Affordable     Housing PPP  Additional Figure for CF7 Process
<ul> <li>Additional Financing for SEZ Program</li> <li>KE Investment Climate Assessment (P133163)</li> <li>KICP2 NLTA on Business Environment Reforms</li> <li>ASA on Investment Climate Diagnostics</li> <li>ASA on Sector Competitiveness including Services, Agribusiness and Extractive Industries</li> <li>Enhancing Local Content ASA (P161206)</li> <li>Digital Entrepreneurship Kenya; Support to Kenya Climate Innovation Center (P156466)</li> <li>Kenya Climate Venture Facility</li> <li>Investment Climate for Sub-National Business Regulation (593208)</li> <li>Investment Climate for Industry (594987)</li> <li>East Africa Competitiveness Project</li> <li>Kenya Investment Climate Program 3 (KICP3).</li> </ul> IFC Advisory: <ul> <li>Constraints to Private Sector Development; CEM; Financial Sector Innovation</li> <li>Boosting Private Sector Competitiveness; Financial Advisory:</li> </ul>
<ul> <li>Financial Deepening &amp; Development; Port City Interface</li> <li>Kenya EU series; Capital Mkts</li> </ul>
Human Resource Development for Shared Prosperity
ctivity Previously (Formerly Greater agricultural productivity (CPF))
<ul> <li>Achieved</li> <li>(Maize) 145%</li> <li>Unable to identify value for 2020, but the target was partially achieved in 2018.</li> <li>Indicator changed to reflect extension of CPS to FY20. New milestone on completion of basin management</li> </ul>
) 

Baseline: 17 bags/ha maize; 4.5 bags/ha beans; 60 bags/ha Irish potatoes (2013)

Target: 15% bags/ha increase for maize, beans and Irish potatoes (2020) - revised

Additional Evidence

• 2019:14,243 hg/ha (Beans, dry) 276,0000 hg/ha (Maize) 2013:12,370 hg/h (Beans, dry) 17240 hg/ha (Maize)

Source: FAOSTAT

# Lending

- Kenya Agricultural Productivity and Agribusiness Project (P119736) FY09
- Western Kenya CDD and Flood Prevention Project (P074106) FY07
- Kenya Coastal Development Project (P094692) FY10
   Kenya Adaptation and Climate Change (P091979) FY10
- Kenya Global Environmental Facility (P108845) FY10
- National Agricultural and Rural Inclusive Growth Project (P153349) FY16

CPS FY 2014-2018	Actual Results	IEG Comments
		<ul> <li>Kenya Climate Smart Agriculture Project (P154784)         FY17</li> <li>Regional Pastoral Livelihoods Resilience Project         (P129408) FY14</li> <li>Kenya Water Security and Climate Resilience Project         (P117635)</li> <li>Coastal Region Water Security and Climate Resilience         Project (P145559) FY13</li> <li>Inclusive Growth and Financial Management         Development Policy Financing (P168204) FY19</li> <li>Regional Pastoralism Livelihood and Climate Resilience         Project (P129408) FY14</li> <li>Marine Fisheries and Socio-Economic Development         Project (P163980) FY20</li> <li>Advisory:         <ul> <li>Kenya Agriculture Sector Discussion Note: Transforming             Subsistence Agriculture and Building Resilience to             Climate Change (ACS14260)</li> <li>East Africa Smallholder Irrigation Project (602686)</li> <li>Kenya Economic Update: Unbundling the Slack in             Private Investment: Transforming Agricultural Sector             Productivity and Linkages to Poverty Reduction</li> </ul> </li> </ul>
4. (ii) Agricultural irrigated land (ha)  Baseline: 130,000 hectares of irrigation and 30,000 hectares of drainage (2013)  Target: 175,000 hectares of irrigation and 40,000 hectares of drainage (2020) - revised	Not Verified  IEG was not able to verify the hectares of irrigated land and drainage for the CPS target year within project documentation and government data.	<ul> <li>Kenya Tea Development Agency (32216)</li> <li>Lending</li> <li>Kenya Agricultural Productivity and Agribusiness Project (P119736) FY09</li> <li>Kenya Adaptation and Climate Change (P091979) FY10</li> <li>National Agricultural and Rural Inclusive Growth Project (P153349) FY16</li> <li>Kenya Climate Smart Agriculture Project (P154784) FY17</li> <li>Regional Pastoral Livelihoods Resilience Project (P129408) FY14</li> <li>Regional Pastoralism Livelihood and Climate Resilience Project (P129408) FY14</li> <li>Marine Fisheries and Socio-Economic Development Project (P163980) FY20</li> <li>Advisory:</li> <li>Kenya Agriculture Sector Discussion Note: Transforming Subsistence Agriculture and Building Resilience to Climate Change (ACS14260)</li> <li>East Africa Smallholder Irrigation Project (602686)</li> <li>Kenya Economic Update: Unbundling the Slack in Private Investment: Transforming Agricultural Sector Productivity and Linkages to Poverty Reduction IFC:</li> <li>Kenya Tea Development Agency (32216)</li> </ul>
4. (iii) Increase in water storage (Mwache dam). (New indicator)	Not Achieved The earliest dam works are expected to be completed is August 2024.	Lending ■ Kenya Agricultural Productivity and Agribusiness Project (P119736) FY09

CPS FY 2014-2018	Actual Results	IEG Comments
CPS FY 2014-2018  Baseline: 0 (2016  Target: 78.6 million M3 – total storage (2020)	Actual Results  Construction was delayed due to delays in implementing Resettlement Action Plan (RAP), however, As of October 2021, the GoK has acquired 70 percent of land required to construct the main and lower check dam.  (P145559) Seq No: 12	■ Western Kenya CDD and Flood Prevention Project (P074106) FY07 ■ Kenya Coastal Development Project (P094692) FY10 ■ Kenya Adaptation and Climate Change (P091979) FY10 ■ Kenya Global Environmental Facility (P108845) FY10 ■ National Agricultural and Rural Inclusive Growth Project (P153349) FY16 ■ Kenya Climate Smart Agriculture Project (P154784) FY17 ■ Regional Pastoral Livelihoods Resilience Project (P129408) FY14 ■ Kenya Water Security and Climate Resilience Project (P117635) ■ Coastal Region Water Security and Climate Resilience Project (P145559) FY13 ■ Inclusive Growth and Financial Management Development Policy Financing (P168204) FY19 ■ Regional Pastoralism Livelihood and Climate Resilience Project (P129408) FY14 ■ Marine Fisheries and Socio-Economic Development Project (P163980) FY20  Advisory: ■ Kenya Agriculture Sector Discussion Note: Transforming Subsistence Agriculture and Building Resilience to Climate Change (ACS14260) ■ East Africa Smallholder Irrigation Project (602686) ■ Kenya Economic Update: Unbundling the Slack in Private Investment: Transforming Agricultural Sector
		Productivity and Linkages to Poverty Reduction  IFC:
4. (iv) Agricultural land brought under sustainable land management (SLM) due to adoption of new technologies, innovations, and improved management practices (TIMPs) (hectares). (New indicator)  Baseline: 0 (2017) Target: 420,000 (2020)	Not Achieved. 2020: 33,025 ha Source: P153349 ISR #11. Page # 4	<ul> <li>Kenya Tea Development Agency (32216)</li> <li>Lending</li> <li>Kenya Agricultural Productivity and Agribusiness Project (P119736) FY09</li> <li>National Agricultural and Rural Inclusive Growth Project (P153349) FY17</li> <li>Western Kenya CDD and Flood Prevention Project (P074106) FY07</li> <li>Kenya Coastal Development Project (P094692) FY10</li> <li>Kenya Adaptation and Climate Change (P091979) FY10</li> <li>Kenya Global Environmental Facility (P108845) FY10</li> <li>National Agricultural and Rural Inclusive Growth Project (P153349) FY16</li> <li>Kenya Climate Smart Agriculture Project (P154784) FY17</li> <li>Regional Pastoral Livelihoods Resilience Project (P129408) FY14</li> <li>Kenya Water Security and Climate Resilience Project (P117635)</li> <li>Coastal Region Water Security and Climate Resilience Project (P145559) FY13</li> <li>Inclusive Growth and Financial Management Development Policy Financing (P168204) FY19</li> </ul>

CPS FY 2014-2018	Actual Results	IEG Comments
		<ul> <li>Regional Pastoralism Livelihood and Climate Resilience Project (P129408) FY14</li> </ul>
		Marine Fisheries and Socio-Economic Development Project (P163980) FY20
		Advisory:
		Kenya Agriculture Sector Discussion Note: Transforming Subsistence Agriculture and Building Resilience to Climate Change (ACS14260)
		East Africa Smallholder Irrigation Project (602686)
		<ul> <li>Kenya Economic Update: Unbundling the Slack in Private Investment: Transforming Agricultural Sector Productivity and Linkages to Poverty Reduction</li> </ul>
		Kenya Tea Development Agency (32216)
Objective 5: Improved Social S	Eervice Delivery for Vulnerable	Groups, Particularly Women
Increased women's access to		
5.1(i) Women with access to a basic package of health,	Not Verified. The Health Sector Support	PLR updated indicator.
nutrition or reproductive health	project tracks the CPS	Lending
services (number)	indicator through the Kenya	Health Sector Support (P074091) FY18
Baseline: 21,292,054 (2013)	Essential Package for Health (KEPH). However, the 47	
Farget: 25,000,000 (2020) -	million people with access to	
revised	a basic package of health	
	and nutrition services under	
	this package is not	
	disaggregated by gender.	
	The number of women	
	receiving free delivery	
	services, under the Health	
	Sector project, and	
	according to quality norms at public health facilities,	
	totaled 604,500, against a	
	target of 550,000 and a	
	baseline of 454,000.	
5.1 (ii) Reduction in total	Achieved.	Lending:
ertility (number)18. New	3.37 (2020)	Kenya Health Sector Support Project (P074091)     Transferming Health Sectors for Heisensch Constitutions
ndicator	Source: (Our World in	<ul> <li>Transforming Health Systems for Universal Care (P152304)</li> </ul>
Baseline: 3.9 (2014) Farget: 3.5 (2020)	<u>Data)</u>	(P152394)  East Africa Public Health Laboratory Networking Project
141 got. 0.0 (2020)	Additional Evidence	(P111556)
	2020: 3.3%	<ul> <li>Kenya COVID-19 Emergency Response Project</li> </ul>
	Source: DHS Data	(P173820)
	*Definition: Total fertility rate	
	for the three years preceding	
	the survey for age group 15-49 expressed per woman	
	+3 expressed her Molligii	
ncreased women's access to	water services	

CPS FY 2014-2018	Actual Results	IEG Comments
5.2 (i) Women with access to	Achieved.	Lending
improved water sources in areas supported by Bank activities (number)  Baseline: 260,050 (2013)  Target: 770,000 (2020) – revised	Total Beneficiaries: 1,898,700  1,315,200 women (2019) Source: P096367 ICR. Paragraph 63.  500,000 women (2020) Source: P132979 ICRR.	<ul> <li>Water and Sanitation Service Improvement Project (P096367) FY07</li> <li>Kenya Informal Settlements Improvement Project (P113542) FY11</li> <li>Urban Water and Sanitation OBA Fund for Low-income Areas (P132979) FY14</li> </ul>
Establish Market Chille for V	Additional Evidence:  • 83,500 women (2018) - People provided with access to improved water sources under the project- urban (50% of which were women). Source: P131512 I ICR. Table 4, page # 9  • 1,775 women (2021) - direct beneficiaries, of which 50% are women with access to water supply and sanitation services in select coastal and northeastern regions. Sources: P156634 ISR #10. Page #3	Nairobi Sanitation OBA I and II Projects (P131512) FY12     Water and Sanitation Development Project (P156634)     FY17
Enhanced Market Skills for You	•	
5.3 (i) Interns covered by the	Achieved	Lending:
Kenya Youth Employment	76% (2016) youth	Kenya Youth Empowerment Project (P111546)     Kenya Youth Employment and Opportunities Project
Project, employed or self-	Source: P111546 ICRR.	<ul> <li>Kenya Youth Employment and Opportunities Project</li> </ul>
employed within six months after internship completion (%).	Page	(P151831)  • Kenya Global Partnership for Education Project

Baseline: 71% (2013) **Target:** 80 % (2015)

IEG was unable to verify value for CPS target year, however the CPS target was achieved in 2019 according to the Kenya Youth Empowerment Project. 76% represents interns employed or self-employed six months after internship completion.

- (P146797)
- Kenya Global Partnership for Education COVID 19 Project (P174059)
- Kenya Secondary Education Quality Improvement Project (P160083)
- Eastern and Southern Africa Higher Education Centers of Excellence (ACE II) (P151847)

- Kenya Social Protection and Jobs Programs Public Expenditure Review
- From Safety Net Delivery to Comprehensive Social Protection and Job Services (P164812)
- Job Creation and Entrepreneurship among Youths in Kenya: Impact Evaluations (P164229).

CPS FY 2014-2018	Actual Results	IEG Comments
5.3 (ii) Percentage of youth	Achieved	<ul> <li>Indicator changed to reflect extension of CPS to FY20.</li> </ul>
receiving training and an internship through the Kenya Youth Employment Opportunities Project (Banksupported project) who find a job or are self-employed after at least six months.  (New indicator)  Baseline: 55 % (2016)  Target: 70 % (2020)	70% (2021) Source: P151831 ISR #10. Page # 3  IEG was unable to verify value for CPS target year, however the CPS target was achieved in 2021 according to the Kenya Youth Employment and Opportunities Project.	<ul> <li>Indicator changed to reflect extension of CPS to FY20.</li> <li>Lending</li> <li>Kenya Youth Empowerment Project (P111546)</li> <li>Kenya Youth Employment and Opportunities Project (P151831)</li> <li>Kenya Global Partnership for Education Project (P146797)</li> <li>Kenya Global Partnership for Education COVID 19 Project (P174059)</li> <li>Kenya Secondary Education Quality Improvement Project (P160083)</li> <li>Eastern and Southern Africa Higher Education Centers of Excellence (ACE II) (P151847)</li> </ul>
		<ul> <li>ASA</li> <li>Kenya Social Protection and Jobs Programs Public Expenditure Review</li> <li>From Safety Net Delivery to Comprehensive Social Protection and Job Services (P164812)</li> <li>Job Creation and Entrepreneurship among Youths in Kenya: Impact Evaluations (P164229).</li> <li>Kenya Jobs for Youth</li> <li>Capturing Skills Requirements and Assessing Skills Gaps in the Modern Economy.</li> <li>Improving Higher Education Performance in Kenya: A Policy Report</li> </ul>
5.4(i) People covered by social safety nets (number)  Baseline: 1,650,000 (2013)  Target: 4,280,000 (2020) - revised	Achieved 2020: 4.28 mil National Safety Net Program (NSNP) beneficiaries. Source: (P131305) ICRR. Page #4	<ul> <li>Change to reflect extension of CPS to FY20. (PLR)</li> <li>Lending</li> <li>Kenya Cash Transfers for Orphans and Vulnerable Children and AF (P111545/P146161)</li> <li>National Safety Net Program for Results and AF (P131305/P161179)</li> <li>Social Protection Interventions – DfID TA (P121594)</li> <li>Poverty Monitoring TA</li> <li>Kenya Economic and Social Inclusion Project (P164654)</li> <li>ASA</li> <li>Kenya Social Protection and Jobs Programs Public Expenditure Review         <ul> <li>From Safety Net Delivery to Comprehensive Social Protection and Job Services (P164812)</li> </ul> </li> </ul>
5.4(ii) Beneficiaries for whom payments are made electronically using two factor authentication (percentage)  Baseline: 0% (2013)  Target: 90% (2020) – revised	Achieved 100 percent (2018) Source: P111545 ICR Page#39	<ul> <li>Indicator changed to reflect extension of CPS to FY20 (PLR).</li> <li>Lending:         <ul> <li>Kenya Cash Transfers for Orphans and Vulnerable Children and AF (P111545/P146161)</li> <li>National Safety Net Program for Results and AF (P131305/P161179)</li> <li>Social Protection Interventions – DfID TA (P121594)</li> <li>Poverty Monitoring TA</li> <li>Kenya Economic and Social Inclusion Project (P164654)</li> </ul> </li> </ul>

CPS FY 2014-2018	Actual Results	IEG Comments
6. (i) Increased production of climate smart agricultural inputs by seeds (tons of early generation and certified seed) and breed (number of livestock) producers. (New indicator)  Baseline: generation seed 0; certified seed 0; livestock parent stock 0. (2017)  Target: generation seed 35 tons; certified seed 150 tons;	Achieved 2020: Certified Seed (600 metric ton), Early generation seed (328 metric ton), Livestock Parent stocks number (7,700.00) Source: P154784 ISR #10, Page #7.	<ul> <li>ASA</li> <li>Kenya Social Protection and Jobs Programs Public Expenditure Review</li> <li>From Safety Net Delivery to Comprehensive Social Protection and Job Services (P164812)</li> <li>Indicator changed to reflect extension of CPS to FY20 (PLR).</li> <li>Lending</li> <li>Kenya Livestock Insurance Program TA</li> <li>Kenya Climate Smart Agriculture Project (P154784)</li> <li>Regional Pastoral Livelihoods Support Project (P129408)</li> <li>Kenya Accountable Devolution Program – Devolution and locally-led Climate and Disaster Risk Management Project (P163600)</li> </ul>
livestock 1,020 (2020) 6. (ii) Counties with climate risk profiles with concrete climate risk management activities reflected in County action plans and budgets (number). (New indicator)  Baseline: 0 (2013) Target: 32 (2020)	31 (2019). Source: The Climate-Smart Agriculture Papers 2019. Page # 236, paragraph #2.  Additional Evidence: 25 counties (47% of counties) have begun operationalizing work on County Climate Change Fund (CCCF) (2021). Source: Final Technical Assessment P173065 Paragraph # 46, page #13	Lending  Kenya Livestock Insurance Program TA  Kenya Climate Smart Agriculture Project (P154784)  Regional Pastoral Livelihoods Support Project (P129408)  Kenya Accountable Devolution Program – Devolution and locally-led Climate and Disaster Risk Management Project (P163600)
Objective 7: Greater Citizen Fe Platform Outcome of Garnerin		ice Delivery in Key Sectors (Capturing the Connecting
7. (i) Health, education, or	Partly achieved	Lending:
water sectors using citizen feedback mechanism on	47 Counties (2020), Source: Annual Capacity &	Kenya Accountable Devolution Program (P149129)     FY16
service delivery (number) Rephrased indicator	Performance Assessment (ACPA). Pages # 12-13.	Kenya Devolution Support Project P133461 (FY19)
Target: 2 (2018) Target: All devolved Sectors (2020)	12-10.	
	d Equity—Delivering a Devolu	tion Dividend

35

**Achieved.** 28% (2020)

8. (i) Counties with improved sanitation performance as

• Indicator changed to reflect extension of the CPS to FY20 (PLR).

CPS FY 2014-2018	Actual Results	IEG Comments
measured by annual	Source: Kenya Urban	Lending
benchmarking (percentage)	Support Programme	<ul> <li>Kenya Health Sector Support Project (P074091)</li> </ul>
<b>-</b>	(KUSP). Ministry of	<ul> <li>Kenya Water and Sanitation Services Improvement</li> </ul>
Baseline: 0% (2013)	Tansport, Infrastructure,	Project (P096367)
<b>Target: 25% (2020) - revised</b>	Housing.	Nairobi Sanitation OBA Project (P131512)
	Pages pp. 26-29	Nairobi Sanitation OBA II Project (P162248)
		<ul> <li>Kenya Informal Settlements Improvement Project</li> </ul>
		(P1135542)
		<ul> <li>Transforming Health Systems for Universal Care</li> </ul>
		(P152394)  • Kenya Urban Support Project (P156777)
		<ul> <li>Water and Sanitation Development Project (P156634)</li> </ul>
		<ul> <li>Water and Samiation Development Project (P130034)</li> <li>Kenya Devolution Support Program (P149129)</li> </ul>
		<ul> <li>Kenya Statistics Program for Results (P149718)</li> </ul>
		- Kenya Statistics Program for Results (P1497 10)
		IFC:
		■ KICP2
		Advisory
		Public Expenditure Review
		■ PEFA Academy
		Household Poverty Survey
		Kenya Service Delivery Indicators (P145457)
8. (ii) Mothers delivered in local	Achieved.	Lending
health facilities (number). New	4,670,155 mothers (2020) -	Health Sector Support (P074091) FY
indicator	proxy for deliveries in local	Transforming Health Systems for Universal Care
	health facilities.	(P152394) FY
Baseline: 851,945 (2014)	Source: <u>P152394 ISR 11</u> .	
Target: 950,000 <b>(2020) -</b>	Page # 4.	Advisory:
revised		Kenya Service Delivery Indicators (P145457)
8. (iii) People benefiting under	Achieved	Lending
the project from a connection	2020: 512,278 (aggregate of	<ul> <li>Nairobi Metropolitan Service Improvement Project</li> </ul>
to the sewage system or from	all contributing lending	(P107314)
improved septic sludge	activities)	Kenya Informal Settlements Improvement Project
management (number). <b>New</b>		(P1135542)
indicator		Nairobi Sanitation OBA Project (P131512)
Decelia - 0 (204C)		Nairobi Sanitation OBA II Project (P162248)      Nairobi Sanitation OBA Fundamental Sanitation OB
Baseline: 0 (2016)		<ul> <li>Kenya Urban Water and Sanitation OBA Fund</li> </ul>
Target: 500,000 (2020)		(P132979)
		Advisory:
		Household Poverty Survey
		<ul> <li>Kenya Service Delivery Indicators (P145457)</li> </ul>
■ Objective 9: Systems to Mon	itor Performance of Services [	
9. (i) Counties with a county	Achieved.	Lending
performance monitoring	12 counties (2020)	MDTF Kenya Accountable Devolution Project (P168662)
system (%)	Source: Kenya Accountable	<ul> <li>Kenya Devolution Support Project (P149129)</li> </ul>
. ,	Devolution Program	<ul> <li>Kenya Statistics Program for Results (P149718)</li> </ul>
	Completion Report.	
	Paragraph # 1.	
Baseline: 0 % counties (2013)		
Target: 20% of 47 counties		
(2020)		1

CPS FY 2014-2018	Actual Results	IEG Comments
		n the Use of Public Resources, particularly at the County
Level (Capturing the Connectir  10. (i) Timely submission of consolidated annual financial statements to Parliament by the Office of the Auditor General (OAG) (months)  Baseline: within 10 months	Not Achieved. 0 counties • Audited Financial Statements for 2019 have not been received due to the delays experienced	Indicator changed to reflect extension of the CPS to FY20.  Lending  Program to Strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK)
from year-end (2016) Target: within 3 months of year-end (2020) - revised	regarding the appointment of a new Auditor General at the Office of the Auditor General (OAG) as well as Auditor for the OAG.  Source: P161387 - Sequence No: 05 FY18.	(P161387) FY18
10. (ii) Counties using IFMIS for budget preparation and execution, accounting, and financial reporting (number)  Baseline: 10 (2014)  Target: 37 (2020) - revised	Not Achieved. 0 counties	<ul> <li>Indicator changed to reflect extension of the CPS to FY20.</li> <li>Lending:         <ul> <li>RCIP; Kenya Transparency and Communications Infrastructure Project (P149043)</li> <li>Kenya Accountable Devolution Program (P133461)</li> <li>Program to Strengthen Governance for Enabling Service Delivery (P161387)</li> <li>Kenya Devolution Support Project (P149129)</li> <li>MDTF Kenya Accountable Devolution Project</li> <li>Kenya Statistics for Results (P149718)</li> <li>Governance for Enabling Service Delivery in Kenya (P161387)</li> </ul> </li> </ul>

### **Annex 2: Comments on Lending Portfolio**

IEG's review found no differences in lending portfolio data vs. what is presented in the CLR.

**Annex 3: Comments on ASA Portfolio** 

IEG's review found the following ASAs that are not included in the CLR:

Proj ID	ASA	Fiscal year	Practice	RAS
P148820	Governance diagnostics at national level	FY14	Governance	No
P133163	Investment Climate Assessment	FY14	Macroeconomics, Trade and Investment	No
P090208	KE - Decentralization	FY14	Macroeconomics, Trade and Investment	No
P133643	KE PER FY13	FY14	Macroeconomics, Trade and Investment	No
P129535	Kenya Gender Policy Notes	FY14	Poverty and Equity	No
P150609	Higher Education	FY15	Education	No
P148160	KE PER FY14	FY15	Macroeconomics, Trade and Investment	No
P133772	KE STEP Skills Measurement Study	FY15	Education	No
P148649	Kenya Agriculture Sector Review 1	FY15	Agriculture and Food	No
P148187	Kenya Economic Note	FY15	Macroeconomics, Trade and Investment	No
P149796	Kenya Political Econ Agriculture Sector	FY15	Governance	No
P133675	Powering Kenya's Future	FY15	Energy & Extractives	No
P150237	Social Accountability in Devolution	FY15	Urban, Resilience and Land	No
P149334	Stocktaking Youth Employment Activities	FY15	Education	No
P150019	Teacher Policies in Kenya (SABER)	FY15	Education	No
P150025	Value Chain Analysis	FY15	Education	No
P146879	Kenya Country Economic Memorandum (CEM)	FY16	Macroeconomics, Trade and Investment	No
P151666	Kenya Economic Note FY15	FY16	Macroeconomics, Trade and Investment	No
P157971	Kenya Economic Update Edition 13 and 14	FY16	Macroeconomics, Trade and Investment	No
P151793	Kenya Investment Climate Assessment	FY16	Finance, Competitiveness and Innovation	No
P145457	Kenya Service Delivery Indicators	FY16	Health, Nutrition & Population	No
P148360	Kenya Urbanization Review	FY16	Urban, Resilience and Land	No
P149788	Kenya: Political Economy of Devolution	FY16	Governance	No
P152190	Promoting Youth Employment	FY16	Social Protection & Jobs	No
P156577	Kenya Tourism Economic Contribution	FY17	Other	No
P158065	Post CEM Program: Focus on Taxes & Servi	FY17	Macroeconomics, Trade and Investment	No
P154755	SEA of Refugees in Turkana County	FY17	Macroeconomics, Trade and Investment	No

Proj ID	ASA	Fiscal year	Practice	RAS
P133164	Diversifying Manufacturing in Kenya	FY14	Macroeconomics, Trade and Investment	No
P132486	Enhancing Municipal Revenue in Nairobi	FY14	Urban, Resilience and Land	No
P129204	GDC Enhanced Financial Access Assessment	FY14	Energy & Extractives	No
P124042	KE - CDD and Demand-Side Governance	FY14	Urban, Resilience and Land	No
P125884	KE - Use of Country FM Systems Review	FY14	Governance	No
P130804	KE Integrated Educ. Database EFO (FY13)	FY14	Education	No
P130650	KE ROSC A&A	FY14	Governance	No
P121594	KE:Social protection interventions- DFID	FY14	Social Protection & Jobs	No
P125526	KE-Baseline State of the City Surveys	FY14	Urban, Resilience and Land	No
P132436	Kenya Oil and Gas Legal Framework Review	FY14	Energy & Extractives	No
P131037	Kenya Open Data Incubator Innovation	FY14	Urban, Resilience and Land	No
P148240	StAR - Kenya Engagement	FY14	Finance, Competitiveness and Innovation	No
P132161	Accelerating access to sanitation	FY15	Water	No
P146381	GPE Education Plan Preparation	FY15	Education	No
P132041	Improve Service Standards in Urban Water	FY15	Water	No
P132015	Innovation in Urban Poor Access to WSS	FY15	Water	No
P146022	KE Education Sector FM Analysis	FY15	Education	No
P126674	Kenya #10160 Strength Acct and Audit Leg	FY15	Finance, Competitiveness and Innovation	No
P132836	Kenya FSAP Update follow-up	FY15	Finance, Competitiveness and Innovation	No
P148754	Medium Term Strategy to transform the HS	FY15	Health, Nutrition & Population	No
P131284	Nairobi Sanitation Preparation	FY15	Water	No
P129610	Readiness for Climate-Smart Agriculture	FY15	Agriculture and Food	No
P132025	Supporting the new Water Policy and Act	FY15	Water	No
P151667	TA to Salary and Remuneration Comission	FY15	Governance	No
P150502	Bright Lights, Big Cities	FY16	Macroeconomics, Trade and Investment	No
P147220	Export Competitiveness and Innovation	FY16	Macroeconomics, Trade and Investment	No
P143245	KE Country Social Analysis	FY16	Urban, Resilience and Land	No
P152606	KE Program Knowledge & TA for PFM&Proc	FY16	Governance	No
P144507	Kenya Urban Commercial Financing - Water	FY16	Water	No
P153498	Medium term strategy to transform the HS	FY16	Health, Nutrition & Population	No
P147507	Poverty Monitoring TA	FY16	Poverty and Equity	No
P148371	Realizing PPP Opportunities in Kenya	FY16	Finance, Competitiveness and Innovation	No
P149732	STC on policy, sector, country analysis	FY16	Energy & Extractives	No
P149730	Towards a Petroleum Master Plan	FY16	Energy & Extractives	No
P158538	Conflict and Violence Mitigation Kenya	FY17	Urban, Resilience and Land	No
P156862	Consolidated Urban and Social NLTA	FY17	Urban, Resilience and Land	No

Proj ID	ASA	Fiscal year	Practice	RAS
P158892	Debt Management TA Kenya	FY17	Macroeconomics, Trade and Investment	No
P147897	Financial Sector Innovation	FY17	Finance, Competitiveness and Innovation	No
P145004	KE: Capital Markets Transactions	FY17	Finance, Competitiveness and Innovation	No
P151870	Kenya #A068 Capital Markets	FY17	Finance, Competitiveness and Innovation	No
P154647	Kenya Agriculture Insurance &Regulation	FY17	Finance, Competitiveness and Innovation	No
P152083	Port city Interface: Options for Mombasa	FY17	Transport	No
P132437	KE Service Delivery Indicators (SDI)	FY18	Health, Nutrition & Population	No
P149784	Kenya RBF Impact Evaluation	FY18	Health, Nutrition & Population	No
P154338	Kenya Disaster Risk Management Policy Dialogue	FY18	Urban, Resilience and Land	No
P156474	Kenya Strengthening WSS Delivery to Counties	FY18	Water	No
P158356	Kenya T&C Programmatic Approach: Boosting Private Sector Competitiveness	FY18	Finance, Competitiveness and Innovation	No
P159011	Integrated Capacity Strengthening for Kenya Devolution Support Program for Results (PforR)	FY18	Other	No
P164454	Kenya Lagging Regions	FY18	Urban, Resilience and Land	No
P164912	Kenya Tax Technical Assistance and Fiscal Incidence Analysis	FY18	Macroeconomics, Trade and Investment	No
P165956	Informal Settlements Upgrading in Kenya	FY18	Urban, Resilience and Land	No
P155238	The Social and Economic Impacts of Rural Electrification in Kenya	FY19	Other	No
P160994	Kenya Poverty and Gender Assessment	FY19	Poverty and Equity	No
P161773	Financial Advisory Services for Kenya Energy Utilities (KenGen, KPLC and KETRACO)	FY19	Energy & Extractives	No
P162368	Kenya Macro Fiscal Programmatic Approach	FY19	Macroeconomics, Trade and Investment	No
P166196	Kenya: Information and Transparency for Service Delivery	FY19	Governance	No
P166243	Supporting Kenya to Tackle Sanitation Challenges	FY19	Water	No
P167130	Support Kenya Coast Bulk Water Institutions	FY19	Water	No
P168277	Kenya Tax Technical Assistance and Public Expenditure Analysis	FY19	Macroeconomics, Trade and Investment	No
P168801	PFM Reform Results Facilitation	FY19	Governance	No
P157209	Kenya Governance Improvement Program	FY20	Governance	No
P158695	Enhancing Dialogue on Environment and Natural Resources in Kenya	FY20	Environment, Natural Resources & the Blue Economy	No
P160017	Kenya Devolution: Social Accountability; Devolved Sector Support; and Knowledge Management	FY20	Social Sustainability and Inclusion	No
P161206	Enhancing Local Content	FY20	Finance, Competitiveness and Innovation	No

Proj ID	ASA	Fiscal year	Practice	RAS
P161918	Technical Assistance for Kenya National Sovereign Wealth Fund	FY20	Finance, Competitiveness and Innovation	No
P163198	Fiscal Impacts of Devolution	FY20	Macroeconomics, Trade and Investment	No
P163600	Devolution and Locally-Led Climate and Disaster Risk Management	FY20	Social Sustainability and Inclusion	No
P163601	Sub-Task: Enhancing County Capacity to Mitigate Risks of Conflict and Violence in Kenya	FY20	Social Sustainability and Inclusion	No
P164812	From Safety Net Delivery to Comprehensive Social Protection and Jobs Services	FY20	Social Protection & Jobs	No
P165731	Kenya Agricultural Sector Expenditure Review	FY20	Agriculture and Food	No
P168662	Kenya: Making Devolution Work For Service Delivery	FY20	Urban, Resilience and Land	No
P168744	Higher Education for Economic Transformation and Social Inclusion in Kenya: Policy and Investment Priorities.	FY20	Education	No
P168878	Kenya Social Protection and Jobs Programs Public Expenditure Review	FY20	Social Protection & Jobs	No
P172013	Kenya Economic Update Edition 20 & 21	FY20	Macroeconomics, Trade and Investment	No
P172158	Core - Kenya Public Expenditure Review Module 1	FY20	Macroeconomics, Trade and Investment	No
P149879	Kenya Patient Safety Impact Evaluation	FY21	Other	No
P167893	How women can benefit from a Mass Rapid Transit system in Nairobi	FY21	Transport	No
P171824	Kenya Public Sector Management Reform Dialogue for improved Service Delivery	FY21	Governance	No

Source: WB Business Intelligence Table 9.5 AAA Sector Summary Report December 8,2021

### **Annex 4: Comments on Trust Fund Portfolio**

IEG's review found the following trust-funded activities that are not included in the CLR:

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P103458	Kenya KenGen Carbon Finance umbrella	TF 57573	2007	2020	6.1
P099628	BioCF Kenya Greenbelt Movement	TF 57564	2007	2019	1.6
P106635	CF Kengen, Kiambere, Tana, Eburru	TF 90518	2008	2019	2.1
P106635	CF Kengen, Kiambere, Tana, Eburru	TF 90517	2008	2019	2.8
P091979	Kenya: Adaptation to Climate Change in Arid and Semi-Arid Lands (KACCAL)	TF 96908	2010	2017	5.5
P095050	Kenya - Natural Resource Management Project	TF 93520	2010	2015	1.9
P108845	Kenya Coastal Development Proejct	TF 97578	2011	2017	5.0
P121227	Building Capacity of Diaspora Affairs Directorate in MOFA	TF 98214	2011	2014	0.5

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P088600	Kenya Agricultural Productivity and Sustainable Land management Project (KAPSLMP)	TF 91616	2011	2017	10.0
P107798	Kenya Agricultural Carbon Project	TF 97218	2011	2018	0.7
P111545	Kenya Cash Transfer for Orphans and Vulnerable Children	TF 97272	2011	2019	79.3
P130785	Accelerating Rural Women's Access to Markets and Trade	TF 12019	2012	2017	2.9
P130340	Kenya NIP update	TF 11534	2012	2014	0.2
P128680	Kenya Climate Innovation Center	TF 11840	2012	2017	4.5
P103037	Electricity Expansion	TF 10097	2012	2017	5.2
P130890	Kenya IDF Strengthening the Use of Country Safeguards Systems	TF 12609	2013	2016	0.5
P131512	Nairobi Sanitation Project	TF 14251	2014	2018	4.3
P128469	Strengthening the Accounting Profession in Kenya	TF 15579	2014	2017	0.7
P074091	Health Sector Support	TF 16027	2014	2018	20.0
P146797	Kenya GPE Primary Education Development Project	TF 18863	2015	2022	88.4
P120014	KE Electricity Modernization Project	TF A0579	2015	2023	7.5
P154586	Kenya Climate Venture Facility	TF A0442	2015	2020	4.9
P132979	Kenya Urban Water and Sanitation OBA Fund for Low Income Areas	TF 16395	2015	2021	11.8
P145234	Kenya Petroleum Technical Assistance Project (KEPTAP)	TF A3418	2015	2021	6.7
P117635	Kenya Water Security and Climate Resilience Project	TF A0761	2015	2022	3.5
P113542	Kenya Informal Settlements Improvement Project (KISIP)	TF 18327	2015	2018	8.3
P066488	Municipal Program	TF 17423	2015	2017	12.0
P152394	Transforming Health Systems for Universal Care	TF A2561	2016	2023	40.0
P152394	Transforming Health Systems for Universal Care	TF A2792	2016	2022	1.1
P153493	Promoting Biogas as Sustainable Clean Cooking Fuel for Rural Households in Kenya	TF A1892	2016	2025	4.6
P103037	Electricity Expansion	TF A2191	2016	2018	3.0
P156466	Digital Entrepreneurship Kenya	TF A3007	2017	2019	0.5
P163538	Kenya Solar Lighting Program	TF A7796	2018	2026	4.0
P164301	Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya	TF A5636	2018	2022	2.5
P131512	Nairobi Sanitation Project	TF A5607	2018	2018	2.6
P164654	Kenya Social and Economic Inclusion Project	TF A9527	2019	2024	70.3
P161067	Development Response to Displacement Impacts Project (DRDIP) in the Horn of Africa	TF A7762	2019	2022	8.2

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P167788	Africa Environmental Health and Pollution Management Program	TF B3322	2020	2026	8.1
P146797	Kenya GPE Primary Education Development Project	TF B0830	2020	2022	9.5
P174059	KENYA GPE COVID 19 LEARNING CONTINUITY IN BASIC EDUCATION PROJECT	TF B3336	2021	2022	10.8
P173820	KENYA COVID-19 HEALTH EMERGENCY RESPONSE PROJECT	TF B4663	2021	2024	2.9
P173820	KENYA COVID-19 HEALTH EMERGENCY RESPONSE PROJECT	TF B4301	2021	2021	3.5
	Total				468.4

Source: Client Connection as of 12/08/2021 \*\* IEG Validates RETF that are 5M and above

Annex 5: IEG Project Ratings IEG Project Ratings for Kenya, FY14-21

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO
2014	P081712	KE-Tot War Against HIV/AIDS-TOWA (FY07	134.1	MODERATELY SATISFACTORY	SIGNIFICANT
2014	P083131	KE-Energy Sec Recovery Prj (FY05)	156.1	MODERATELY SATISFACTORY	SIGNIFICANT
2016	P074106	KE-W Kenya CDD/Flood Mitigation (FY07)	73.9	MODERATELY UNSATISFACTORY	HIGH
2016	P082615	KE-Northern Corridor Trnsprt SIL (FY04)	470.3	MODERATELY SATISFACTORY	MODERATE
2016	P109683	Kenya Agric Productivity & Agribusiness	66.0	MODERATELY SATISFACTORY	HIGH
2016	P111546	KE-Youth Empowerment Project (FY10)	15.8	SATISFACTORY	MODERATE
2017	P066488	KE-Municipal Program (FY10)	96.0	MODERATELY SATISFACTORY	#
2017	P088600	KE-GEF Ag prd & Sust. Land Mgmt(KAPSLMP)	0.0	MODERATELY UNSATISFACTORY	HIGH
2017	P091979	E- Adaptation Climate Change (KACCAL)	0.0	MODERATELY SATISFACTORY	MODERATE
2017	P094692	KE-FMSCEDP (Coastal CD) GEF (FISH)	29.5	MODERATELY SATISFACTORY	#
2018	P074091	KE-Health SWAP (FY10)	186.8	MODERATELY SATISFACTORY	#
2018	P103037	KE-Electricity SIL (2010)	387.0	MODERATELY SATISFACTORY	#
2019	P111545	KE-Cash Transfer for OVC (FY09)	58.6	SATISFACTORY	#
2019	P126321	KE-National Urban Transport Improvement	60.9	UNSATISFACTORY	#
2020	P096367	KE-Water & Sanitation Srv Impr (FY08)	425.1	MODERATELY SATISFACTORY	#
2020	P113542	KE-Informal Settlements Improvement Proj	93.3	SATISFACTORY	#
2020	P124109	KE:Transport Sector Support Project	456.0	MODERATELY SATISFACTORY	#
2021	P107314	KE-Nairobi Metropolitan Services	270.2	SATISFACTORY	#
2021	P131305	National Safety Net Program	231.2	SATISFACTORY	#
2021	P132979	Kenya Water and Sanitation OBA Fund	0.0	SATISFACTORY	#
		Total	3,210.8		

Note: IEG Risk to DO rating was dropped in July 2017 following the reform of the simplified ICRs but a narrative evaluation for Risk to Development Outcome was kept. Source: Business Intelligence (BI) as of December 8, 2021

IEG Project Ratings for Kenya and Comparators, FY14-21

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Kenya	3,210.8	20.0	95.8	85.0	53.1	37.5
All Africa	38,285.3	585.0	73.4	70.6	23.1	25.7
World Bank	181,614.6	1,826.0	83.6	76.2	42.5	38.6

Source: Business Intelligence (BI) as of December 8, 2021 \*IEG Calculation

Annex 6: Portfolio Status for Kenya and Comparators, FY14-21

Fiscal year	2014	2015	2016	2017	2018	2018	2019	2020	2021	Ave FY14-21
Kenya										
# Proj	18.0	22.0	22.0	23.0	27.0	28.0	27.0	25.0	24	18.0
# Proj At Risk	4.0	6.0	7.0	8.0	8.0	10.0	5.0	6.0	7	4.0
% Proj At Risk	22.2	27.3	31.8	34.8	29.6	35.7	18.5	24.0	28	22.2
Net Comm Amt	3,569.9	4,364.9	4,349.1	4,817.1	5,307.7	6,049.2	5,396.3	4,826.3	4,835	3,569.9
Comm At Risk	836.0	1,282.8	1,894.5	1,871.3	1,619.3	2,602.2	949.3	899.3	1,494	836.0
% Commit at Risk	23.4	29.4	43.6	38.8	30.5	43.0	17.6	18.6	31	23.4
ALL AFRICA										
# Proj	438	458	474	502	534	574	636	670	536	438
# Proj At Risk	115	111	124	135	129	133	114	123	123	115
% Proj At Risk	26	24	26	27	24	23	18	18	23	26
Net Comm Amt	46,622	51,994	56,090	61,022	70,674	77,737	88,233	97,613	68,748	46,622
Comm At Risk	16,171	15,372	18,235	19,934	19,902	22,582	19,322	14,265	18,223	16,171
% Commit at Risk	35	30	33	33	28	29	22	15	28	35
World										
# Proj	1,386.0	1,402.0	1,398.0	1,459.0	1,496.0	1,570.0	1,723.0	1,763.0	1,525	1,386.0

# Proj At Risk	329.0	339.0	336.0	344.0	348.0	346.0	311.0	331.0	336	329.0
% Proj At Risk	23.7	24.2	24.0	23.6	23.3	22.0	18.0	18.8	22	23.7
Net Comm Amt	183,153.9	191,907.8	207,350.0	212,502.9	229,955.6	243,812.2	262,930.6	279,167.9	226,348	183,153.9
Comm At Risk	39,748.6	44,430.7	42,715.1	50,837.9	48,148.8	51,949.5	47,640.5	42,668.7	46,017	39,748.6
% Commit at Risk	21.7	23.2	20.6	23.9	20.9	21.3	18.1	15.3	20.6	21.7

Source: Business Intelligence (BI) as of December 8, 2021

Note: Only IBRD and IDA Agreement Type are included

# Annex 7: Comments on IFC Investments in Kenya

The CLR did not present IFC investments. IEG has identified the following in its review:

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
45002	Grit REIG	1052877	2022	Active	Construction and Real Estate	25.0	25.0	-	25.0
43002	Blue Nile	1032777	2021	Active	Primary Metals	8.0	8.0	-	8.0
43108	Twiga RSF	1015400	2021	Active	Agriculture and Forestry	7.6	7.6	-	7.6
43699	ISC-Savannah Fun	1044926	2021	Active	Collective Investment Vehicles	3.0	-	3.0	3.0
43739	KCB Kenya B2T2	1015400	2021	Active	Finance & Insurance	101.8	101.8	-	101.8
43948	Coopbank Tier II	701847	2021	Active	Finance & Insurance	38.0	38.0	-	38.0
43991	WCS COVID DTBKE	226	2021	Active	Finance & Insurance	50.0	50.0	-	50.0
44038	Suguna III K	1042732	2021	Active	Agriculture and Forestry	4.0	4.0	-	4.0
44168	I&M Kenya Tierll	536322	2021	Active	Finance & Insurance	30.0	30.0	-	30.0
44248	LPG Mombasa	1009803	2021	Active	Chemicals	5.0	5.0	-	5.0
44848	Twiga RI Bridge	1028513	2021	Active	Wholesale and Retail Trade	2.3	2.3	-	2.3
45046	AMEF-P1 COOP KN	1054881	2021	Active	Finance & Insurance	10.0	10.0	-	10.0
41885	KMRC Equity	1034006	2020	Active	Finance & Insurance	2.0	-	2.0	2.0
42809	CI Naivas	1039430	2020	Active	Collective Investment Vehicles	10.0	-	10.0	10.0
42957	NCCL III	749212	2020	Closed	Nonmetallic Mineral Product Manufacturing	0.8	-	-	-
43380	Twiga RI SeriesB	1028513	2020	Active	Wholesale and Retail Trade	1.0	-	1.0	1.0
43989	WCS CR EBK	787195	2020	Active	Finance & Insurance	50.0	50.0	-	50.0

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
40496	NCCL II	749212	2019	Active	Nonmetallic Mineral Product Manufacturing	25.0	25.0	-	25.0
41195	Twiga Foods	1028513	2019	Active	Wholesale and Retail Trade	1.5	-	1.5	1.5
41498	KTDA ICD	729605	2019	Active	Agriculture and Forestry	10.0	10.0	-	10.0
41982	EBK Sub Loan	787195	2019	Active	Finance & Insurance	100.0	100.0	-	100.0
42679	NCCL RightsIssue	749212	2019	Closed	Nonmetallic Mineral Product Manufacturing	2.3	-	0.4	0.4
38764	Subati	1010114	2018	Closed	Agriculture and Forestry	10.6	10.6	-	10.6
39771	Africas Talking	1020478	2018	Active	Professional, Scientific and Technical Services	5.6	-	5.6	5.6
41133	Co-op Bank III	701847	2018	Active	Finance & Insurance	150.0	150.0	-	150.0
36568	Fertiplant	805248	2017	Closed	Chemicals	5.0	-	-	-
36791	KCB Group TierII	568295	2017	Closed	Finance & Insurance	75.0	75.0	-	75.0
37294	Project Savannah	649244	2017	Active	Finance & Insurance	34.9	-	34.8	34.8
37870	Insta II	782526	2017	Closed	Chemicals	3.5	3.5	-	3.5
37873	MCF Africa	1004359	2017	Active	Finance & Insurance	2.5	2.5	-	2.5
38225	Tropical Heat	1006556	2017	Closed	Food & Beverages	3.0	-	-	-
38419	Equity Bank II	569033	2017	Closed	Finance & Insurance	82.5	82.5	-	82.5
38583	Maris: ALP	1008899	2017	Active	Construction and Real Estate	10.0	-	10.0	10.0
39087	Equity Bank IIB	569033	2017	Closed	Finance & Insurance	-	-	-	-
39224	Bridge RI 3 (PS)	773605	2017	Active	Education Services	1.8	-	1.7	1.7
35077	Iso Health	787284	2016	Active	Health Care	1.3	-	0.7	0.7
35393	Coop Bank II	701847	2016	Active	Finance & Insurance	60.0	60.0	-	60.0
36252	GTBK Senior Loan	558079	2016	Closed	Finance & Insurance	20.0	20.0	-	20.0
36402	KTDA Small Hydro	804576	2016	Active	Electric Power	12.5	12.5	-	12.5
36699	Africa Oil	806144	2016	Active	Oil, Gas and Mining	50.0	-	50.0	50.0
36844	DCM Stanlib REIT	808584	2016	Active	Construction and Real Estate	15.0	-	6.7	6.7
34973	DTBK 2014 RI	226	2015	Closed	Finance & Insurance	2.1	-	2.0	2.0
35372	NIC Bank Kenya	792475	2015	Active	Finance & Insurance	55.0	55.0	-	55.0
35404	Goodlife Pharma	792972	2015	Active	Wholesale and Retail Trade	4.5	4.5	-	4.5
35433	Chase Bank BoW	726004	2015	Active	Finance & Insurance	25.0	25.0	-	25.0
35549	DTBK Tier II Inc	226	2015	Active	Finance & Insurance	20.0	20.0	-	20.0
32171	Bridge Academies	773605	2014	Active	Education Services	10.0	-	10.0	10.0
32409	I&M II	536322	2014	Closed	Finance & Insurance	50.0	50.0	-	50.0

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
32888	NCCL	749212	2014	Active	Nonmetallic Mineral Product Manufacturing	62.5	55.0	7.5	62.5
33385	Bidco Kenya	782446	2014	Active	Food & Beverages	23.0	23.0	-	23.0
34040	Garden City KE	769457	2014	Active	Construction and Real Estate	8.2	-	8.2	8.2
34362	Gulf B Loan Incr	646424	2014	Closed	Electric Power	-	-	-	-
34499	Gulf Power Swap	646424	2014	Closed	Electric Power	1.0	0.7	-	0.7
					Sub-Total	1,291.6	1,116.5	155.1	1,271.5

# Investments Committed pre-FY14 but active during FY14-FY21

Project ID	Project Short Name	Institution Number	CMT FY	Project Status	Primary Sector Name	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
25786	GAB	571134	2013	Active	Finance & Insurance	5.0	-	5.0	5.0
29801	Thika IPP	710604	2012	Active	Electric Power	37.1	37.1	-	37.1
31650	KQ Airways	5947	2012	Active	Transportation and Warehousing	25.0	-	24.1	24.1
23826	BP Kenya	527811	2007	Active	Collective Investment Vehicles	5.0	-	5.0	5.0
8917	Kipevu II	51630	2000	Active	Electric Power	17.6	16.5	1.1	17.6
					Sub-Total	89.7	53.7	35.1	88.8
					TOTAL	1,381.3	1,170.2	190.2	1,360.3

Annex 8: Comments on IFC Advisory Services in Kenya

Advisory Services Approved in FY14-21

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC
600248	KTDA Advisory Services Program	2016	2022	ACTIVE	MAS	3.8
600470	Kenya Commercial Bank	2016	2016	CLOSED	FIG	0.3
600830	2030 Water Resources Group Africa Program	2016	2018	CLOSED	WTR	3.6
601296	AMSME NIC BANK Kenya	2016	2018	CLOSED	FIG	0.4
594987	Kenya Agribusiness Investment Climate Program	2014	2017	CLOSED	EFI	1.6
599745	Syngenta Foundation for Sustainable Agriculture	2014	2018	CLOSED	EFI	3.9
599853	EQUITY BANK LIMITED	2014	2018	CLOSED	FIG	0.7
599890	Gulf African Bank	2014	2017	CLOSED	FIG	0.8
	Sub-Total					15.0

## Advisory Services Approved pre-FY14 but active during FY14-21

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC
587827	Clean Cooking for Africa	2013	2015	CLOSED	CAS-Energy	0.3
592107	Utility Efficiency in Africa Program	2013	2015	CLOSED	CAS-Energy	1.2
593208	Kenya Regulatory Reform	2013	2017	CLOSED	EFI	7.7
567068	Kenya Investment Generation Program	2012	2017	CLOSED	EFI	3.0
585187	Kenyatta University Student Hostel PPP	2012	2016	CLOSED	CTA-PPP	0.7
586467	Kenya Health in Africa Program	2012	2020	CLOSED	HNP	4.9
27728	KMIP	2010	2014	CLOSED	CTA-PPP	5.3
573947	Climate Change Investment Programme in Africa - Kenya	2010	2014	CLOSED	FIG	1.3
568567	PE Africa Climate Change Investment Support	2011	2014	CLOSED	CAS-Energy	1.9
569407	ECOM FTC KENYA	2011	2015	CLOSED	MAS	1.5
570008	Trade Logistics Kenya	2011	2017	CLOSED	EFI	3.1

573907	Sanitation & Safe Water for All	2011	2015	CLOSED	CAS-Energy	1.8
555905	Lighting Africa Kenya	2008	2014	CLOSED	CAS-Energy	5.1
575727	AMSMETA Bank of Africa - Kenya	2011	2016	CLOSED	FIG	1.2
	Sub-Total					38.8
	TOTAL					53.9

#### **Annex 9: Comments on MIGA Guarantees**

IEG's review found no differences in MIGA guarantees vs. what is presented in the CLR.

Annex 10: Economic and Social Indicators for Kenya FY14-21

Series Name									Kenya	AFE	World
•	2014	2015	2016	2017	2018	2019	2020	2021		Average 2014-2	021
Growth and Inflation											
GDP growth (annual %)	5.4	5.7	5.9	4.8	6.3	5.4	-0.3		-0.7	2.2	2.1
GDP per capita growth (annual %)	2.7	3.1	3.3	2.4	3.9	3.0	-2.5		-4.2	-0.5	1.0
GNI per capita, PPP (current international \$)	2,980.0	3,320.0	3,580.0	3,970.0	4,230.0	4,420.0	4,370.0		16,256.0	3,670.6	16,156.9
GNI per capita, Atlas method (current US\$) (Millions)	1,240.0	1,290.0	1,350.0	1,420.0	1,600.0	1,750.0	1,760.0		8,476.0	1,592.9	10,888.4
Inflation, consumer prices (annual %)	6.9	6.6	6.3	8.0	4.7	5.2	5.4		0.4	4.1	2.0
Composition of GDP (%)											
Agriculture, value added (% of GDP)	27.5	30.2	31.1	34.8	34.1	34.1	35.2		5.4	16.9	4.0
Industry, value added (% of GDP)	17.4	17.3	17.9	16.8	16.4	16.1	16.2		11.7	26.6	26.6
Services, etc., value added (% of GDP)	48.0	46.2	44.8	42.3	43.1	43.2	42.2		69.4	50.8	63.8

Series Name									Kenya	AFE	World
-	2014	2015	2016	2017	2018	2019	2020	2021		Average 2014-20	)21
Gross fixed capital formation (% of GDP)	22.4	21.5	18.3	19.0	17.9	17.4	15.7		46.9	22.1	25.2
Gross domestic savings (% of GDP)	27.5	30.2	31.1	34.8	34.1	34.1	35.2		5.4	16.9	4.0
External Accounts											
Exports of goods and services (% of GDP)	18.3	16.6	14.3	13.2	13.2	12.0	11.3		70.9	22.7	28.4
mports of goods and services (% of GDP)	33.0	27.6	23.4	24.2	23.0	21.4	20.2		79.5	25.9	27.7
Current account balance (% of GDP)	-10.4	-6.9	-5.8	-7.2	-5.8	-5.8			-25.1		
External debt stocks (% of GNI)	27.9	31.3	30.9	34.8	36.4	37.3	39.4		41.6		
Total debt service (% of GNI)	2.2	1.4	1.6	2.0	3.2	4.8	2.9		6.4	3.4	
Total reserves in months of imports	4.4	4.9	5.2	4.2	4.5	4.9			1.8	5.4	12.2
Fiscal Accounts*											
General government revenue (% of GDP)	17.8	17.4	17.7	17.5	17.3	16.8	16.6	16.3	17.2	16.8	
General government output (% of GDP)	24.4	24.8	25.6	25.1	24.4	24.1	24.6	24.3	24.7	21.4	
General government net ending/borrowing (% of GDP)	-6.7	-7.4	-7.8	-7.5	-7.0	-7.3	-8.1	-8.0	-7.5	-4.6	
General government gross debt (% of GDP)	38.6	44.4	46.7	54.8	57.3	59.0	67.6	69.7	54.8	46.0	
Health											
ife expectancy at birth, otal (years)	64.1	64.8	65.4	65.9	66.3	66.7			78.5	60.6	72.3
mmunization, DPT (% of children ages 12-23 months)	92.0	89.0	89.0	82.0	92.0	92.0			99.0	72.1	85.4

Series Name									Kenya	AFE	World
	2014	2015	2016	2017	2018	2019	2020	2021		Average 2014-2	021
People using safely managed sanitation services (% of population)	32.2	32.3	32.4	32.5	32.5	32.6	32.7		99.3	31.3	74.9
People using safely managed drinking water services (% of population) Mortality rate, infant (per	57.5	58.2	58.9	59.6	60.3	61.0	61.6		99.2	61.6	88.9
1,000 live births)	36.5	35.3	34.5	33.9	32.8	31.9			7.3	55.1	30.3
Education											
School enrollment, preprimary (% gross)	72.1	75.1	75.8	78.1	80.7	65.1			91.1	26.5	58.5
School enrollment, primary (% gross)	105.8	103.7	103.2						97.8	99.1	102.7
School enrollment, secondary (% gross)									83.3	43.4	75.7
Population											
Population, total	46,700,063.0	47,878,339.0	49,051,531.0	50,221,146.0	51,392,570.0	52,573,967.0	53,771,300.0		511,821.2	1,051,204,866.0	7,506,560,860.6
Population growth (annual %)	2.6	2.5	2.4	2.4	2.3	2.3	2.3		3.4	2.7	1.1
Urban population (% of total population)	25.2	25.7	26.1	26.6	27.0	27.5	28.0		39.8	39.7	54.8
Rural population (% of total pop)	74.8	74.3	73.9	73.4	73.0	72.5	72.0		60.2	60.3	45.2
Poverty											
Poverty headcount ratio at \$1.90											
a day (2011 PPP) (% of pop)		37.1								41.6	10.0
Poverty headcount ratio at national poverty lines (% of pop)		36.1							8.2		

Series Name									Kenya	AFE	World
	2014	2015	2016	2017	2018	2019	2020	2021		Average 2014-202	21
Rural poverty headcount ratio at national poverty lines (% of rural pop)											
Urban poverty headcount ratio at national poverty lines (% of urban pop)											
GINI index (World Bank estimate)		40.8							40.8		

Source: Worldbank DataBank as of November 23, 2021
\*International Monetary Fund, World Economic Outlook Database, October 2021