1. Project Data

<table>
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<tr>
<th>Project ID</th>
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<tr>
<td>P109683</td>
<td>Kenya Agric Productivity &amp; Agribusiness</td>
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<thead>
<tr>
<th>Country</th>
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<td>Actual</td>
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<td>Agricultural markets, commercialization and agri-business(22%):</td>
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<td>Other Agriculture, Fishing and Forestry(15%): Public Administration -</td>
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<td>Renewable Energy Wind(1%)</td>
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<th>Theme(s)</th>
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<td>Rural services and infrastructure(47%): Micro, Small and Medium</td>
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<td>Enterprise support(25%): Rural policies and institutions(15%):</td>
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<td>Participation and civic engagement(10%): Gender(3%)</td>
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Prepared by Hassan Wally
Reviewed by J. W. van Holst Pellekaan
ICR Review Coordinator Christopher David Nelson
Group IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The project under review was the second phase of Kenya's Agricultural Productivity Program (KAPP- a 12-year program to be funded through an Adaptable Program Loan, APL). The overall objective of the program was to improve the agricultural system by supporting generation, dissemination, and adoption of technology.

The Project Development Objectives for phase 2 as articulated in the Project Appraisal Document (PAD, p. 5) and the Financial Agreement...
b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components

The project included the following four components:

Note that the estimated and actual costs shown below are only IDA amounts. Annex 1 in the ICR does not show the relatively small amounts contributed by the Government and the beneficiaries. IEG's attempts to communicate with the project team to elucidate further information on this point and others were not successful.

1. Policy/Institutional and Project Implementation (appraisal cost: US$8.06 million, actual cost: US$8.92 million). This component included two sub-components:

   1.1. Policy and institutional support. This sub-component supported activities that would lead to better coordination of the sector, with an aim of creating the necessary impetus for a sector-wide approach. Activities would include policy support and gender mainstreaming.

   1.2. Support to project implementation and M&E. The project would finance the development of a harmonized, sector-wide M&E system that would provide reliable and timely data to inform decision-makers and the public on progress, results and shortcomings of interventions in the agricultural sector, and that would facilitate compilation of indicators for the different sub-sectors (e.g., production, value-addition, investments, marketing, employment, natural resource management, food security, and institutional development). Also, Management Information System (MIS) linked to the M&E system would be rolled out. The project would also finance a phased-out implementation of the sector communication strategy, and provide support for improved internal communication and information sharing and dissemination system.

2. Agricultural Research Systems (appraisal cost: US$22.83 million, actual cost: US$25.72 million). This component would focus on supporting the research system in the country and it included two sub-components:

   2.1. Support to the National Agricultural Research System (NARS). This sub-component aimed to revise and operationalize the NARS policy and its implementation framework developed under phase 1 of the program. It would also support initial investments that are necessary for the NARS for enhanced coordination, resource sharing and capacity building.

   2.2. Support to Kenya Agricultural Research Institute (KARI). Investment would continue towards the strategic research programs of KARI, in order to support the implementation of its investment plan. Also, there would be a focus on promoting an agricultural innovation approach, which is a clear shift from previous paradigms which focused more on capacity building and institutional strengthening. The Project would also support the development of the necessary legal and administrative instruments necessary for the establishment of an Agricultural Research Trust Fund for KARI and the development of KARI’s Agricultural Research Investment Services (ARIS) business plan, to facilitate higher generation of internal revenue.

3. Agricultural Extension and Farmer and other Stakeholder Empowerment (appraisal cost: US$29.38 million, actual cost: US$22.59 million). The aim of this component was to support the GoK to implement the National Agricultural Sector Extension Policy (NASEP) and lay the foundations for sustainable intensification and diversification of agricultural production systems and improved linkages to both markets and agribusiness, to generate greater impact for agricultural productivity growth and improved risk management. It included two sub-components:

   3.1. Agricultural extension. This sub-component aimed to support the GoK to implement the NASEP, focusing on empowering the extension clientele and targeting the implementation of a pluralistic, participatory, demand-driven and market-oriented, professional and decentralized extension and innovation systems at the local and national levels.

   3.2. Farmers and other stakeholders’ empowerment. This sub-component would support the empowering and organization of farmers/clients (e.g. National Federation of Agricultural Producers and cooperatives), service providers and other stakeholders towards the transformation of subsistence farming to commercial agriculture for increased farmer incomes and improved livelihoods.

4. Agribusiness and Market Development (appraisal cost: US$21.73 million, actual cost: US$3.12 million). This component aimed to empower public and private stakeholders along commodity value chains to plan, design and set-up sustainable agribusinesses. This would be achieved through the delivery of agribusiness services and support to develop and to set-up appropriate funding instruments to stimulate agriculture growth and stakeholders’ revenues through value-addition and producers’ linkages with input and output markets. It included two sub-components:

   4.1. Support to agribusiness development. This sub-component would support the following inter-related activities: (a) Create a network of Agri-Business Development Centers (ABDCs) to lead the Value Chain (VC) structuring process while providing agribusiness and market
development services to assist the VCs’ stakeholders in elaborating bankable projects; (b) Design and establish appropriate agribusiness funding instruments to be rolled out by financial institutions, and support the development of market-based weather risk products to be rolled out to farmers by insurance companies; (c) Support the creation of one Agro-Food Park in each of the four selected regions where relevant agro-processing facilities and marketing infrastructures would be bundled together along specific VCs; and (d) Enhance training in agribusiness management and food technologies to meet market demands.

4.2. Linking rural agro-processing activities to off-grid energy sources. In order to advance the energy support, pilot activities for linking agro-processing to renewable energy sources were planned. These pilot energy facilities would have to demonstrate their sustainability and reproducibility while efficiently addressing the needs of rural primary processing units, using local renewable energy sources (e.g. mini-hydro, biomass, wind and solar). This sub-component would be implemented in conjunction with the Rural Electrification Authority (REA) and the Ministry of Energy, and would be appraised prior to the project’s effectiveness.

Revised components:
Following the Mid-term Review (MTR), a series of modifications were made to some of the components as follows:

Component 1. Policy/Institutional and Project Implementation. There would be an increased focus on policy interventions for the development of various value chains being promoted by the project at the county level. In particular, more support would be given for the development and harmonization of grades and standards of key commodity value chains which had been shown to be a major constraint to effective market participation by smallholder farmers. At the national level, the project would also support the technical assistance needed for restructuring of the National Cereals and Produce Board (NCPB) and the revitalization/restructuring of the Agricultural Development Corporation (ADC) and the Pyrethrum Board of Kenya (PBK). In addition, modifications would also support the acquisition of equipment to enhance production and distribution of dairy genetics at the Kenya Animal Genetics Resources Center (KAGRC). More resources would also be set aside for enhancing sector and project M&E, including conducting the final project assessment.

Component 2. Agricultural Research Systems. To address the national emergency relating to the emergence of Maize Lethal Necrotic Disease (MLND), more support would be channeled to disease surveillance. KARI was also provided with more support to enhance its capacity to produce breeding stock and to strengthen the capacity of private hatcheries with the goal of enhancing the uptake of local poultry production by farmers.

Component 3. Agricultural Extension, Farmer, and other Stakeholder Empowerment. Community interventions envisaged under this component were extended to all the sub-counties in the 20 counties covered under the project, thus basically doubling the potential number of the project’s direct beneficiaries. The experiences and lessons learned in the first round of interventions were expected to facilitate this expansion process. In addition, as most of the agricultural and livestock services, such as extension, had been devolved to the county governments, more emphasis was to be placed on strengthening the research-extension and community linkages to ensure more efficient and effective delivery of these services under the devolved government structures.

Component 4. Agribusiness and Market Development. This component was restructured by (a) scale back on Agro Food Parks (AFPs) and Agribusiness Development Centers (ABDCs) and instead identify key agribusiness investment opportunities for value addition by community groups to be undertaken at the county level from the already developed business plans; (b) provide more support to public interventions aimed at creating a stable agribusiness environment, including setting up an agribusiness council, a central repository on market information for agribusiness and support to farmers, and the private sector to promote value addition as identified in the then recently approved national agribusiness strategy; (c) proceed with the four off-grid energy subprojects for which the feasibility studies were already completed but supporting the fifth one, which was just starting, only up to the design stage; and (d) drop the partial agribusiness risk guarantee fund proposed in the original design and cancel the funds earmarked for this activity.

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

Project Cost. The total Project costs were estimated to amount to US$98.6 million over five years. Actual project costs according to the ICR (annex 1) were US$64.71 million. The difference was due to the cancellation of US$16.095 million from the original IDA credit amount and a shortfall on the side of counterpart funding by the Government (see below under Borrower contribution).

Financing. The project was expected to be financed through an IDA credit worth US$82.00 million. Actual amount disbursed according the ICR (Annex 1) was US$60.35 million, and US$16.095 million were cancelled. However, the ICR stated that the original IDA credit was reduced to US$65.95 million and the US$60.35 million was not the final amount disbursed. The ICR also stated that final figures would be available only after the completion of a verification process for alleged ineligible project expenditures.

Borrower Contribution. The borrower and the beneficiaries were expected to contribute US$14.13 million and US$2.45 million, respectively. Actual amounts reported by the ICR (Annex 1) were US$3.79 million and US$0.57 million for the borrower and beneficiaries, respectively. The ICR noted that the borrower’s contribution of US$14.13 million includes US$8.45 million in duties and taxes and US$5.60 million in budgetary contribution to the project.

Dates. The project was expected to close on December 31, 2014, however, it closed nine months later on September 30, 2015. The ICR (p. 40, para 2) attributed this extension of the closing date to some delays in commencement of the project. The project was restructured twice, both Level 2 restructuring. The first was on November 11, 2013 (amount disbursed was US$47.90 million) in order to improve project performance, accelerate implementation, and enhance absorption of project funds. The second was on September 25, 2015 (amount disbursed was US$67.45 million) in order to extend the closing date, enable the borrower to conclude procurement processes,
3. Relevance of Objectives & Design

a. Relevance of Objectives

Substantial.

Agriculture remains the mainstay of the Kenyan economy and contributes directly 24% of gross domestic product (GDP). Sector performance greatly affects the welfare of the poor, as 67% of the population and 80% of the poor live in rural areas and depend on agricultural activities for their livelihoods. A World Bank Agricultural Policy Review (Current Trends and Future Options for Pro-Poor Growth, 2008) highlighted that agriculture-led growth in Kenya was more than twice as effective in reducing poverty as compared to industry-led growth. Policy issues that need to be addressed in the agriculture sector include: land policy and land use, diversification into higher-return activities and value addition, the need for focusing on the policy and regulatory environment, and the need to support farmer organizations. Also, the global food crisis brought into sharp focus the centrality of enhancing agricultural productivity as a key developmental challenge.

At project appraisal objectives were highly relevant and in line with the Government priorities for the agriculture sector. The agricultural sector was identified as one of the key sectors of the economic pillar in the Government's Vision 2030 which identified the growth of the agricultural sector as key to the realization of the country’s growth and development targets. The sector's priorities were articulated in the “Strategy for Revitalizing Agriculture (SRA) 2004–2014”, which aimed to “provide a policy and institutional environment conducive to increasing agricultural productivity, promoting investments, and encouraging private sector involvement in agricultural enterprises.” The SRA was later updated and renamed to be the Agricultural Sector Development Strategy. While agriculture was a central theme in the 2004 Country Assistance Strategy for Kenya, this project was not mentioned in the CAS. Nevertheless, its objectives did not depart in substance from the CAS and responded to an urgent need to ensure food security in Kenya.

At project completion, the project's objective continues to be substantially relevant to the Government priorities for the agriculture sector and in line with Kenya's Vision 2030 which aimed to promote “an innovative, commercially-oriented, and modern agricultural sector.” Objective was also in line with the World Bank’s Kenya Country Partnership Strategy for FY2014–2018 which identifies a focus on agriculture as high priority in tackling poverty. While the cancellation of the next (third) phase of the APL raised some concern with regards to relevance of objectives at completion, it was apparently due to exogenous factors such as limits on the World Bank’s lending program for Kenya.

Rating

Substantial

b. Relevance of Design

Modest.

The project's design included a clear and simple statement of objectives. However, the Results framework in the PAD did not provide logical links (results chains) between project inputs, outputs and expected outcomes. The design was highly complex and overly ambitious, especially for components 1 and 4. To achieve the project's objective the design needed to support research and extension activities featured under components 2 and 3, respectively. These two activities were relevant, realistic and aligned with the project objective. On the other hand, activities under component 1 encompassed several policies, strategies, and laws, some of them beyond the control of the implementing entity or the Government (such as passing laws in parliament), as well as complex institutional reforms. Also, component 4 was highly complex as it featured private sector activities, such as setting up Agro Food Parks (AFPs) and Agribusiness Development Centers (ABDCs) for which the public sector had little competence. Furthermore, these approaches were not fully developed and lacked the analytical depth at the appraisal stage. It was envisioned that these activities would become more focused after more analysis during the earlier stage of implementation (12-18 months), however, this did not happen. Consequently, most activities under component 4 were difficult to implement and were either restructured or eventually dropped after the Mid term Review, and some of the allocated funds for this component were cancelled or reallocated to other activities funded by the project. Another notable design shortcoming was the lack of a sound financial management system with sufficient internal controls to ensure proper use of resources and accountability during project implementation. Also, design called for a desirable sector wide M&E system, but with questionable relevance to the project objectives. In addition, it was not clear why some activities, such as index-based weather insurance pilots, were added to the project.
4. Achievement of Objectives (Efficacy)

Objective 1

Objective
PDO: Increase agricultural productivity and the incomes of participating smallholder farmers in the Project area.

The project development objective included two related sub-objectives, namely:

(a) increase agricultural productivity of participating smallholder farmers in the Project area

Rationale

Sub-objective (a) increase agricultural productivity of participating smallholder farmers in the Project area. Rated substantial.

Outputs

- Policy and Institutional Support
  - The project financed the development of the third livestock master plan and consultations that should lead toward developing a livestock strategy, and a Beekeeping Bill was currently being discussed with stakeholders (ICR, p. 23).
  - An Agribusiness Strategy was developed and adopted in 2012 (ICR, p. 23). However, the review of the Cooperatives Policy had not yet been completed at the time of the ICR mission in January 2016.
  - In cooperation with FAO a National Aquaculture Strategy and Development Plan 2010–2015; in cooperation with the European Union, a National Aquaculture Policy was developed (ICR, p. 23).
  - A new Pyrethrum Regulatory Authority was created to revitalize the industry (ICR, p. 23), including separating the regulatory and commercial functions—the former to be exercised by the new authority, and the latter by the private sector and the project enabled the Kenya Animal Genetics Resources Center to upgrade its laboratory and storage equipment, install a liquid nitrogen facility which has enhanced production and distribution of dairy genetics, and establish three semen distribution centers.
  - The project support to a sector-wide M&E activity did not yield the expected results due to lack of interest among government departments (ICR, p. 24).
  - The Agricultural Sector Programme Steering Committee was successful in guiding the project and two other affiliated, World Bank-supported projects (the Kenya Agricultural Productivity and Sustainable Land Management Project and the Kenya Adaptation to Climate Change in Arid and Semi-Arid Lands Project). However, the committee did not develop as envisioned due to resistance from technical departments in the Ministry of Agriculture, conflicts with other programs, and lack of support from the other development partners active in the sector (ICR, p. 24).
  - Restructuring the target enterprises was not completed. However, some preliminary work took place as follows: (a) the project supported technical assistance for a study on the restructuring of the National Cereals and Produce Board—the consultants’ report was still under review by the Government at the time of the ICR; (b) the project supported a study on restructuring the Agricultural Development Corporation which was not finalized because of a procurement dispute between the consultancy firm contracted for the purpose and the Ministry of Agriculture, Livestock, and Fisheries (ICR, p. 23).

- Agricultural Research Systems
  - Eight Competitive Research Grant (CRG) projects were funded based on priority value chains. Notable research results included evaluating varieties from the International Crops Research Institute for Semi-Arid Tropics and identifying several varieties for brewing and industrial alcohol extraction which were adopted by some farmers. Similarly, through the Aquaculture Competitive Research Grant, hatchery operators increased production by an average of 20% through use of improved seed and good aquaculture practices developed by the research team (ICR, p. 25).
• The project helped in the formation of an editorial board for the East African Agricultural and Forestry Journal, drawing membership from many NARS organizations and relevant stakeholders who meet on a quarterly basis. However, sustainability of the journal and its autonomy from Kenya Agricultural and Livestock Research Organization remains an issue to be addressed (ICR, p. 26).
• A total of 2,770 persons comprising 1,350 males and 1,420 females were trained in the knowledge and skills required for successful implementation of the collaborative research projects’ activities; and the project supported a total of 61 students (50 master’s and 11 doctorate). The ICR does not mention any evaluation of the training program or the impact of the training program on the quality of staff in research stations (ICR, p. 26).
• The project’s ICT support to Kenya Agricultural and Livestock Research Organization enabled it to set up a platform for the purposes of sharing research information, advancing research and transfer of technology and dissemination of information relating to advancements made in agricultural research (ICR, p26). This platform has enabled Kenya Agricultural and Livestock Research Organization to capture research conducted by institutions and public universities affiliated to it, which can also benefit other researchers in the entire National Agricultural Research System. The ICR has not assessed the impact of these steps on the quality of research.
• Laying the legal framework for a sustainable funding mechanism for the entire National Agricultural Research System was not achieved (ICR, p. 26).

• Support to the Kenya Agricultural Research Institute
• With the enactment of the Kenya Agricultural and Livestock Research Act, 2013, Kenya Agricultural and Livestock Research Organization was created from the former Kenya Agricultural Research Institute. It had a broader mandate to coordinate research in 18 autonomous research institutes as well as research programs in publicly funded universities. However, the progress of the institutional transformation had not been completed when the project closed process needed longer time than envisioned (ICR, p. 27).
• A number of technologies and innovations were developed such as new varieties and improved management technologies, that directly responded to productivity improvements along a number of value chains including food crops (57), horticulture (95), animal production (2), animal health (5), range research (2), biotechnology (5), adaptive research, partnerships and outreach (4), and natural resource management (4) which exceeded the target of 82 (ICR, p. 28, table 2.2). However, by project completion Kenya Agricultural and Livestock Research Organization continued to be highly dependent on external funding (ICR, p. 29). Nevertheless, it was able to increase the proportion of its development budget generated internally from 10% in 2010 to 19% in 2015 (compared to a target of 15%). The main beneficiary of the development budget increase was the seed unit which multiplies seed and other planting materials for sale.
• By project completion the Agriculture Research Fund was not established (This target was not achieved, ICR, p. 29). The ICR made no comment on the impact of this missed target.

• Agricultural Extension, Farmer, and other Stakeholder Empowerment

• Agricultural Extension
• While farmers were trained and organized into Common Interest Groups (CIGs) based on identified value chains, outreach fell short of the target of 400,000 beneficiaries as the actual number of individuals who participated in CIGs was 223,971 (ICR, p. viii).
• By project completion a total of US$5.30 million of IDA funds was disbursed to local communities to carry out various value chain activities. CIGs used the funds to pay for private advisory service providers. They also used the funds to purchase equipment for their cooperatives (for example, milk coolers, honey-processing machines as elements to strengthen value chains). There is no information in the ICR about the results of these efforts to improve value chains (ICR, p. 31).
• The project provided ICT support to the Agricultural Information Resource Center (AIRC) including hardware infrastructure; software; content (text, graphics, audio, and video); and skills to manage the infrastructure. The project also endowed the AIRC with broadband Internet connectivity, thus enabling easy online access to its information. However, corresponding support did not materialize at the local government level as envisaged (Target partially achieved).
• Establishing information desks at division (target: 236) and location level (target:472) was not pursued as the project opted for more cost effective/modern approaches including radio, television, bulk SMS, posters, and education
envisioned activities in the PAD that were not carried out.

- However, a number of activities envisaged in the PAD were not fully implemented. Strengthening the sector-wide coordination of agricultural extension services under the National Agricultural Sector Extension Policy Implementation Framework (which had been drafted in 2007) within line ministries was not carried out. Development of a sustainable financing mechanism for demand-driven agricultural support services was not achieved under the Contracted Extension Service Delivery Model (CESD/CSDM) because incentives were focused on service providers rather than farmers. Establishing a regulatory framework and quality standards for farmer demand-driven agricultural service delivery was not established (ICR, p. 31-32). Finally, the envisioned demand-driven extension mechanism did not fully materialize, hence, it was doubtful that service providers would be able to efficiently help smallholder farmers to increase their productivity and promote their transformation from subsistence farming to commercial agriculture.

- Farmers and Other Stakeholders’ Empowerment
  - The project strengthened the Kenya National Federation of Agricultural Producers (KENFAP) by endowing it with uninterrupted and reliable internet connectivity, a heavy-duty server together with its accessories, and 20 desktop computers for the regional branch offices. An interactive website, www.producers.or.ke, was hosted and operationalized. This allowed the KENFAP to easily update its database and relay other information to regional offices. In addition, a training needs assessment was conducted for its staff members; appropriate training conducted, but the ICR contained no information on the expected or actual impact of the training (ICR, p. 32).
  - KENFAP also helped strengthen the emerging cooperatives in collaboration with the county cooperative departments, as well as strengthen regional and national farmer associations. This included assisting them to develop strategic plans for their future development (ICR, p. 32).
  - The project supported private agricultural service providers through developing training materials with inputs from different stakeholders including universities and line ministries (ICR, p. 33).

Outcome

- The evidence provided in the ICR pointed to improvements in crop/livestock productivity in areas targeted by the project compared with control areas. However, the attribution of these improvements to the project was not clearly identified in the ICR. The limited analysis of the results framework in the ICR did not show how inputs contributed to attainment of increasing agricultural productivity. At project closing, an estimated 223,971 smallholder farmers in twenty counties-members of the Common Interest Groups, benefited from the project financing, significantly short of the appraisal target of 400,000 which was substantially reduced to 200,000 following the MTR (Project Restructuring Paper, 2013, p. 16). In a further communication after the preparation of this Review, the Agriculture Global Practice (AGR-GP) on behalf of the task team shared with IEG the final impact assessment study for the project as well as the impact assessment study for the Contracted Extension Service Delivery Model (CSD-ID). Both documents provided relevant information on attribution and included needed details on methodology and sampling.

- Improvement in the productivity of crops, vegetables and livestock:
  - The project supported seven value chains based on competitive grants including: cereals, fruits, vegetables, dairy, meat, aquaculture, and natural resource management.
  - An impact assessment study commissioned by the project included a survey in 9 out of the 20 participating counties, which were chosen to be representative of the diverse agro-ecological zones in the project area (ICR, p. 12). A total of 1,179 project beneficiaries and 366 non-beneficiaries as a control group were interviewed, however, the methodology for crop yield assessment was not clearly identified in the ICR. There were also concerns on the relevance of the baseline data since it was conducted two years after implementation started with farmers joining the project on a rolling basis over time.
  - The study used “with-project” and “without-project” comparisons, showed that percentage of change in crop yields of interventions versus control was 16% for millet, 27.7% for potato, 40.5% for beans, 58.7% for sorghum and 60% for maize; and on average, yields were 41% higher among participating farmers than among nonparticipating farmers for the aforementioned crops. Yield/productivity improvements were attributed to different reasons, for example, for onions according to the ICR (p. 12, para 49) was due to using improved planting materials, better spacing, and other good agronomic practices while for existing perennial crops such as bananas productivity gains mainly stemmed from application of manure, mulching, and pruning which led to better quality fruit and higher yields on existing stools of bananas. The ICR (p. 27) mentioned different technologies that were generated through the support of the project including: the improved Macia sorghum which yields 4-6 tons per hectare compared to 0.5-1.5 tons per hectare for traditional varieties. However, there was no information available on...
the adoption rates (by project farmers) of these improved crops/technologies promoted by the project.

- The same study reported improvements for selected livestock products, for example the percentage of change in productivity of interventions versus control was 5.6% for cow milk, 19.4% for goat milk, 173.8% for camel milk, 90.2% for honey, 94.3% for fish, and 25.7% for eggs. Yield improvements for rabbits and/or herds of livestock according to the ICR (p. 12, para 49) were a factor of improved genetic material and better husbandry practices. While for local poultry vaccination reduced mortality by 50%, and better management increased live weight at maturity by another 50%, and the number of eggs laid per cycle increased by 150%. Modern bee hives increased productivity from an average of 7 kg per hive per harvest, to 9.6 kg. In addition, with the training received on honey processing, beekeepers were able to produce a much superior quality of honey than was previously the case (ICR, p. 35 para 2). The ICR did not elaborate on how the quality of honey was assessed.

- In a further communication after the preparation of this Review, the Agriculture Global Practice (AGR GP) on behalf of the task team explained that: "traditional beekeepers harvest honey by smoking the beehives to drive away the bees. The honey combs are squeezed to produce honey which is sold in the local markets. Under the project, improved beehives were provided to the beekeeping CIGs. The honey was harvested using special protective gear. The honey was processed/purified using centrifuges that were provided by the project. The honey was certified by the Kenya Bureau of Standards as meeting national and international standards. This enabled the indigenous peoples (Ogiek from Nakuru County) CIGs to package/canning and export high quality natural honey to Italy."

Therefore the efficacy of this sub-objective is rated substantial based on the data reported by the ICR and further evidence included in the two impact assessments shared with IEG by the Agriculture Global Practice (AGR-GP) on behalf of the task team.

Rating
Substantial

Objective 2

Objective
(b) Increase the incomes of participating smallholder farmers in the Project area

Rationale
Sub-objective (b) increase the incomes of participating smallholder farmers in the Project area. Rated: modest

Outputs
- The above mentioned productivity related outputs contributed to the this sub-objective as well.
- Agribusiness and Market Development
  - Agribusiness Development
    - Agro Food Parks and Agribusiness Development Centers were not established (ICR, p. 4). The project instead supported CIGs to form cooperatives where they could add value through organized marketing (for example, onions in West Pokot); processing (for example, honey among the Ogieks in Nakuru); and some even accessing export markets (for example, in Garissa, where the meat value chain was exporting meat to United Arab Emirates or the groundnut value chains in Butere Mumuas and Homa Bay counties, where the supported groups were processing and marketing peanut butter, or in Nakuru, where they are selling rabbit meat in supermarkets).
    - To enhance training in agribusiness management and food technologies, the project funded academic institutions to develop curricula for specific value chains including: actors and service providers in the fruits and vegetable value chain in Kenya; for reviewing training modules for smallscale dairy players and service providers in the dairy value chain, and for developing curricula for actors and service providers for the meat value chain-these were developed by Jomo Kenyatta University on Agriculture and Technology, the Dairy Training Institute, and the College of Agriculture and Veterinary Sciences - University of Nairobi, respectively (ICR, p. 34).
    - Index-based weather insurance products and Agribusiness council/Central Repository were both not carried out because the former was piloted by other projects (ICR, p. 11) and the latter was supposed to be carried out by the
Agricultural Sector Coordination Unit, however its dissolution in 2012 disrupted the process (ICR, p. 34).

- Linking Rural Agro-processing Activities to Off-grid Energy Sources
  - By project completion only two projects materialized (target: 5 off-grid energy projects): Mbuvo Solar Project in Makueni County and Korkora Solar Project in Garissa County. The Mbuvo Project had been commissioned by project’s completion, serving 580 value chain members (ICR, p. 34). The Korkora Project, expected to serve about 1,100 value chain members, was completed but not commissioned. The beneficiary target was met (Target:1200), but with far fewer projects than anticipated. (Target partially achieved).
  - In a further communication after the preparation of this Review, the Agriculture Global Practice (AGR GP) on behalf of the task team explained that: “although the Korkora Project was completed but not commissioned at the ICR time, it was eventually commissioned in March 2016 …and the beneficiary target of 1,200 was met with fewer projects.” For this, the project team deserved credit for implementing an alternative option, which proved to be more cost-effective.

**Outcome**

- Average household income increased by 59.51% for male farmers (from KES 130,207 to KES 207,693) and by 67.94% for female farmers (from KES 78,481 to KES 131,801). This was against the target of raising incomes by 35% for men and 45% for women. The ICR (para 50) attributed income gains to high productivity gains experienced in various value chains, better prices and organized marketing. However, the CSDM-IE (p. 21) reported that “of the 95 value chains that received contract grants, less than half (40%) of them posted positive Benefit Cost Ratio (BCR) and Return on Investment (ROI), while about half (49%) posted negative BCR and ROI.

Therefore, efficacy of this sub-objective is rated modest.

**Rating**

Modest

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### 5. Efficiency

#### Economic and Financial Efficiency

**ex ante**

- The analysis focused on several commodities: maize, sorghum, wheat, banana, mango, pulses, poultry, sheep, beef, dairy and aquaculture. Two scenarios were looked at:
  - First scenario: the incremental returns from increasing yield of sample farms were calculated net of farm costs increases. Second scenario: the full productivity or yield increase was used as the basis for estimating the incremental net benefit stream with the assumption that the increased farm costs resulting from increased use of inputs would benefit input suppliers, and thus would still count as incremental benefit from the investment.
  - In both scenarios, it was assumed that benefits accrue across 20 years (based on other studies and economic analyses on R&E done in the past (e.g. National Agricultural Extension Project-Phase 2 (Tanzania); Kenya Agricultural Productivity Project; West Africa Biotechnology Project; and East Africa Agricultural Productivity Project). One-year lag of benefits is assumed, i.e., benefit stream will start in Year 2.

- The financial analysis showed that to obtain a rate of return of 14% on the proposed off-farm investment in agricultural research and extension (including component on policy and institutional development and on farmer and stakeholder empowerment), it was sufficient to generate farm yield increase of 0.07% every year, or 8.9% accumulative incremental net benefits or net increases in productivity over 20 years compared to baseline. This was equivalent to 0.44% average annual increases in productivity compared to baseline.

- For the agribusiness component, the financial analysis indicated an IRR on investment in agribusiness development of 84% or NPV of US$2.11 billion for 20 years at IRR of 14%. Economic analysis showed an IRR of 85% or NPV of US$2.45 billion for 20 years at IRR of 14%.

**ex post**
At the ICR stage, the financial rate of return (FIRR) was re-estimated at 38%, assuming a 20-year investment horizon. The NPV was estimated at $5.3 billion assuming a discount rate of 12%. It was not possible to compare the ICR and NPV analysis with the analysis conducted at appraisal because the approach used differed significantly. At appraisal, the IRR and NPV were only estimated for Component 4, that is, US$21.74 million was taken as the only investment costs. The ICR analysis uses all the project investments (except the amount spent on feasibility studies for Agro Food Parks whose future implementation is still uncertain) because they all played a role in the observed outcomes. However, the analysis reported in the ICR lacks details and no relevant tables were included, hence, it was not clear how the 38% financial rate of return was estimated. The Contracted Service Delivery Model Impact Evaluation (shared with IEG by the Agriculture Global Practice AGR GP, p. 21) reported that "Of the 95 value chains that received contract grants, less than half (40%) of them posted positive Benefit Cost Ratio (BCR) and Return on Investment (ROI) while about half (49%) posted negative BCR and ROI; and 10% of the value chains had no updated data on earnings to enable computation of BCR and ROI at the time of evaluation."

Project benefits accrued not only from higher productivity gains, but also from better prices because of improved access to markets—most especially through coordinated marketing and in several cases, because of value addition as well (such as processing).

Sensitivity analysis showed that even with a 30% drop in farmers’ revenue the FIRR would be 23%. A drop of this magnitude could be triggered by multiple factors, the most likely being adverse weather, such as a major drought. The project supported a well-diversified array of value chains which would have mitigated (although not eliminated) the likelihood and impact of an across-the-board revenue drop of a catastrophic nature.

The ICR cites an IFPRI study (A Meta-analysis of Rates of Return to Agricultural R&D. International Food Policy Research Institute, Research Report No. 113) that concluded that the median rate of return to agricultural research was about 48%, for extension about 63%, and 37% when the two were analyzed together. No specific analysis was done for the research and extension activities supported by this project.

The project was unable to absorb about US$16.05 million of project funds which were eventually cancelled. Financial management suffered from severe weakness (see section 11b).

**Administrative and Institutional Efficiency**

The project suffered from delayed effectiveness (approved by the Board in June 2009, it became effective only in March 2010) because of unresolved financial audit issues related to phase 1 of the program, and the slow setting up of the new project’s secretariat. Project start-up suffered further delays because of failure by the Government to release funds from the designated account to the project. Project implementation progress was slow and ran behind schedule by over fifteen months. Furthermore, throughout implementation the project suffered from problems that constrained its ability to disburse funds including: delays in establishing the necessary institutional framework for operationalization of the project such as recruitment of staff, formalization of CIGs and their management structures, delays in the training and approval of CIGs agribusiness proposals; delays in the transfer of funds from the designated account into the project account; and delays in the refund of ineligible expenditures flagged in the National Treasury Internal Audit Department validation report. While these delays would have contributed to a delayed benefit stream which would have reduced the NPV and the financial rate of return, the magnitude of this reduction is unknown at this point.

Overall, efficiency is rated substantial despite weaknesses in administrative and institutional efficiency.

**Efficiency Rating**

Substantial

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

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<th></th>
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<th>Point value (%)</th>
<th>*Coverage/Scope (%)</th>
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<tr>
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<td>38.00</td>
<td>100.00 Not Applicable</td>
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</table>
6. Outcome

Relevance of objectives was rated substantial while relevance of design was rated modest. Efficacy of the first sub-objectives was rated substantial because of there was enough evidence in the ICR and impact assessment studies that point to productivity gains as a result of project support. However, efficacy of the second sub-objective was rated modest due to the fact the about half of the value chains supported were unprofitable and due to unclear impact on marketing. Efficiency was rated substantial despite weaknesses in administrative and institutional efficiency.

a. Outcome Rating
   Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

Risk to Development outcome is rated substantial. The ICR (p.16, para 64) discussed the following risks that might hinder project farmers from continuing to enjoy the alleged high productivity gains:
First, adverse weather events could negatively impact productivity and revenue streams of participating farmers since most of them were rainfall dependent. Drought resistant crop varieties might help mitigate this risk.
Second, the principal strategy for accessing markets was through cooperatives or some form of collective action. While cooperatives have had a mixed history in Kenya rife with abuse and political interference, they have evolved to be more literate and feel more empowered compared to their predecessors, which helps mitigate this risk. Also, the Government as a whole and the county governments in particular were intent on reinvigorating the cooperatives and instituting closer supervision.
Third, there is uncertainty about the future of private provision of advisory services, and in particular, whether the practice is remunerative enough for those engaged in it. Nearly 57% (30% males and 27% females) of farmers interviewed during the project’s impact assessment indicated that they were willing to pay for extension services but only for those services with a high return on investment or short payback period.
Fourth, there is the risk of a breakout of disease that might impact crops, for example, Maize Lethal Necrotic Disease which would have detrimental impact on maize productivity.
Fifth, political instability and the risk of unrest could impact some areas of the country and undermine project achievements.
Finally, the cancellation of phase 3 of the APL exacerbates risks because any expected support to the outcomes achieved under phase 2 is in doubt.

Triggers for phase 3

According to the ICR (para 29) while triggers for phase 3 were fully met, the operation was cancelled raising serious doubt about Government and private sector support for this project. The following were triggers for phase 3:

(a) the Government approved the Agricultural Sector Development Strategy (ASDS 2010–2020) by year 1, prepared an ASDS implementation framework and investment plan in year 2, and its implementation started by the Midterm Review (MTR) in year 3 of the project;
(b) the Government rolled out the implementation of the National Agricultural Sector Extension Policy (NASEP) and set out the institutional framework for regulation and financing of commercial extension/advisory services by the MTR in year 3; and
(c) the institutional mechanisms for the implementation of the National Agricultural Research System policy were in place by year 2 and the restructuring of Kenya Agricultural Research Institute was completed by the MTR in year 3 of the project.

a. Risk to Development Outcome Rating
   Substantial

8. Assessment of Bank Performance
a. Quality-at-Entry

- The Adaptable Program Loan (APL) instrument was the preferred lending instrument since it offered continuity with the phase 1 activities and was also suitable for long-term engagement in the sector (PAD, p. 2).
- The project objectives were simple and aligned with the Government priorities for the agriculture sector.
- Design benefited from the experience of the first phase and some lessons were reflected in the design including: mainstreaming the project into government structures to enhance project ownership, lower administrative expenses, ensure coordination with other government programs build local capacity which also enhances sustainability, and not distort incentives for public civil servants.
- Design of the first three components was similar to the corresponding components in the first phase of the APL. However, the fourth component lacked critical background analysis and as a result it could not be implemented as envisioned at the appraisal stage (ICR, p. 4). Most activities under the component became difficult to implement and were eitherRestructured or dropped, and subsequently some of the allocated money cancelled or used elsewhere in the project (ICR, p. 5).
- Despite identifying financial management as a main challenge during the implementation of phase 1, this weakness persisted under phase 2 (ICR, p. 5). Financial management under phase 2 suffered from severe weakness in tracking disbursements which also contributed to coding errors and misclassification of expenses. More effort should have been done to address this issue.
- At the appraisal stage nine risks were identified (PAD, p. 22), eight were rated substantial and one was rated moderate. Weak financial management was identified as a critical risk, however, the mitigation measures identified at the appraisal stage were not successful to mitigate this risk when it materialized during implementation.
- M&E suffered from serious weaknesses at the design and implementation levels (see sections 10 a and 10, b).

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

The project benefitted from the presence of the task team in the country office throughout implementation which enabled constant interaction with counter-parts and close support to project implementation. Supervision missions contained a relevant skill mix of expertise and produced action plans that guided implementation (ICR, p. 17).

However, supervision suffered from three critical shortcomings: First, the cancellation of US$16.1 million of project funds relevant to project components that were not well thought out at appraisal and resulted in unfunded activities and shortfalls in others, which led to dropping of activities late into the project. Second, failure to revisit the M&E system after restructuring to better align the indicators with project objectives and make it a relevant management tool. Third, there was a failure to provide regular financial management and procurement support to the Government project team to avoid ineligible expenditures and ensure transparency and proper accountability of the project's resources.

Quality of Supervision Rating
Moderately Unsatisfactory

Overall Bank Performance Rating
Moderately Unsatisfactory

9. Assessment of Borrower Performance

a. Government Performance

According to the ICR (p. 18, para 68) the Government was supportive on the policy front as demonstrated by adopting a series of measures which created a conducive environment for the project to meet its long-term development objective. For example, the National Aquaculture Strategy and Development Plan 2010–2015 was adopted in 2010 while the Agribusiness Strategy was developed and adopted in 2012; and the National Agricultural Research System Policy and its implementation framework were finalized and adopted in 2012, leading to the enactment of the Kenya Agricultural and Livestock Research Act in 2013. Consultations were ongoing for the development of the third livestock master plan. Also, a Beekeeping Bill was being discussed with stakeholders. There was an ongoing review of the Cooperatives Policy. The Government maintained support for the project secretariat throughout the project’s life, including key project
staffing, office space, and counterpart funding—in addition to the taxes/duties foregone for domestically procured or imported goods and services. Furthermore, county governments supported the project, with several of them providing material support from their own budgets to cooperatives born out of the project to nurture these nascent institutions. On the other hand, the Government was slow in resolving issues that delayed project effectiveness including an extended delay before transferring money from the designated account to the project account. This led to project start being delayed by 16 months in total, which significantly disrupted project implementation. Finally, the project continued to suffer from slow release of funds due to the Government’s complicated treasury release procedures for foreign assistance.

Government Performance Rating
Moderately Satisfactory

b. Implementing Agency Performance
The Ministry of Agriculture, Livestock and Fisheries (MoALF) was the main implementing agency with fiduciary responsibility over the project. The project secretariat followed up on actions agreed upon during preceding missions and was able to fast track project implementation after the MTR. The MTR (held in June 2013) reported capacity weaknesses and recommended reinforcing the implementation team with a substantive deputy coordinator and some advisory consultants (ICR, p. 18). The project suffered a slow start due to governance issues including the transition from a centralized governance structure to a devolved governance system as mandated by the new Constitution (2010), and the reconstitution of the Ministry of Agriculture to include livestock and fisheries. Consequently the institutional arrangements for implementing the project, both at the national and sub-national (county) levels changed which contributed to delays. Financial management also suffered from weaknesses throughout implementation especially in documenting expenses properly. Insufficient internal controls led to ineligible expenditures, which the Bank and the Government are still working together to resolve. In addition, beneficiary contributions were not tracked by the project secretariat making it unclear how the corresponding financing parameters in the Financing Agreement were applied. Despite the project having a full time M&E specialist, the M&E system failed to track essential project performance indicators.

Implementing Agency Performance Rating
Moderately Unsatisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design
Design called for imbedding data consolidation at the county level which was consistent with the devolution of some of the central/national government functions to counties in accordance with Kenya’s 2010 Constitution. To assess the project outcomes design included four outcome indicators. Two of these were aligned with the project objectives and geared to measure yield increments and income improvements. The other two were less aligned with objectives where one indicator aimed to measure the increase in public investment in the agriculture sector while the other would assess the beneficiaries’ satisfaction with extension, empowerment and agribusiness services. Project activities were to be assessed through eight intermediate outcome/output indicators. The design allowed for disaggregation of data by gender, which was a key element under the project (ICR, p. 8. para 35). However, the project M&E at the national level was designed late during project implementation and was largely focused on processes and less on outcomes.

b. M&E Implementation
M&E implementation suffered from shortcomings including: the inadequate capture of initial baseline situation due to the delayed operationalsionalization of the Management Information System (MIS) by almost two years after the project start-up; also, the MIS was not properly configured to aggregate summary data at the national level for common value chains collected from various counties; and it did not capture critical information needed for project assessment such as yields, despite that information being collected at the counties. Furthermore, data from farmers was self-reported and often had inaccuracies (ICR, p. 24, para 12); and there was multiple counting of the same beneficiaries
making it difficult to ascertain the project's outreach (ICR, p. para 37). This situation was compounded by poor reporting of some counties back to the project secretariat, resulting in a lot of data gaps during the implementation period.

c. M&E Utilization
The ICR (para 37) reported that the "use of the M&E system for project management purposes was limited." The M&E design and implementation suffered from weaknesses as noted above. The ICR itself relied mostly on information/data from the project's final impact assessment. Shortcomings in the M&E system created limitations when comparing baseline and end line data in the impact assessment, for example, while farmers were joining the project on a rolling basis over time, their performance was measured against the same baseline reference point (when the one-time baseline survey was conducted). Without a proper baseline, it was difficult to interpret the ICR data accurately.

M&E Quality Rating
Modest

11. Other Issues

a. Safeguards
The project was classified as Category 'B' under Environmental Assessment (OP/BP 4.01) and triggered the following safeguard policies: Pest Management (OP 4.09) and Indigenous Peoples (OP/BP 4.10). The Government prepared an Environmental and Social Management Framework (ESMF), the Integrated Pest Management Framework, and the Indigenous Peoples Planning Framework (IPPF) in 2009.

The ICR did not provide an explicit statement on the compliance of the project with Bank policies with regard to all of the triggered safeguards.

Environmental and Social Safeguards. The Government developed an Environmental Implementation Manual and a gender training tool in April 2010. The project carried out training on environmental and social safeguards (also covering gender issues) at the national, county, and community levels. All community micro-projects had to undergo environmental and social safeguards approval in accordance with the process elaborated in the ESMF. In 2013, Kenya Agriculture Research Institute (KARI) developed an Environment Policy which aims to provide a holistic framework to guide the management of the environment and natural resources in the institute and covers areas such as waste management, disposal of obsolete chemicals, pollution, rehabilitation, and restoration of degraded areas, among others.

Integrated Pest Management. In 2013, a training targeting the collaborative research teams was carried out and thereafter Integrated Pest and Vector Management Plans were developed. Farmers were trained on methods of protecting themselves while using pesticides and other chemicals and the safe disposal of empty containers and expired agro-chemicals. Good Agricultural Practices (GAP), minimum residue levels in food, traceability, and food safety have been included in the trainings on certification. The ICR did not report whether the project procured any pesticides.

Indigenous Peoples. The Sengwer and Ogiek were identified as the key indigenous peoples in the project areas. Training of service providers on the Indigenous Peoples Planning Framework (IPPF) and Indigenous Peoples' Plans was carried out in West Pokot, Trans Nzoia, and Nakuru. In Nakuru, the indigenous people were engaged in honey production; in West Pokot, they were also engaged in apiculture as well as poultry, dairying, and agroforestry value chains; and in Trans Nzoia, they were involved in apiculture, poultry, and vegetables.

b. Fiduciary Compliance
Financial Management. Financial management was unsatisfactory. While the project submitted quarterly Interim Financial Reports and annual audit reports to the World Bank within the stipulated timelines, financial management suffered from severe weaknesses in tracking disbursements. This contributed to coding errors and misclassification of expenses. The financial management system relied on
manual accounting. This not only consumed a lot of time in entering data and reconciling items, but also made it extremely tedious to restore information for monitoring and reporting as well as exposing the system to the introduction of errors. According to the ICR (para 19) "in September 2015, at the end of KAPAP, some US$13.0 million was considered to be ineligible expenditures, largely because of lack of, or improper documentation" - an issue that had plagued phase 1 in which US$8.19 million was unaccounted for at its closing. The FY12 audit report by the Kenya National Audit Office (KENAO) was qualified on the basis of insufficient supporting documents. In November 2014, the World Bank’s FM team carried out another in-depth review for FY13, which identified some ineligible expenditures amounting to KSh. 1.4 billion but the ICR made no reference to an audit for the FY 13 accounts. In mid-May 2016, the World Bank, in collaboration with the Government’s Internal Audit Department, initiated a verification exercise to determine the final or residual ineligible amount, if any, to be refunded to the World Bank. Over 50% of the expenditures were declared eligible by mid-June 2016. The verification exercise was expected to be completed by the end of July 2016.

In a further communication after the preparation of this Review, the Agriculture Global Practice (AGR GP) on behalf of the task team explained that: "the Government of Kenya informed the Bank that at the time of an in-depth review of financial management of the KAPAP, funds had just been disbursed to the county governments and other executing agencies. Subsequent verification of the supporting documents by a joint World Bank FM and Government team revealed that the residual ineligible expenditures amounted to about US$960,000, which has been refunded to the Bank. Part of the ineligible expenditures was caused by funds unaccounted by the disbanded Agricultural Sector Coordination Unit, which filed a court petition that is still ongoing."

**Procurement.** There was only one procurement issue reported by the ICR where the Ministry of Agriculture, Livestock, and Fisheries (MOALF) bought an incinerator for the Veterinary Research Center, but it could not attain the temperature of 800°C and above as required for incineration. The Government of Kenya communicated this to the supplies department and was making arrangements to return the defective equipment in exchange for another one. It was not clear if this exchange happened yet. No major issues were identified during the post procurement review exercises except some weaknesses in record handling. There were also delays in internal approvals.

c. Unintended impacts (Positive or Negative)
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d. Other
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### 12. Ratings

<table>
<thead>
<tr>
<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreements/Comment</th>
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<td>Outcome</td>
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<tr>
<td>Risk to Development Outcome</td>
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<td>Substantial</td>
<td>Concerns on the sustainability of the CSDM approach and the cancellation of phase 3.</td>
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<td>Bank Performance</td>
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<tr>
<td>Quality of ICR</td>
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**Note**

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

### 13. Lessons
The ICR included five lessons. The following are emphasized as lessons with general applicability—with some adaptation of language:

- **M&E systems should be developed early in the process for effective guidance to project managers.** The project’s M&E at the national level was designed late during project implementation and largely focused on project processes and less on outcomes. First, M&E systems should be designed during project preparation and adequately funded. Second, there should be an attempt at leveraging technology in data collection, transmission, and distribution. Third, periodically during the course of project implementation, there should be workshops and forums that discuss M&E performance with a view to taking corrective action and sharing good practices among project participants. Fourth, MTR exercises should critically review M&E inadequacies early in project implementation and propose actions to remedy these shortcomings.

- **It is critical to have efficient financial monitoring mechanisms for community-based projects to ensure financial management.** The project experienced difficulties accounting for money spent on project activities, partly because of inadequate documentation to back up expenses, especially those at the community level. The project design should have internal audit mechanisms that constantly follow up, instead of only relying on annual audits. Project implementation support teams should be proactive in preventing their occurrence and addressing them early on.

- **To retain high-caliber service providers, scheduling their payments should be calibrated to correspond with their assigned workloads.** As designed under the project, payments to private service providers were scheduled in rather arbitrary tranches of 10%, 20%, 30%, and 40%. Yet, work that is much more significant takes place early on, including farmer mobilization and training. This caused an undue financial burden on service providers and caused difficulties in retaining high-caliber service providers.

The following lesson is emphasized by IEG:

- **Ensuring good quality at entry is a critical element to achieve a successful outcome.** The project’s experience demonstrated that shortcomings at Quality at Entry could significantly undermine the project’s implementation and derail its progress. In particular, it is important to identify risks and include relevant risk mitigation measures.

### 14. Assessment Recommended?

Yes

**Please explain**

To further validate impacts of the project on the ground in particular the project supported CSDM extension approach.

### 15. Comments on Quality of ICR

The ICR provided adequate coverage of project activities and reported candidly on some shortcomings. Discussion of outcomes suffered from the poor quality of the M&E data and relied mainly on the final impact assessment prepared by an independent entity. While IEG requested this impact assessment study from the task team, it was only shared later by the Agriculture Global Practice (AGR-GP) on behalf of the task team’s response to our draft Review. The ex post economic analysis was unclear and lacked critical details. The ICR included five Lessons that reflected the project experience.

However, the ICR could have improved on the following points:

- discuss outcomes in terms of achieving objectives rather than PDO indicators only,
- provide more detail on economic and financial analysis to justify rate of return estimates,
- report explicitly on the compliance with World Bank safeguard policies,
- report on the status of external financial audit reports,
- use specific terms rather than general ones, for example, the ICR used the term "and so on" in twelve different places of the ICR which was provided
a. Quality of ICR Rating
   Modest

no information.