

IEG ICR Review

Independent Evaluation Group

1. Project Data:		Date Posted :	09/27/2006	
PROJ ID:	P046838		Appraisal	Actual
Project Name:	Ke: Lake Victoria Env. Proj. (ida)	Project Costs (US\$M)	28.00	20.00
Country:	Kenya	Loan/Credit (US\$M)	12.80	8.40
Sector(s):	Board: ENV - Agricultural extension and research (38%), General water sanitation and flood protection sector (29%), General agriculture fishing and forestry sector (16%), Central government administration (13%), Animal production (4%)	Cofinancing (US\$M)	11.50	11.50
L/C Number:	C2907			
		Board Approval (FY)		97
Partners involved :	GEF	Closing Date	12/31/2002	12/31/2005
Evaluator:	Panel Reviewer :	Division Manager :	Division:	
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2. Project Objectives and Components

a. Objectives

The original project development objectives were stated broadly to reflect the long term program approach to the sustainable regional management of Lake Victoria . The objectives include :a) maximize the sustainable benefits to riparian communities from using the resources within the basin to generate food, employment and income and safe water; b) conserve biodiversity and genetic resources for the benefit of the riparian communities and global community, and c) harmonize national management programs to protect achievements in arresting increasing degradation of the environment around the lake . These objectives were not changed during the course of the implementation and no formal revision was made of these objectives . But during the mid term review and the stock taking missions which assessed progress in implementation , the following operational objectives were devised and project impact in the ICR was measured accordingly .

- 1- Provide the necessary information to improve management of the lake ecosystem
- 2- Establish mechanism of cooperative management by the three countries .
- 3- Identify and demonstrate practical, self-sustaining remedies.
- 4- Build capacity for ecosystem management.

The project performance is being assessed against these objectives which are close to the originally stated development objectives.

b. Components (or Key Conditions in the case of Adjustment Loans):

The original project design was complex, with 9 components and more than 32 sub components . The design was somewhat simplified after the 1999 mid term review which reduced it to 17 sub components.

1-Fishery management and Micro projects : Planned US\$ 5.24 million, actual not available, (19%): To improve overall management and protection of fisheries resources in Lake Victoria by strengthening both national and regional institutional framework and promotion of conservation measures . This component established: a fish levy, fisheries co management, strengthened extension services, statistical data collection and frame survey . The project targeted service delivery among the Lake basin communities by implementing a range of demand driven projects in the health, water, education, sanitation, access roads, afforestation and fisheries sectors .:

2-Fishery research : Planned US\$ 4.73 million, actual not available (18%) : To establish a baseline on ecology of the Lake, impact of environmental factors on the lake system and socioeconomic impact on resources; restoration of threatened species through aquaculture . This component supported fish biology and biodiversity conservation, aquacultural research, socio-economic studies, and build an information and data base .

3-Water quality and ecosystem management : Planned US\$ 7.40 million, actual not available, (28%).To study the dynamics of the lake ecosystem; improve management of industrial and municipal effluent and assess the contribution of urban run-off of lake pollution in order to design alleviation measures . The merged components

supported monitoring of in-lake water quality, industrial and municipal waste management of pollution loading and the role of agrochemicals in pollution of Lake Victoria . Although pollution hotspots were identified, the merged component became too focused on data collection with inadequate emphasis on addressing the critical pollution problems in the lake, especially related to urban wastewater flowing into the Gulf at Kisumu .

4-Water Hyacinth control :Planned US\$ 2.8 million, actual not available (10%) . To establish sustainable long-term capacity for maintaining control of water hyacinth and other invasive weeds in the Lake Victoria . The component supported bio-control program, mechanical/manual/chemical control program, \supervision, legislation and public awareness and water hyacinth research .

5-Wetland management ; Planned US\$ 1.86 million, actual not available (7%). To increase knowledge of wetlands buffering processes and of Lake Victoria wetlands; to determine economic potential of the Lake Victoria Basin wetlands products; to demonstrate wise use of wetland resources; and to develop strategies for wetlands management.

6- Soil and water conservation : Planned US\$ 2.44 million, actual not available (9%). To promote improved land management practices in Lake Victoria for increased and sustained agricultural productivity and reduce agro-chemicals nutrient and sediment loading into water systems leading to Lake Victoria .

7-Catchment afforestation : Planned US\$ 1.10 million, actual not available . (4%). To protect vital areas of Lake Victoria catchment by planting trees by involving local communities and institutions

8-Capacity building : Planned US\$0.39 million actual not available (1%). To strengthen facilities for research and training at local universities .

9- Coordinating national secretariat :Planned US\$ 0.97 million, actual not available (4%).Responsible for overall monitoring and reporting progress, coordination and information sharing at the regional and national levels .

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

Due to significant delays in the start-up of the program, at the mid-term review (MTR), many of the components and sub-components were revised . Work programs were adjusted to facilitate implementation within the existing institutions and according to the mandates of those institutions . This revision entailed somewhat lower expectations regarding cross cutting issues and coordination, but also freed up implementation to proceed within the components . The scope of several activities and components was narrowed, but still within the overall objectives and targets for the program .The appraisal estimated project cost for Kenya was US\$ 28 million, with external financing, including an IDA credit of USD 12.8 million and a GEF grant of USD 11.5 million for the initial period of 1997-2002. By the end of 2002 only USD 12.65 million or about 52 percent of the total project budget had been utilized because of the slow progress in implementation . The IDA credit was closed in the end of 2002 and about USD 4.4 million was cancelled. Two extensions were approved for the GEF grant which closed December 2005, with 100 percent disbursed . As work programs within components were revised, resources were reallocated between and among them.

3. Relevance of Objectives & Design :

The regional program for the sustainable management of Lake Victoria was relevant to the needs of the riparian countries to sustain efficient management of the Lake . The Lake is the source of the White Nile, which is an integral part of the Nile River Basin shared by nine countries . Local communities living around the Lake have been dependent on the Lake resources for their living, transport, fisheries, and energy . The IDA/GEF support was in response to requests from the riparian countries . The design addressed local, national, and regional issues with a high degree of stakeholders participation, well focused on appropriate scientific questions, but with limited explanation to policy makers and the public as to how solutions to these questions could be utilized . The design included several pilots to test new technology on the ground, but suffers from poor follow up to upscale and main stream results in the national agenda . The project included several components and sub components with little functional relationships among them . The project was prepared over a long period : 1994-97. There was a commendably high degree of stakeholder ownership of the planning process, with the draft project documents being produced by each country .

4. Achievement of Objectives (Efficacy) :

The overall implementation performance (outputs) was **Moderately Unsatisfactory** , and the achievement of the development objectives (outcomes) was **Unsatisfactory** . Project implementation was slow . The first two years of implementation were not productive . Much time was taken with establishment of the secretariats and related management, financial and procurement procedures . The lack of adequate measurable development objectives and associated performance indicators for each components makes it difficult to assess achievement in terms of results on the ground related to the improvement of the Lake ecosystem .

Implementation in Kenya lagged behind the other two countries through most of the project because of slow funding by the government . The poor performance of the project and its unsatisfactory rating necessitated closing of the IDA credit (with 30 percent undisbursed) at the end of 2002, further reducing the scope of activities .Despite Kenya's positive contribution to the design effort, the country's inability (both on the part of the Government and the implementing agencies) to address chronic weakness in management during implementation greatly weakened the

entire effort of the three countries.

Objective one : *Provide the necessary information to improve management of the lake ecosystem* : **moderately satisfactory** .The project supported research designed to improve understanding of the Lake Ecosystem and, levels and sources of pollution, fish stocks, and hydrology . The slow implementation did not allow for achieving full benefits of this objective specially in monitoring water quality and establishing the data base for

Objective two : *Establish mechanisms of cooperative management by the three countries* :**Moderately unsatisfactory** . Delays in government actions slowed progress in advancing the regional perspective in both planning and implementation. The efforts of the other riparian allowed the Lake Victoria Fisheries Organization to become operational although it requires strengthening . Fisheries sector rules and regulations were harmonized and regional information exchange was n not always possible because of weak planning by the government .

Objective three : *Identify and demonstrate practical, self-sustaining remedies*: **Moderately satisfactory** . The project contributed to establishing co-management of natural resources. The participatory approach combined with micro-projects proved to be successful and cost -effective while improving local livelihoods and empowering communities. Counterpart contribution was allow which delayed implementation . The activities were designed to increased capacity in the communities, enabling them to improve resource management, with positive environmental externalities as well as improved livelihoods . Not all these activities were implemented because the project was not extended due to weak performance .

Objective four : *Building capacity for ecosystem management*: **Unsatisfactory** . Not all Government agencies carry out their responsibilities. Inspection panel criticized government for poor consultation with beneficiaries in testing technology for the control of water hyacinth . funds were not properly allocated to enhance capacity building scientific research and resource management, . and the national secretariat was unable to adequately address implementation problem

5. Efficiency :

Efficiency is rated as **Not Available** due to the lack of evidence, the environmental nature of the project and the difficulty of assessing the longer term benefits at this early stage . However, more could have been done in the analysis of cost effectiveness . This was a fully blended IDA/GEF project, with shared objectives for both sources of funding. Long term benefits could be substantial but the costs and benefits of the project were not adequately analyzed. The benefits to the local communities were presented in a limited fashion, especially in terms of return to these communities from improved fishing stocks and related diversification of fish species . Cost benefit analysis at regional level to identify trade offs among various usages was not carried out . The economic rate of return was not estimated but, as noted above, it is very early to assess efficiency . At the local level, the activities led to increased capacity in the communities, enabling them to improve resource management, with many positive environmental externalities as well as contributing to improved livelihood .

6. M&E Design, Implementation, & Utilization:

The design of M&E was weak because there was no well defined result based framework . The design was optimistic in scope, with a large number of components and requiring coordination between a variety of institutions in each country and between and among countries . The plethora of implementing agencies and activities resulted in complicated budgeting and accounting systems . Capacity to implement was weak, and enhancement of capacity was one of the objectives of the program .The design did not include a logframe because that was not customary at the time . The project very much needed an alternative to the log frame; i.e., a practical guide to action and clarity on the results expected . Key performance indicators were established late in the implementation (in 2004) during an attempt to retrofit a log-frame. On the critical dimension of readiness for implementation it was weak, and this weakness was costly for the performance of the project. Nevertheless, changes introduced at the MTR allowed implementation to accelerate within the components and eventually allowed funds to flow .

7. Other (Safeguards, Fiduciary, Unintended Impacts--Positive & Negative):

No major safeguard issue was involved, and the environmental studies in several components were carried out as planned in the SAR.

8. Ratings :	ICR	ICR Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Unsatisfactory	
Institutional Dev .:	Substantial	Modest	Kenya national secretariat and other institutions did not fully benefit from the capacity building component
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	

Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

NOTES:

- 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.
- ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness .

9. Lessons:

- 1-Regional dimensions of national projects are vulnerable to failure if one of the partners do not deliver on agreed joint plans. Safeguards to mitigate such risks should be built into the design of regional programs .
- 2-Scientific research must be targeted, provide usable information for management decisions and be widely accessible.
- 3-The Basin perspective is critical to address the key environmental issues of large systems such as Lake Victoria .
- 4-Regional projects necessitate greater emphasis on clarity of project objectives, monitorable frameworks, at multiple levels, and adequate mechanisms for governance .
- 5-Capacity building has to address both current and projected needs of regional cooperation .
- 6-Implementation in the medium to longer term can be undertaken through strengthening national agencies and governmental structures.
- 7-Environmental benefits must be strongly linked to improved livelihoods for local people and communities.

10. Assessment Recommended? Yes No

11. Comments on Quality of ICR:

The ICR provided well structured analysis of the strength and weakness of project design, implementation, and Bank's and borrowers performance . The SAR did not include adequate risk analysis, or cost benefit assessment at national or households levels . The ICR could not fill this gap .The ICR did not present adequate financial analysis of actual cost of each component . The ICR includes well prepared annexes and provides adequate guidance to regional management as to the lessons learned .