In accordance with the mission announcement letter dated March 11, 2013, a World Bank team, and counterparts from the Lake Victoria Basin Commission (LVBC) and National Project Coordination Teams (NPCTs) from Rwanda, Tanzania, Burundi and Uganda (RW, TZ, BI & UG), carried out an implementation support mission for the Lake Victoria Environmental Management Project (LVEMP) II. The mission took place in Rwanda between March 17 and 20, Tanzania between March 21 and 26, Burundi between March 26 and 30, and Uganda between April 2 and April 5, 2013. A separate implementation support mission, announced in a letter dated May 8, 2013, was carried out to Kenya and the LVBC from June 6 to June 14, as the ongoing elections during the first mission made a visit to Kenya impossible. The two missions will hereafter be referred to as “the mission”.

The mission would like to thank all key counterparts in the respective Governments and project teams for welcoming the mission and for the constructive discussions. In particular, the regional and national team coordinators – Raymond Mngodo (LVBC), Annette Sylvie Muhayimana (RW), Pius Mabuba (TZ), Liberat Nahimana (BI), Sowed Sewagudde (UG), and Francisa Owour (KE) – and their teams put considerable work into the preparation and facilitation of the mission. The mission would also like to thank the several government officials and other stakeholders, including members of numerous communities within the Basin who made themselves available to discuss activities under or related to the project. (See Annex 1 for mission schedule, team members, and persons met.)

BACKGROUND & MISSION OBJECTIVES

A restructuring of LVEMP II was approved by the Bank Board on 25 June 2012, which included a 2-year no-cost extension of the project (subject to acceptable implementation performance), as well as a number of simplifications to the activities, including allowing for implementation of community-based

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1 The first Bank mission team consisted of Nagaraja Rao Harshadeep (Task Team Leader, TTL), Stephen Ling (co-TTL), Jane Kibbassa (Environment safeguards specialist & TZ country co-TTL), Berina Uwimbabazi (UG country co-TTL), Grant Milne (Watershed management specialist), Joss Swennenhuis (CDD consultant), David Lord (Sanitation specialist – virtual participation), Yasmin Tayyab & Constance Nekessa-Ouma (Social development specialists), Melanie Ndikumasabo, Pascal Tegwa, Donald Mneney & Howard Centary (Procurement specialists for BI, RW, TZ & UG respectively), Bella Diallo, Lillian Namutebi, Michael Okuny & Edwin Mugoche (FM specialists for BI, RW, TZ & UG respectively), and was supported by Clarette Rwagatore, Belinda Mutesi, Faustina Chande, Harriet Kiwanuk, and Jayne Angela Kwengwere in BI, RW, TZ, UG, and Washington DC respectively. The second mission included Nagaraja Rao Harshadeep, Stephen Ling, Jane Kibbassa, Julian Lee (Environmental Specialist and mission support), Geoffrey Howard (IUCN, Water Hyacinth expert), David Japp (Fisheries expert), Hrishikesh Patel (Spatial Analyst), Joel Buku Munyori (Procurement Specialist KE & regional), David Lord (Sanitation, virtual support), Josephine Ngigi (Financial Management, KE & Regional), Julius Kamau (SIDA, Nairobi) and was supported by Shamis Musingo (Team Assistant, Nairobi).

2 LVEMP II involves 4 components – (1) Strengthening institutional capacity for managing shared water and fisheries resources, (2) Point-source pollution control and prevention, (3) Watershed management & (4) Project coordination and management. It was designed as an Adjustable programmatic loan. APL-1, which became Effective in 2009, includes the three riparian countries (UG, KE & TZ), and APL-2 added the two remaining countries in the basin (RW & BI) at the start of 2012.
activities through co-management (i.e. activities to be agreed with communities, but project to retain management of funds and procurement), as well as the existing community-driven development (CDD) approach. The project passed to the new Bank task team leaders at the start of November 2012.

The missions constituted the first formal mission for the project since the change in team leadership, and provided an opportunity to assess overall progress since the restructuring. They were intended to comprise a comprehensive performance review, focused on (i) accelerating implementation across the project, and (ii) strengthening the project results narrative to demonstrate the impacts of project investments on basin health and justify eventual scale-up. The specific objectives of the mission were:

i) To take stock of project implementation and ongoing plans, with the National Project Coordination Teams and through both office discussions and field visits in each of the five countries. In the three APL-1 countries included (UG, TZ), this will particularly focus on the progress of activities on the ground (largely watershed management and sanitation improvements), and on assessing progress against the performance benchmarks established at project re-structuring. In the two APL-2 countries (RW, BI), it will focus on the planning and preparation for on-the-ground investments, including staffing of the NPCTs, identification of intervention areas, work planning, and finalization of TORs.

ii) In RW, particular attention will be paid to the project's plans for initiating lakeshore restoration activities, and ensuring that any associated social impacts are handled in a manner consistent with Bank policy. The mission will also aim to complete discussions on TORs for a series of technical studies related to land management, sanitation system design and monitoring.

iii) In TZ, particular attention will be paid to assessing the progress of point-source and non-point-source pollution management systems on the ground, and to determining how the post-restructuring modality of co-management projects should be integrated with the ongoing program of CDD activities.

iv) In BI, particular attention will be given to accelerating readiness for implementation of activities on the ground, including identification of project sites and implementation of design studies.

v) In UG, particular attention will be given to assessing progress on responding to recent fiduciary management challenges, and to re-establishing normal disbursements and project implementation.

vi) In KE, to take stock of project implementation and planning, with a particular focus on a) on-the-ground activities under the Kenya national component, including community-based watershed management activities, sanitation investments, cleaner production and efforts to tackle water hyacinth infestation. b) A review of implementation of safeguards instruments under the Kenya national component. c) Regional activities managed by LVBC, including fisheries policy and support, water hyacinth management strategy, water resources policy coordination, improvement of navigation safety, basin-wide monitoring systems, and knowledge exchange.

The mission established a comprehensive picture of project progress since restructuring, and road-map for future improvements to implementation and results-focus.
PRIMARY FINDINGS

Overall project status

According to LVBC figures, at the end of May 2013, $33.9m of $103.1m had been spent under APL-1 (i.e. 33%). However, spending for regional activities under LVBC is much higher at around 61.32%, whereas KE and TZ are around 32% spent and UG (where funds are frozen following the in-depth Financial Review) has spent just under 20%. In Rwanda, $825k has been disbursed. In BI, $724k has been disbursed, but only $723k spent. Lags in spending are blamed on the procurement process - including delays in key staff recruitment and no-objections, but also over-optimism on first year projections. A total of $6.4m is budgeted for approved CDD subprojects, which have mostly been programmed since the middle of 2012.

There has been significant progress against most of the end-2012 performance benchmarks that were established at restructuring, although few have been fully completed (see Annex 2 for details). However, in regard to the major project investments (watershed management subprojects and sanitation facilities), substantial recent progress has been made in TZ and KE, and rapid progress was being made in UG until the financial freeze in late 2012. The current status of project results framework indicators (see Annex 3) does not fully reflect recent progress, largely because systematic data (e.g. on the area of coverage and number of beneficiaries) are not yet available for the watershed management subprojects. It does, however, reveal that the cleaner production activities under component 2 have already exceeded the end-of-project targets.

The project extension which was part of the restructuring approved in July, 2012 has implications for the maintenance of regional activities under LVBC, including the cleaner production component. However, the total financing available from the SIDA trust fund is also expected to be larger than earlier thought due to changes in the exchange rate. Allocation of available financing will be considered carefully in developing work plans for the next two years in the APL-1 countries, but the rate of absorption of funds needs to accelerate across the board.

Some delays in provision of no-objections by the Bank did occur around the transition of project task team leadership, but the Bank team has now cleared the backlog, and is committed to providing timely responses going forward. The Bank team did advise counterparts to be proactive and send reminders in the event that procurement responses are delayed, in order to avoid individual items falling between the cracks.

There is a strong need to carefully plan the remaining time under the project, improve disbursements, better document project activities and achievements, improve knowledge services, and examine remaining needs.
**Overall Observations by Component**

**Component 1: Strengthening institutional capacity for managing shared water and fisheries resources**

Primary mission observations (details in country descriptions) include:

- Need to improve country adoption of regional agreements and activities
- Need to demonstrate USE of the regional activity outputs for decision making
- Improve monitoring and analysis of the state of the natural resources (e.g. capacity to conduct spatial analysis of pollution sources and hotspots for critical pollutants, erosion hotspot areas, fisheries, biodiversity, costs of management, etc. to determine shared-vision investment priorities).
- Water hyacinth management requires improved monitoring and attention to the control of water hyacinth sources in tributaries. In Kenya, the procurement of water hyacinth removal equipment should go ahead.
- LVEMP should support the continuation of fisheries monitoring and analysis to provide a suitable knowledge base to inform the development of management strategies.
- Develop a series of knowledge products (e.g. reports, factsheets) that are easily accessible in the public domain
- Improve professional networking (e.g. with international, regional, and national institutions, universities, etc.)

**Component 2: Point source pollution control and prevention**

Primary mission observations (details in country descriptions and annexes) include:

- Need to improve overall knowledge base (sources and extent of pollution) and Strategic Planning
- Sanitation, Wastewater treatment
  - Develop detailed timelines for studies and construction to determine what is possible in remaining project timeframe
  - Enhance community involvement in design, implementation, and operation
  - Ensure adequate consideration of social and environmental safeguards
  - Accelerate procurement and ensure good contract management
- Consolidate, document, and scale-up cleaner production activities – explore enhancing this regionally-financed activity with national-level project financing given obvious benefits

**Component 3: Watershed management**

Primary mission observations (details in country descriptions and annexes) include:

- Seek appropriate balance of Community-Driven Development (CDD) and Co-Management Activities and synergies between them. The preparation of CDDs has greatly exceeded the expectations at Restructuring, with the result that another revision of the tables of Eligible Expenditures may be required for the APL-1 loans.
- Undertake Strategic Planning
National-level (to determine priority areas – especially in Rwanda and Burundi that are just starting and the APL-1 countries for future investment prioritization)

Local-level (targeted micro-watershed approach) – with both analytical and stakeholder inputs, determine key issues, options, detailed activities and phasing, timelines, and with special attention to good monitoring and evaluation

- Capacity-building at all levels, especially of district teams (incl. NGO use)
- Adequate attention to social safeguards, especially in relation to riparian area rehabilitation or access restrictions – impacts must be documented and addressed

Component 4: Project coordination and management

Primary mission observations (details in country descriptions and annexes) include:

- All APL-1 NPCTs to prepare 2 year work plans to identify how implementation will completed by the end of the project.
- LVBC to improve facilitation to NPCTs to help them learn from each other and regional/global expertise better.
- LVBC and NPCTs to improve knowledge services to become credible centers of excellence relating to the management of the Lake Basin and the Lake
- Improve monitoring and data provision (incl. impact indicators) of project activities
- Immediately improve documentation and communication (first project newsletter by Burundi very innovative in this regard); Especially improve public domain information on the social, economic, and environmental status, challenges, options, and activities relating to Lake Victoria watersheds and the Lake.
- Improve technical capacity to work on the project (through training, interaction with experts, learning by doing, etc.). In this regard, improve professional networking (among countries and with knowledge providers at all levels globally, and through the institution of internships)
- Improve fiduciary oversight and performance (especially Financial Management and Procurement)
- Improve the screening, and management of environmental and social safeguard issues for all project activities
- Since this project is part of a program, consider a longer-term perspective for the sustainable management of the Lake and its basin beyond the project to identify activity needs, regardless of financing.

The next two years should provide an opportunity to effectively use the remaining substantial project resources for achieving project objectives in APL-1 countries and to accelerate project activities in APL-2 countries. The APL-1 project has had significant achievements, and there is a need to build on recent momentum to ensure that the project objectives are fully achieved and project activities closed in an orderly manner while transitioning to future potential activities.
Safeguards

- Environmental and Social Impact Assessments (ESIAs) and/or screening have been carried out for civil works, and some co-management interventions (CMIs) and CDD subprojects in Tanzania in conformity with the national legal and procedural requirements. The mission team reminded the project teams on the need to comply with both national legislations and World Bank Safeguard Policies. The project teams were requested to seek clearance for ToRs for studies and all instruments prepared for civil works and CMIs in the pipeline such as, Environmental and Social Management Plans (ESMPs), ESIAs and/or Resettlement Actions Plans (RAPs) prior to commencement of any subproject implementation or construction work. The mission team further requested the project teams to share with the Bank screening reports and any existing environmental and social assessment instruments for the on-going subprojects.

- In Kenya, a number of capacity building exercises have been carried out with input from NEMA and a template to guide districts on the preparation of ToR for partial Environmental and Social Impact Assessment (ESIA) is in place. So far, 7 partial ESIAs have been prepared and received certificates from NEMA; and 103 assessments are on-going. The mission recommends that the project shares with the Bank copies of the screening reports and final ESIA for completed studies. The mission also underlined the need to comply with the safeguards policies in terms of disclosure of the ESIAs and Resettlement Action Plans (RAPs) whenever applicable.

- Under the project in general, EAs are being prepared for the larger sanitation works, but environmental and social screening of watershed management subprojects is not always mainstreamed into the proposal development process. In Uganda, screening has not yet been completed, and the NPCT plan to hire a consultancy to screen the backlog of proposals. The mission recommended that the TORs for these consultants also include training for local government staff, so that the routine screening can be completed as part of the subproject preparation process in future, without the need to engage additional TA. In KE, draft ToRs for full ESIA studies (Bomet sewerage treatment facility; Homa Bay sewerage treatment facility; and Kisumu sewerage treatment facility) were reviewed and commented on by the Bank. It was further agreed that in order to expedite the procurement process, the team may use the CQS method.

- Water hyacinth removal and disposal: The mission reviewed the water hyacinth mechanical harvesting proposal for Kenya, and recommended that the project establishes an ESMP to ensure that operational risks associated with the application of this methodology (i.e. harvesting and disposal) are adequately mitigated to avoid possibilities of re-infestation to the lake or other water bodies.

- In all LVEMP II countries, current or planned wetland restoration activities are influenced by national policies that designate riparian buffer zones. These policies exclude arable agricultural from the protective buffer zones, although in some cases they may still be used by communities for cultivation of multi-purpose tree and grasses. To the extent that the project is supporting the enforcement of such regulations in areas where they have not already been consistently enforced, it is likely to result in a small loss of livelihoods for the households cultivating in the protection zones and therefore triggers OP 4.12 Involuntary Resettlement Policy and application of the existing project Resettlement Policy Framework (RPF). Given the difficulty of enforcing the demarcation policy, and of preparing a traditional Resettlement Plan, the identification and inclusion of the affected households in the CDD income generating sub-projects remains the most constructive response for the restoration of livelihood, whilst also incentivizing compliance with the regulations.

- In keeping with the principle of subsidiarity, LVEMP II will identify the households that meet the criteria of Project Affected Households as per the RPF as part of the participatory CDD planning process. This will require identification of affected households through an inventory exercise as a
precursor to the preparation of CDD sub-projects. This inventory will be a mandatory requirement to ensure that the incomes of these households are restored. The limitation of funds for CDD activities may constrain the scope of restoration activities to priority ecological areas, depending on the degree of current encroachment. The NPCTs will need to determine the areas for intervention to ensure that the project is in compliance with the *Involuntary Resettlement Policy* and all impacted households have their livelihood restored at a minimum to the pre-project levels, or ideally improved. (See Annex 5 for further details.)

- It is recommended that the project teams in all countries undertake inventories of households cultivating within riparian protection zones or other protected areas that the project is intended to enforce. Based on this information, the facilitation teams or NGOs must ensure the inclusion of these farming households in the CDD sub-projects to restore livelihoods of these households. In addition, a grievance redress mechanism must be put in place locally as per the RPF to mediate potential resources based conflicts.
- For CDDs and in accordance with the RPF, it is advisable to document the decision-making process and commitments for land which is to be involved to show that contribution was voluntarily (whether owned or informally used land). In cases where land for project activities is provided willingly, and for sustainability purposes, it is important to have formal agreements for such arrangements.

**Detailed Observations by Country**

**APL2: P118316**

The APL 2 in Rwanda and Burundi is in early stages of implementation. Although there are delays in starting up, it is expected that the project implementation activities can pick up quickly especially in Rwanda. There is a need for accelerated and coordinated efforts within each country and close support from the LVBC, the more experienced APL -1 countries, and the World Bank during the upcoming crucial months.

**Rwanda**

**Component 1: Strengthening institutional capacity for managing shared water and fisheries resources**

Under component 1, the NPCT has participated in a number of studies and activities coordinated by LVBC at the regional level. They have also drafted a number of TORs, but these are proposed to be consolidated into a larger technical TA contract (see details under component 3 below).

**Component 2: Point source pollution control and prevention**

The mission met with the Kigali water and sewerage utility and discussed the TOR for the feasibility study and detailed engineering designs for the centralized sewerage system in Kicukiro and Gasabo districts in Kigali. In particular, the Client clarified that the Water and Sanitation Authority (EWSA) is the lead technical organization for this activity. The Client also indicated the critical need to accelerate such an activity given that a city the size of Kigali did not currently have any wastewater treatment and the need to complement an EU effort being initiated in another district in Kigali. The Bank provided a number of inputs required to revise the TOR - it was agreed that the TOR would be updated shortly to provide a more complete description of the current context and institutional setting, including roles and responsibilities of relevant stakeholders, provide a better sense of scale and scope of work to prospective consultants, and incorporate other detailed comments provided earlier by the Bank. The TOR for the sanitation master plans for Huye, Muhanga and Rwanagana districts is expected to be completed rapidly after the sewerage system TOR, based in part on the same model. The development of Pollution Control
Plans for 5 districts is expected to be combined with the consolidated TA contract indicated in the next component.

The mission also had a brief meeting with the Rwanda Cleaner Production Center. An MoU has been signed between the nascent Rwanda Cleaner Production Center and the Kenya Cleaner Production Center. The mission indicated the need to accelerate planning and implementation of activities relating to cleaner production, learning from other regional efforts in this regard.

**Component 3: Watershed management**

The mission visited Rweru wetland (which is shared with Burundi), where restoration activities have already begun with the demarcation of a 50m buffer strip with a line of silt traps. Beyond this, only perennials will be cultivated (multi-purpose trees and fodder grasses) with the last 20m being reserved for natural riparian vegetation. Water hyacinth is also being removed from the lake and will be composted for use in the tree-planting. The project also intends to construct 140ha of radical (bench) terraces on slopes over 12% above the shoreline. The approach follows a model applied under the Decentralized Environment Management Project (DEMP), which was also implemented by REMA. Community members are paid for the works, and given parallel environmental education and training in the formation of cooperatives, entrepreneurship and management of funds. This provides an initial economic cushion, which can then be leveraged through the implementation of livelihood-based CDD projects.

The mission also visited intervention sites of other projects, namely:

- Riparian restoration activities around Mutukura and Muhazi Lakes under DEMP, which included an area of radical terracing above Muhazi (at a cost of around $2000 per hectare), which has reportedly brought significant yield increases.
- A 200ha area (of 700ha planned) of radical terracing established under the Land Husbandry and Water Harvesting (LWH) project in Mubuga. This had involved the use of local contractors for design and supervision of the terracing work, and involved ancillary activities with the community including establishment of agroforestry and fruit trees on the terrace slopes, soil treatment with lime, composting, introduction of new crops (maize and beans replacing sorghum), silt traps in the drainage lines, and construction of local granaries. A larger check dam was also planned below the current intervention area to provide for small-scale irrigation. The project had provided all initial capital investments (at a total cost of about $3000 per ha), and the farmers were expected to bear the costs of long-term inputs (particularly NPK fertilizer).

The NPCT has been able to make a rapid start to the wetland restoration activities based on the model already developed under DEMP. The DEMP model has attractive features as it provides some immediate community benefits and savings through cash-for-work, whilst undergoing the necessarily time-consuming stages of capacity-building and planning for CDD projects, which can add value and support the sustainability of the restoration work. However, given the early stage of implementation, a number of areas were suggested for further consideration and development:

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3 In Rwanda, the terms “radical” and “progressive” terracing are commonly used. Radical terracing is applied on steep slopes. Cultivation occurs on the flat, terraced area, but not on the backslope leading down to the next terrace below (although these might be grassed or have small trees planted for stability). Progressive terracing is used on gentler slopes of up to 10-12%. Here, cultivation takes place on the flatter, upper area as well as on the mild slope extending into the next terrace below. In the US, the comparative terminology would be narrow base terraces and broad base terraces respectively.
• **Broadening the technical approach to micro-watershed management.** There is a need to take a more holistic micro-watershed based approach to these activities to avoid piecemeal activities that do not have observable impact in an area from a natural resources or livelihood perspective. At present the catchment rehabilitation activities appear to be focused on construction of radical terraces. From the (limited) observations of the mission, LWH appear to be using a slightly more comprehensive approach including considerable effort on improving agricultural practices (without which the investment in terracing is unlikely to be justified), small-scale water infrastructure, and attention to value chain / marketing issues for crops. The NPCT should review this and other national models carefully. More broadly, however, there are other, less capital intensive catchment rehabilitation measures than radical terracing that could be applied to less steep slopes (including progressive terracing, contour bunds, etc, as well as a range of in-field soil and water conservation techniques). Instead of focusing just on terracing, the NPCT is encouraged to develop a more systematic approach to micro-watershed rehabilitation, that would involve participatory mapping and planning(and leaving copies of those maps and plans with communities), an assessment of techniques that may be appropriate in areas with different characteristics, and promoting activities that have both natural resources and livelihood benefits.

• **Building Capacity.** Considerable capacity development is needed on catchment rehabilitation and CDD processes, both for communities and government and project official. Given the existing experience within RW, the NPCT is encouraged to make extensive use of local exchanges and study tours.

M&E. Simply, community-based M&E systems should be incorporated in individual subprojects, and the NPCT could visit regional examples of such systems, including community-based monitoring approaches used under the Tana Beles project in Ethiopia. More broadly, LVEMP needs to demonstrate the environmental and economic benefits of watershed restoration in order to promote its expansion far beyond the project itself. A framework for this needs to be developed, and could then be applied to other current project in RW to investigate the cost-benefit of various approaches (apparently LWH is already doing some production and WQ monitoring. There may also be opportunities to link such work to the development of environmental accounting practices in RW (currently being discussed under the Bank’s WAVES initiative.

See Annex 4 for additional details of the field observations and related recommendations.

In support of these measures, it was suggested that a range of TORs drafted for small individual tasks (e.g. on reviewing water quality baselines, reviewing water resources capacity, developing watershed management plans and baselines, developing pollution control plans, providing SLM training, strategic plan for wetland conservation, etc) be combined into a more substantial piece of TA that would conduct a national-level watershed health and pollution source review and mapping exercise (taking into account existing work, including a recent mapping of terracing establishment and needs), prioritize potential intervention areas, and then also develop and support initial implementation of participatory methodologies for local-level planning, implementation and monitoring.

**Component 4: Project coordination and management**

The NPCT currently consists of the coordinator, communications specialist, accountant and one field environment officer. The community development officer and the M&E specialist will start work in April. A procurement specialist has been part of the team, but has just resigned. A suitably qualified replacement will be sought from the other candidates involved in the original selection. The lead environment officer and one additional field environment officer are still required. These positions will need to be re-
advertised due to the insufficient level of qualification of the available candidates in the first round of selection.

**FM & Procurement**

The mission reviewed the status and continuing adequacy of the project’s financial management (FM) arrangements, including compliance with the legal covenants related to financial management. The review noted that REMA has an adequate number and quality of finance personnel to manage the project fund. The accounting system works satisfactorily in recording and processing financial transactions and in preparing regular and reliable financial reports. Functional responsibilities are adequately segregated and adequate internal control procedures are in place. Generally, the project financial management system provides reasonable assurance that the project funds will be used for the intended purpose. FM performance was rated as *moderately satisfactory* and despite some improvement in individual ratings, overall FM risk was maintained as *substantial*. Details of the assessment are provided in Annex 6a, including a list of agreed actions for improvement of performance.

A procurement review was not included during this mission, but will be conducted by the end of the follow-up mission focused on regional project components in June.

**BURUNDI**

**Component 1: Strengthening institutional capacity for managing shared water and fisheries resources**

The NPCT have participated in regional meetings, and developed a number of TORs. The mission was unclear why a study on the harmonization of water policies was needed, as this had already been done at the regional level, and advised that instead of outsourcing the development of the project’s communications strategy and M&E system as a whole, that the communications and M&E officers start working on these, putting in place basic arrangements, before assessing whether they need to be supported with additional expertise in specific areas. It was also advised to combine a number of baseline and planning TORs into a single watershed analysis TOR in support of component 3 activities, as will be explained below.

The mission also met with the Institute Geographique de Burundi (IGEBU) to discuss plans for installation of additional hydromet stations and improving hydro-meteorological services, and was also informed that a National Geospatial Center has been established that could also play a role in this regard.

**Component 2: Point source pollution control and prevention**

The mission visited Gitega town (see Annex 4c), where previous work supported by KfW had identified public sanitation hotspots and their needs, and addressed some of them through e.g. installation of improved school toilets and a sludge treatment site. The activities in Gitega had involved the establishment of a show-room of different latrine types and related awareness programs. The project intends to continue the improvement of sanitation facilities at additional sites within Gitega covered under the original assessment, as well as replicating the approach to the town of Kirundo. The existing work should provide a solid base for rapid implementation of the project activities. However, the first step is to develop detailed TORs for the work, and it is recommended that the project try to obtain the TORs earlier used by KfW to see if these can form the basis for the additional investments. The Bank team will also check what support is being provided for sanitation under the Bank’s Public Works and Urban Management project, and Multisectoral Water and Electricity Infrastructure project, as well as to school sanitation via education sector donors.
The mission was also shown a severe gully erosion site in Gitega, which threatens housing and a local school, and has reportedly been responsible for a couple of child deaths during recent storms. Whilst there are clearly dramatic needs, the project was advised to focus on getting the previously planned sanitation activities effectively underway, before considering the potential to broaden their remit to inventory or address gullies or other issues associated with urban drainage or waste water.

The NPCT and mission discussed the need to strengthen the links between NPCT and the cleaner production activities being implemented by Ministry of Industry under an MOU signed with the Kenya Cleaner Production Center being supported by the LVBC under the LVEMP-II APL1.

Component 3: Watershed management

The mission visited a hillside area recently terraced by MINAGRIE in Karusi province, and a community where the FAO TAMP project had installed contour bunds in Mwaro Province. For catchment management, the latter project could provide a useful model, as it took a relatively comprehensive approach (including planting fodder grasses and agroforestry trees on the bunds, composting, kitchen gardens, improved stoves, and some river bank protection with bamboo) based on a participatory spatial planning process and the establishment of farmer field schools. The community were enthusiastic, but subject to extreme poverty, which may limit their ability to scale up implementation without further external assistance even after training, and may also make the use of CDDs challenging. Availability of material for organic fertilizer appeared to be a common issue in the locations visited. The NPCT was recommended to continue collating information on existing models and technical manuals for land restoration used under other projects in Burundi (e.g. PRODEMA, which supports a wide range of interventions through a rural CDD program, and agroforestry activities under PAIVA-B and the International Fertilizer Development Corporation).

The mission advised the PMU to combine the draft TORs on watershed, wetland and water quality mapping and baselines into a single technical TOR to support strategic planning for component 3 and basin needs assessment, similar to that discussed for Rwanda. The budget for this can also be augmented with funds allocated for other TORs, which may not now be needed (see above).

However, the mission discussed that the NCPT should not wait until a comprehensive planning process has been completed, but should move ahead in parallel with preparatory training and awareness activities, as well as identifying some places that work can begin on the ground. The overall watershed rehabilitation needs are so prominent and widespread, that selecting some initial pilot areas where combined watershed and wetland interventions can be useful will not be difficult. The more comprehensive planning process is expected to help inform later investment needs as well as improve the knowledge base for initial activities.

Component 4: Project coordination and management

The core administrative staff of the NPCT – coordinator, finance manager, procurement specialist and accountant – has been recruited and they are in place from February 2012, but lacked technical staff for almost a year. The environmental officer, communications officer and M&E officer started at the beginning of January 2013, and contracts are currently being completed for two field environmentalists and a community development officer.

The mission was concerned to find that a number of key technical documents (e.g. maps, relevant national policies, Gitega sanitation study [on which component 2 activities are largely based]) were not available in the NPCT offices, and strongly urged the team to begin collating and cataloguing key documents related to the project. In general, the modest implementation progress to date is blamed on delays in
recruitment of technical staff to the NPCT, but (in addition to the possibility of interim secondment of existing technical staff from partner agencies) there are many other activities that could have been pursued in preparation for full implementation including collating information on which projects are doing what where within the basin, guidelines / lessons from these other projects, assessing capacity of local implementing partners, preparing basic communications materials and clarifying working arrangements with implementing partners (including provinces and extension agencies, IGEBU, the National Geomatics Center, Fisheries Department, Cleaner Production Program under the Ministry of Industry, INECN, universities, etc.)

**FM & Procurement**

An FM assessment was conducted prior to the main mission in February. Given that the level of activity and spending on the project are so far modest, the issues are relatively straightforward. Although some improvements are required, overall FM performance was rated as *moderately satisfactory*, and overall risk as *modest*. See Annex 6c for full details and action steps.

The procurement support consisted of a review of the project procurement system, contracts awarded without Bank’s prior review (PPR), and the updated procurement plan. Conclusions on PIU’s procurement risk and performance are also given. Overall, the procurement system in place has been improved since mitigations measures agreed in the PAD are already implemented: a procurement officer hired competitively is on board; accountability for procurement decisions making has been established - although it is advised that the members of award commissions (including project coordinator) do not participate in future bids/proposals evaluation committees to avoid any perception of conflict of interest; and there is evidence that procurement records are kept but the filing needs improvement. The Procurement Risk Assessment & Management System (P-RAMS) has been updated accordingly. With regard to the contracts awarded without Bank’s prior review, a post-procurement review has been conducted for 6 contracts awarded in the review period (February 2012-March2013). The report is attached and has been shared with the client who has accepted its recommendations on procurement process and contract administration. In terms of procurement plan execution, significant delays are registered particularly for consultant services and the client explained that it was due to lack of technical staff not yet recruited to prepare related terms of reference. An updated version prepared by the Borrower has been discussed and comments provided by the mission. A formal approval will be submitted to the client after all comments are addressed. The mission recommends that further procurement activities should be initiated only without clearance from the Bank. Based on the findings above, the project procurement risk is downgraded from *high* to *substantial* and the performance rating is evaluated *moderately satisfactory*. The client is recommended to implement recommendations stated in the attached post procurement review report. Annex 6c contains full details and recommendations for improvement.

**APL1: P100406**

APL 1 implementation picked up in all three countries (Tanzania, Uganda, and Kenya) after an extremely slow start to the project. Tanzania and Kenya have been accelerating implementation of LVEMP-II APL-1 activities, including on watershed management, but Uganda has been significantly hampered by a disbursement suspension as it addresses the recommendations of an in-depth financial management review.

**TANZANIA**
**Component 1: Strengthening institutional capacity for managing shared water and fisheries resources**

The NPCT has participated in a variety of regionally-managed activities, including the 2012 fisheries frame survey. They have carried out a number of additional monitoring activities related to lake-wide programs, including water quality & hydrological monitoring, environmental monitoring, monitoring of fish stocks in satellite lakes, water hyacinth surveys in two hotspots (which showed an increase from July to November of 292ha – 360ha). This data is yet to be consolidated at the regional level under the basin-wide monitoring systems. They have prepared a national action plan under the regional water hyacinth strategy (which will be reviewed ahead of the follow-on mission in June), and have submitted national proposals for the Fisheries Levy Trust Fund (FLTF – these includes a study, business plan and legal proposal) to MoW and ML&FD. In addition, a consultant for the design of water quality lab upgrades and supplier for lab equipment have been selected.

**Component 2: Point source pollution control and prevention**

The NPCT has identified sites for construction of a number of public toilets, but the main sanitation investments under the project involve three pieces of infrastructure:

- **Bukoba sludge treatment facility** (budgeted at roughly $1.2m), for which designs have been completed.
- **Simplified sewerage systems for Igogo & Mabatini areas of Mwanza** ($1.5m) – the design is in a final draft form, and procurement of works has started.
- **Engineered wetland in Mwanza** ($0.5m) – a design has been completed, but an alternate site now being considered as water quality analysis suggests it is not really needed at the initial site.

Initial stages of the procurement process can commence for all three works, but the process cannot be completed until the designs are fully finalized and the relevant safeguard documents have been completed. At present, EAs for the three are only available in draft form. The NPCT should prepare a detailed timeline for completion of each of the three investments, including estimated time (including float) and preconditions for all remaining steps. This can be provided as part of the 2013-2014 annual work plan, and will allow assessment of the feasibility of completion within the project period, and for close monitoring of any further delays.

Under the cleaner production sub-component, 62 industries (cf. a target of 78) have been trained, with take up of improved processes by 20 thus far. The mission reviewed a couple of very successful examples (at a fish processing factory and a brewery – see Annex 4b for more details), but overall there is concern that in the absence of stronger complementary enforcement of existing national regulations, the voluntary uptake of the advisory services provided by the project will remain limited. The cleaner production teams do use economic arguments to support their work, but it is often difficult to use concrete examples for these, as enterprises do not wish their internal economic data to be made available to competitors. An awards ceremony is planned for TZ (as was held late last year in KE), but the project as a whole should consider what can be done to strengthen publicity and disclosure aspects more generally.

**Component 3: Watershed management**

Up to March 2013, 126 CDDs have been approved and are at different stages of implementation. Environmental screening for 35 subprojects has been approved by NEMC, with another 89 in final stage of review. In addition, 11 co-management initiatives (CMIs) have been approved by the NPSC (6 of which are focused on river bank protection). The Bank has also cleared 9, which have been signed, but a dump site and a check dam rehabilitation are still awaiting final designs and simplified EAs.
A number of communities and projects were visited during the mission (see Annex 1b for more details). A lot of impressive work has been done by enthusiastic and well-organized communities. However, several strategic and technical areas were identified for possible strengthening.

Strategically, there is limited sense of how the individual subprojects contribute to improvement of basin health as a whole. The project targeted activities within the Simiyu catchment for TZ, and a watershed plan was produced, which lists environmental issues and includes targets for activities to address them. What is not provided is a quantitative assessment of the scale of the issues relative to the scale of the treatments. For instance, development of fish farming is cited as an activity to alleviate over-fishing in the Lake, but there is no assessment of the scale at which this would need to be done to have an appreciable impact on the problem. The use of agro-chemicals is also cited as an issue, but there don’t appear to be activities to address this specifically. At the micro-catchment or community level, integrated spatial plans don’t appear to have been used. As a result, the activities appear isolated – e.g. a check dam may be developed, but without treatment of upstream area to prevent siltation or provision for fish stocking.

CDDs and CMIs are differentiated on the basis of cut-off size, but not necessarily combined to exploit potential synergies (i.e. CMIs used to provide for systematic NRM interventions at scale, and CDDs used to compensate or add value to natural-resource-dependent livelihoods). At the District level, there is interest in spatial planning at a variety of scales, so there may still be opportunities to strengthen this aspect, and thereby linkage with other District activities. Monitoring also remains highly underdeveloped, both at the subproject and watershed impact level. Some confusion was encountered even over the request to send basic geo-referenced information on subprojects to the regional team.

At the technical level, a number of specific questions were raised, including overly optimistic projections for fish-pond returns, planting of trees without protection from goats, and a plan for development of a highly polluted urban pond (Kitaji in Musoma) without adequate investigation of the nature of the drainage into it (see Annex 4b for more details). Organizational capacity of community groups, in aspects such as financial record-keeping and gender inclusion, was very high in some cases, but inconsistent across subprojects.

In general, greater focus on capacity building for district facilitation teams (FTs) and subsequently community groups is urged, including in environment and social assessments, business skills and supply chain analysis, with continual emphasize placed on ownership and sustainability. It is suggested the focal person in each FT to be assigned full time for the project period, with support from a truly multi-sector teams and adequate supervision budget for the FTs. Recruitment of NGOs to support field implementation is planned, and should mitigate some of the gaps in district teams, but the TORs for this need to be carefully reviewed to ensure that roles of NGOs and FTs are clearly defined, and that multiples NGOs are not operating within a single location. The subproject process could also be reviewed to simplify approval processes (which currently require District, NTAC and NPSC review), whilst putting new emphasis on monitoring, including process and safeguards indicators.

The total expenditure on CDDs to the end of 2012 was USD 1.2 million, another 1.4 committed till June 2013. The NPCT is budgeting $5,244,639 in total for CDD subprojects, but the allocation according to the revised loan agreement is only $4,136,364, and therefore either a further restructuring or a shift in delivery from CDD to CMI will be necessary to deliver these activities.

**Component 4: Project coordination and management**

The Tanzania team has been working well in scaling-up and facilitating project activities and has made Tanzania one of the strongest performers under the project. In the remaining project period, there is a need to improve the focus on tangible outcomes, improved documentation, and exploring further knowledge and investment needs.
**FM & Procurement**

The mission conducted a review of the FM arrangements covering planning and budgeting, accounting, funds flow and disbursements, internal controls (including internal audit), financial reporting and external audit. The mission also reviewed the status of implementation of the recommendations made during the last supervision mission conducted in October 2012 as well as the recommendations from the last external audit. Below is a summary of the findings of the mission:

- Submission to the Bank of the proposed annual work plan and budget (by March 3) is delayed.
- The new accountant has not been trained on World Bank Financial Management and Disbursement guidelines.
- The finance and accounting manual has not yet been revised/updated.
- Counterpart funding has not been fully contributed by government as was agreed. Only TZS 224,500,000 has been contributed leaving a balance of TZS 3,775,500,000 due from GoT.
- The project incurred a total ineligible expenditure of TZS 761,883,167 for the four FYs- 2009/10 to 2012/13.
- Weak internal control environment.
- Internal audit reviews not carried out at both project and CDD level.

**CDD Subprojects:**

- It was noted that most CDD subprojects maintained basic books of accounts and prepared basic financial reports with the help of the District accountants.
- No internal audit is carried out on some subprojects by the district internal auditors.
- CDD staff are not trained on safe keeping of funds.
- Business development skills training has not been carried out.

FM performance was rated as *moderately satisfactory* and mainly due to the complexity of the project, overall FM risk was rated as *substantial*. Details of the assessment are provided in Annex 6b, including a list of agreed actions for improvement of performance.

**Uganda**

LVEMP II did not become effective in Uganda until January 2010, and due to delays in preparation and clearance of work plans, implementation didn’t begin in earnest until September 2010. Following the discovery of financial irregularities, disbursements and payments were frozen in late 2012, barely two years later. This has led to a hiatus in many ongoing and proposed project interventions till these issues are resolved. See Annex 4d for additional notes from the field visits in Uganda.

**Component 1: Strengthening institutional capacity for managing shared water and fisheries resources**

The NPCT has participated across a full set of regionally-led activities, and has also carried out monitoring of water quality and invasive weed species in a number of hotspots within the Ugandan portion of the basin. Before the project restructuring, the Ugandan team were also active in developing applied research activities. Four second year students at Makerere University have already carried out research projects, and another 10 first year students have developed proposals. NAFIRRI has also carried out research activities on identification of fish nursery grounds, degradation of Wamala lakeshore and surveillance of fish diseases.

The mission reviewed the hydromet systems activities and plans in Uganda. The mission recommended a focus on what the hydro-meteorological services to be provided are, and then conceptualize a more
systematic approach to strengthen hydromet equipment, integration with earth observation systems, weather and hydrological forecasting improvement, institutional strengthening, to realize these services. In this regard, the team is exploring collaboration with the Nile Basin Initiative, as well as national programs in Uganda.

Component 2: Point source pollution control and prevention

Procurement of feasibility, design and supervision consultancies for sewage treatment works (including engineered wetlands) in Gaba (in Kampala) and Kirinya (in Jinja) has been completed (one design contract, two sites), but contracting of consultants to prepare ESIs and RAPs has not been completed. There are concerns over whether all the remaining steps in the construction process can be completed before the end of the project at the end of June 2015.

Under the cleaner production subcomponent, 77 enterprises have been contacted, 35 have received training (including basic training for 349 staff and a more intensive 3-month course for 167 staff), 33 have started cleaner production assessments, and 21 have finished the assessments and are implementing improved processes. Around 90% of the funds have been used already, and no additional resources were made available during the restructuring. The economics appear to be very favorable; it is estimated that the cleaner production improvements identified thus far would cost $2.6m in capital investments, but generate around $2m in annual savings. Nevertheless, in the absence of external regulation, remains a challenge to get companies to engage in the process, despite the fact that recent effluent monitoring revealed only one of 6 sampled industries complying with national guidelines. An awards ceremony will be held on 8th May, to help publicize achievements and the potential gains.

Work has begun on upgrading of water quality analysis laboratories at NWSC, with significant progress made on the civil works, but these have been largely suspended due to the financial freeze.

Component 3: Watershed management

Since initial sensitization activities began in 2011, 101 subproject proposals have been developed, and 66 have been approved, of which around a third are the larger Strategic Interventions (SIs – same as CMIs elsewhere) including several wetland restoration and reforestation activities. As elsewhere, it has proved challenging to engage communities in CDD subprojects focused on NRM activities such as water hyacinth removal and protection of fish breeding areas protection, that don’t yield immediate individual economic benefits. The recent hiatus in implementation has also caused frustration amongst communities that have gone through the subproject preparation and approval process.

The mission met two community groups around the shore of Lake Wamala, who were both preparing activities that would allow them to reduce cultivation (and therefore degradation) of the immediate lakeshore environment. The first group was primarily interested in water harvesting and small-scale irrigation to expand fruit tree production. The second had a more comprehensive vision of replanting the encroached lakeshore with a combination of native and fruit trees, whilst improving soil and water management for agricultural intensification elsewhere, and promoting poultry-raising as an additional livelihood. Both groups contained very intelligent and capable members, and showed a great degree of understanding of local environmental impacts and enthusiasm for the project. However, there was an impression that they had perhaps not been well-served by the structure of the project. For the first group, there were technical questions over whether the tanks and check dams they intended to build would be viable without a broader set of catchment rehabilitation activities to prevent their being rapidly silted. For the second, it was unclear whether a CDD approach would provide the scale and breadth of activities to provide significant impact on the ground, and had certainly taken some time to prepare and process. Both settings appeared better suited to a more systematic lakeshore or micro-catchment restoration approach.
that would aim to comprehensively treat a defined area of shore-line, with livelihoods-focused CDDs (such as on fruit trees or poultry) being used to complement this, rather than being used as the sole vehicle for implementation.

SIs are also being prepared, but at present, these more like slightly larger CDDs (dispersed interventions identified by districts, often around twice the size of CDDs), rather than systematic interventions.

**Component 4: Project coordination and management**

There were a number of FM and institutional issues raised in the in-depth Financial Review at the end of CY2012. Steps are being undertaken by the Govt. of Uganda to address these issues and are critically needed to be completed in order to ensure that disbursements are resumed.

**FM & Procurement**

Assurances were given by the Undersecretary of MWE that the remaining activities under the fiduciary management action plan would be completed imminently, including the refund of ineligible expenditures (see Annex 6d for details). Questions were also raised on the financial and procurement management capacity of community groups. Recruitment of NGOs to support watershed subprojects should assist in building this capacity.

**KENYA**

**Component 1: Strengthening institutional capacity for managing shared water and fisheries resources**

The KE NPCT have participated in a number of regional policy workshops and in the fisheries frame surveys. Regulations for a fish levy trust fund have been prepared, but are awaiting passage as part of a broader Fisheries Bill. Some training has been provided to BMUs on fisheries co-management. Rehabilitation of a water quality laboratory is underway in Kisumu and a research boat is being procured. In addition, the mission gave particular focus to water hyacinth management. Although largely clear at the time of the mission, much of the Kenyan shoreline, including the bays at Kisumu and Homa Bay have been choked with severe water hyacinth infestations in recent times, which has become a severe social issue and priority for local leaders, especially the newly-elected County Governors. The mission met the new Governor of Kisumu who stressed the importance of resolving the problems of water hyacinth in the area. The findings on water hyacinth are presented in more detail in annex 4f, but in summary:

- Unlike the earlier water hyacinth infestation in the 2000s (which spread from weeds in the Kagera basin), the source of infestation appears to be the tributaries in the KE section of the Lake basin, which (unlike the Lake itself) are free from weevil control agents.
- By the time that the water hyacinth is washed out of the tributaries into the Lake in the wet season, the plants are already mature and rapidly expanding, which makes it difficult for the weevils in the Lake to suppress their growth.
- In the sheltered bays of the KE shoreline, the hyacinth forms dense maps in combination with other terrestrial and aquatic plants, particularly hippo grass, which cause serious problems for movement on the water and potentially health.
- Kenya has been more severely affected that other riparian countries recently due to the combination of numerous tributaries providing an uncontrolled source of water hyacinth and sheltered bays that allows for its continued expansion in the Lake.
- Once dense mats are formed, they are very difficult and dangerous to remove manually. Therefore procurement of a mechanical harvesting machine is proposed to be supported under the project. The mission noted that initial specifications prepared by NPCT were over-specified in
physical aspects but lacked critical operational, functional and performance related parameters. The mission therefore discussed and agreed on broad based specifications and NPCT has redrafted the bid document in accordance with these discussions and submitted to the Bank for final review and approval before solicitation of bids.

- The development of a national action plan under the regional Water Hyacinth Strategic Plan should be used as an opportunity to (i) establish incremental improvements to monitoring, rearing of weevil stocks and awareness around the lake shore, and (ii) establish a system of monitoring and management of water hyacinth in the tributaries of the Lake.

The mission also discussed progress on spatial aspects. The mission noted that the NPCT had initiated data collection efforts with spatial locations identified for all Beach Management Units (BMUs) and some CDD activities and attribute information was in the process of being collected. The mission requested NPCT to consider hiring young professionals to supplement their in-house GIS and analytical skills. The mission is also trying to explore possibilities of knowledge partnerships with NASA/ESA to develop an automated satellite-based water hyacinth monitoring system to augment the existing very inadequate manual approaches.

**Component 2: Point source pollution control and prevention**

The work on pollution management investments in the form of sewerage and sewage treatment systems is underway. The mission worked with the GoK to better chart out the status and remaining activities for completing the investments in the remaining timeframe. This is summarized in the table below.

<table>
<thead>
<tr>
<th>Location and Investments</th>
<th>Feasibility Studies</th>
<th>Environmental and Social Studies</th>
<th>Expected Procurement Schedule of Civil Works</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **Bomet** Oxidation Ponds | • Survey Underway  
• Designs: Jul 15, 2013  
• Final Report: Aug 31, 2013 | • TOR being reviewed  
• No resettlement expected  
• Consultancy Procurement streamlining needed  
• Land available (3 acres)– additional 3 acres requested  
• ESA Completed Nov 2013 (early outputs on design implications) | • Procurement initiated: Sep 2013  
• Award: Jan 2014  
• Completed: Jan 2015 | • Need for trunk sewers and feeders (~$2m) – studies being done anyway – but beyond current project life |
| **Homa Bay** Combination (Mech+Ponds) Sewerage rehab/ expansion | • Draft Feasibility: Jun 15, 2013  
• Draft Design: Aug 31, 2013  
• Final Report: Sep 30, 2013 | • TOR being reviewed  
• WWTP (existing land – near lake)+ Constructed Wetlands (need to confirm land)  
• ESA Draft Nov 2013 (early outputs on design implications) – RAP decision… | • Procurement initiated: Oct 2013  
• Award: Feb 2014  
• Completed: Feb 2015 | • Possible need to scale-up sewerage rehabilitation and reduce expansion if land acquisition is an issue. |
### Kisumu

**Constructed Wetland**
- Otonglo WWTP
- Kisat WWTP
  - Add-on

**Sewerage**
- Draft Design done
- Final Report: Aug 2013
- TOR for Kisat WWTP being developed
- FS for Kisat WWTP Dec 2013

### Status
- TOR being reviewed
- Otonglo Constructed Wetland and Sewerage (needs land acquisition)
- Kisat may have enough land on existing site
- ESA Draft: Dec 2013
- RAP Draft: Feb 2014

### Dates
- Procurement initiated: Mar 2014
- Award July 2014
- Completed:
  - Constructed Wetland:
    - Kisat: Apr 2015
    - Otonglo: Jun 2015
  - Sewerage: Sep 2015
- Resettlement may be a constraint
- Need to ensure budget allocation for RAP from GoK
- Kisat WWTP Constructed Wetland should be possible in project timeframe

In addition, the mission discussed the need to complete the procurement process for the Exhausters and the GoK informed the mission that these were expected to be delivered around October, 2013. In addition, the rehabilitation of the water quality laboratory (civil works and equipment) were almost completed but there may be additional needs which are expected to be assessed in the next mission. The mission also requested the GoK to ensure that there were adequate well-trained laboratory personnel to effectively use the upgraded facilities and to measure the effectiveness of the investments by the additional testing that could be conducted, including providing support for cleaner production activities under the project. The mission also discussed initiating procurements for other sanitation investments, including “Bio-Toilets” in a manner that could allow flexibility in the phasing of such facilities depending on performance and remaining needs and budgets.

The mission also discussed additional focus areas for the remaining project period, including the wasteload estimation into the Lake Victoria system from Kenya, development of an overall sanitation plan for Kisumu, solid waste management and cleaner production investments (e.g. at Landing Sites), training workshops (including mainstreaming cleaner production training), monitoring (e.g. testing kits) for WRMA, Kisumu Laboratory, KMFRI, NEMA, etc. (including to link fisheries and water quality monitoring efforts).

The mission also reviewed the activities of the Kenya Cleaner Production Center is implementing activities in Kenya, as well as coordinating regional Cleaner Production activities under the Program. In Kenya, 88 industries and other hotspots have been mapped from 9 priority industry clusters, with 65 industries trained, and with initial pollution loading information from 35 industries. The KCPC has assisted 38 of these industries with detailed in-plant assessments and technical guidance to industry teams on implementing resource efficiency and cleaner production measures, starting with no and low cost options.

The mission also visited several industries (tea, sugar, bakery) and was impressed with the implementation of cleaner production techniques that appear to show that resource use wastage can be reduced 30-35% and pollution by 60% through cleaner production techniques. The mission discussed with the KCPC and the KE LVEMP team how some of the simple activities (e.g. translucent roof tiles, water-saving measures, efficient light bulbs) could be scaled-up through expanding training events supported by the country LVEMP activities to supplement the work done with regional financing. The KCPC also organized a first Resource Efficiency and Cleaner Production Award event in December, 2012 with Bank TTLs participating.

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4 The mission was impressed with a visit to a Bio-Toilet in Kisumu (not funded by the project) that was being promoted by the UN-Habitat and implemented by an NGO (Umande Trust) through local community groups providing a range of services associated with the toilet and gas produced.
Component 3: Watershed management

Subprojects were developed through community engagement in 56 locations (within 4 districts originally, but these have now become 11), which identified dozens of hotspots. The project worked with around 640 existing community groups in these hotspots, 501 of which (308 in Nyando catchment and 193 BMUs) developed subprojects proposals. Up to May 31, 2013, 93 CDD projects are underway, out of a total 225 approved subprojects. Most of the projects not yet underway (104) are currently under environmental assessment. In addition, 12 co-management initiatives (CMIs, 8 of which are focused on watershed protection, 4 of which on wetlands) have been approved by the NPSC. To meet the NPCT’s target of 240 CDDs by the end of the project, we should expect another 100 to be underway and all the others ready for implementation by the end of FY14. However, the number of CDDs already under implementation is sufficient to use the entire budget allocated to sub-grants during the Restructuring, and therefore a further adjustment of the eligible expenditure tables will be needed to allow for this rapid increase.

The mission visited six communities and projects (see Annex 1b for more details). A lot of impressive work has been done by enthusiastic and well-organized community groups, which receive valuable support from District Technical Project Coordinators. Organizational capacity of community groups and the structural set-up, ownership of projects and enthusiasm were high in most cases, and where livelihoods were addressed, this appeared successful. At the technical level, a few specific questions were raised, including a lack of business planning beyond the project funding period for some CDD groups, and the adequacy of vegetative measures for stream bank protection without complementary engineered works in areas where erosion is already severe (see Annex 4e for more details). The technical abilities of district staff appeared good, but given the recent restructuring and increase in the number of districts, there may be need for training of new staff as well as some targeted training on particularly challenging areas (e.g. business planning, methods for stabilizing gullies and river banks on sodic soils, safeguards, etc.)

Strategically, there is limited sense of how the individual subprojects contribute to improvement of basin health as a whole. As a very first step, simple metadata on the number of subprojects of different activity types and the locations and areas covered needs to be collected. Issues related to the use of systematic spatial planning processes, and realizing the potential complementary between CDDs and CMIs are similar to those discussed for other project countries. In addition, the NPCT expressed interest in being able to provide more sustained, programmatic support to CDD groups based on their performance, which would be supported by the Bank team, as long as it is balanced with expanding the number of groups included as well.

Component 4: Project coordination and management

In terms of overall project management, as for other countries, it is critical that the KE NPCT:

(i) Develops a detailed 2-year work plan to provide a road-map for delivery of project results by the end of FY15, included detailed and realistic timelines for major investments, analysis of capacity constraints and identification of contingent, rapid-implementation activities to be substituted in the event that other longer-term activities prove impossible to complete on schedule.

(ii) Improves monitoring of activities and results. In relation to the watershed activities, the NPCT is hiring an M&E service provider to strengthen this function, but in the meantime even basic metadata on the number, type and coverage of activities is missing and needs to be collated.

(iii) Significantly scales-up communication efforts (incl. newsletters, use of social media, etc.).
(iv) Improves in-house skills (e.g. relating to GIS, documentation) to support analysis and communication activities.

**Financial Management and Procurement**

The rate of disbursement to date is 33% which is quite low considering that the project has only two more years to closure. The Designated Account reflects USD 4,804,662.60 of undocumented expenditures that need to be accounted to ensure that future disbursements are not affected. The project installed an M&E/MIS system for KShs 4.9 million in December 2011 but has not used it to date owing to limited capacity to transfer data. It has now been 1.5 years since it was installed and the project is not benefitting from it. There is a need to recruit an IT person to offer the necessary technical assistance required for the MIS to be used for the benefit of the project.

Despite considerable progress in the implementation of the procurement plan, significant delays in processing of contracts persist, especially at the stage of preparation of TORs, technical specifications and bidding documents. To speed up implementation in the remaining project period, the mission advised:

i. Updating the procurement plan to cover the entire remaining period of the project on the basis of the 2-year work plan, and to allow for long-term planning and monitoring of procurement related activities.

ii. Consulting proactively with the Bank and seeking technical advice whenever in doubt, so as to minimize implementation delays and/or avoid instances of noncompliance with procurement procedures.

iii. Engaging the services of consultants for preparation of designs, tender documentation and supervision of works contracts, etc, where appropriate expertise is not readily available through government.

iv. Additional training for the NPCT on: (a) preparation of bidding documents; (b) evaluation of bids; and (c) contract management and monitoring

On the specific issue of the procurement of Exhausters, the mission explained that use of direct contracting would be inconsistent with the provisions of the procurement guidelines given that there are many suppliers of the equipment and advised that the bidding document and specifications be reviewed and competitive bids obtained. If the NPCT team knows of companies that they think will offer competitive bids, then they should make them aware of the tender. Notes on the procurement of water hyacinth removal equipment are included under Component 1 above.

A procurement post review of procurement actions undertaken during the financial year was conducted on January 28, 2013 (see annex 6g). Summary findings were as follows:

(a) Period allowed for preparation and submission of EOIs was unnecessarily long; in some cases longer than 30 days;

(b) Use of incomplete contract forms and agreements; this may present challenges in settlement of contractual disputes if they occur;

(c) Payment schedules providing for front-loading; in some instances payment of up to 50 percent paid on submission of the inception report;

(d) Lack of effective contract administration and management; and,

(e) Poor procurement filing and records management with important procurement records missing in the files.
Component 1: Strengthening institutional capacity for managing shared water and fisheries resources

The mission discussed the achievements of the LVBC under the project. It discussed the several studies that have been developed by the project. In general, the mission discussed that there was a need to move beyond generalities to outline more specific recommendations for the Lake Victoria Basin, as well as improve the follow-up beyond acceptance at regional level to be mainstreamed into national policies, programs, and projects. This would help transition to the use of the various policies and guidelines being supported under this component. In addition, the mission noted that there was a need to improve LVBC knowledge base, analytical tools, technical capacity, and partnerships to provide technical helpdesk services to the client countries.

Water Resources Information System (WRIS) and Basin Monitoring

The mission reviewed the work done as part of the WRIS and noted that there was a need to ensure that the system developed could be used operationally to serve as a knowledge base on the system. In particular, the mission and LVBC discussed the types of indicators (see initial list below) that could be included in the WRIS for providing a functional monitoring and reporting system for the health of Lake Victoria Basin:

- **Hydrology**
  - Flows, waterspread area, Precipitation (e.g. [http://climexp.knmi.nl/](http://climexp.knmi.nl/))
- **Water Quality**
  - Municipal & Industrial Effluent (mg/l, tons/day): N, P, BOD, COD, DO, Metals, Pesticides, eutrophication
  - Industries in compliance/in cleaner production
- **Biological** (Fecal Coliforms, Total Coliforms, phytoplankton, chlorophyll)
  - Fish: biomass, Fish Catch Rate (e.g. CPU, Diversity-fish species, avg length, P/B)
  - Weeds: water hyacinth area/density/migration/age, species; weevil density
  - Land Use (NDVI, forest cover, landcover, natural habitat area, wetlands, protected area)
- **Other Environmental** (% coverage of adequate sanitation, fire, aerial deposition)
- **Erosion/Sediment** (high erosion risk, areas under SLM, Turbidity, TSS, sediment characteristics)
- **Economic** (hydropower production, agriculture, fisheries, industries)
- **Social** (population, poverty/income, water-related diseases, lake-basin related livelihoods, voices)
- **Institutional** (basin organizations/capacity, water permit system/compliance, Fees collected, Capital and O&M investments to improve lake basin, regulatory inspections)

Water Policies Harmonization

Among the various studies undertaken by LVBC, there has been one focused on water policies. It describes the various water and related policies of the LVBC countries, and indicates a phased approach over many years to help harmonize the approaches. Like many other studies, the Consultant report was accepted at minister level regionally at the Regional Policy Steering Committee and the draft Bill, Policy Document, and MOU were referred to the Law Offices of each country for their comments and seems to have stagnated there. The LVBC and countries need to ensure follow-up to explore next steps in this
regard. There is also a need to ensure that next steps are operational and there are some tangible applications with adequate monitoring of such policy harmonization.

**Fisheries Management**

A fisheries specialist from the Bank team visited the Lake Victoria Fisheries Organization in Jinja to assess fisheries issues and the status of the fisheries-related activities under the project. A detailed set of findings is provided in annex 4g, which reviews available information on the fishery and sets out some priorities going forward. Despite no-objection being provided by the Bank some months ago, the activities under LVFO on harmonization of the fisheries policies and updating of the Lake Victoria Fisheries Management Plan has not commenced as funds have not been provided to LVFO. LVBC have committed to provide LVFO with initial funds to begin the work as soon as they are available from the next disbursement. However, LVFO should understand that they will not receive all funds up front, and that continuation of the activities will be contingent on performance. They are also required to fully account for fund received, which was an area of concern under the FY12 audit. An inception report, including a timetable of activities should be provided within the next two months. In addition, the Bank expert and LVFO representative developed an outline action plan for vital fisheries activities during the remainder of APL-1, which will be carefully considered in the preparation of LVBC’s work plan.

**Water Hyacinth Control**

In addition to his field observations along the Kenya shore, the Bank invasive plants specialist discussed the situation with water hyacinth in the other basin countries. Although the situation in Kenya has been most severe in recent times, the weed remains an issue in other parts of the Lake, and the mission emphasized the importance of not only maintaining biological control within the Lake, but also controlling source populations in major tributaries. The Water Hyacinth Strategic Plan that was coordinated from the regional level was largely focused on the process of developing national-level action plans, and did not provide much strategic insight in terms of management needs. The emphasis should therefore be on developing (at least initially) simple, yet robust national action plans, that take into account the recommendations made by the Bank specialist. LVBC’s focus should be to support the development and particularly monitoring of the national plans through convening knowledge exchange and expert discussion, proposing standard templates for action plans and monitoring protocols, and through collating and disseminating data on the status of the problem at the regional level. The Bank will aim to continue providing technical input to this work.

**Additional environmental policy action**

Working with the national project teams, LVBC has coordinated work on a number of additional environmental policy areas, including:

- Development of a Sustainable Land Management Strategy and Guidelines. As with the water hyacinth, the strategy is largely a process-oriented document which requires follow-up in the form of national action plans, although it does include some discussion of land reform policy needs.
- Developed an options paper for the establishment of a Lake Victoria Environmental Trust Fund, although this does not identify the precise role of the fund vis-à-vis national governments, or the likely financing requirements.
- Developed a standardized set of effluent standards, which have been approved by the Sectoral Council of Ministers for LVB, but are still to be adopted by the full EAC Council of Ministers and then national governments.
Although considerable activities and meetings have taken place, the products remain essentially paper outputs. Where generic, basin-wide strategies have been prepared, these should be followed up through the preparation of simple national action plans with agreed performance indicators, which can be consolidated by LVBC into summary regional action plans. For policy documents that are awaiting approval, LVBC should track their progress against the various regional and national approval steps needed. To support adoption and implementation, however, they should also summarize the key points in the policy agendas that they are trying to promote and seek to support these with facts and figures. For instance, even if common effluent standards are yet to be formally adopted, they can still be used as benchmarks for national performance and work could be done to indicate the cost-benefit of moving towards compliance with them.

Environmental monitoring of the basin

LVBC has made progress on establishing an IT infrastructure for basin monitoring. However, there is as yet no clear plan for the indicators that should be used for basin monitoring, or assessment of the additional information collection requirements. A list of potential indicators was discussed during the mission. The development of a Status of Basin report during the remainder of the project should be used as a platform for: (i) finalizing a set of basin health indicators; (ii) assessing the information already available under these indicators and the additional data collection needs; and (iii) developing templates / formats for the routine presentation of key indicators. In addition, work needs to be done before the end of the project to begin to understand the economics of the environmental degradation of the Lake. It is absolutely critical to generate an improved overview of the status of the Lake and how this affects the economy and population within the Basin, in order to justify additional investments going forward.

Component 2: Point source pollution control and prevention

The LVBC is undertaking work related to hydrographic surveys, navigation aids, and emergency oil/toxic spill response. There is a need for LVBC to work with the countries to develop an overview of the pollution loading and trends in the lake for key pollutants so that appropriate longer-term strategies can be designed, implemented, and effectiveness monitored in the years ahead. The Hydrographic surveys are now being re-advertised with a revised TOR and budget after an unsuccessful attempt last year. The Navigation Aids proposals are being evaluated. The emergency response training and equipment have been advertised and evaluations are underway.

Cleaner Production:

The Cleaner production program is being implemented by the following agencies:

Kenya & Regional Coordination: Kenya National Cleaner Production Centre (KNCPC)
Tanzania: Cleaner Production Centre of Tanzania (CPCT)
Uganda: Uganda Cleaner Production Centre (UCPC)
Rwanda: Rwanda Resource Efficient and Cleaner Production Centre (RRECP)
Burundi: Ministry of Trade, Industry, Posts and Tourism (Cleaner Production Program)

The APL1 has been supporting work in Kenya, Tanzania, and Uganda to aid resource efficiency and cleaner production techniques in a variety of industries, and work is just being initiated under APL2 in Rwanda and Burundi (which does not yet have a separate center).

Cleaner production activities have been described in more detail under each of the national sections, although they are managed under the regional activities. Overall, this sub-component has been the most successful to date, having trained 177 industries in cleaner production, of which 79 have adopted them and are at various stages of implementation. This compares with the targets set in the results framework of 90 industries trained, with a 15% adoption rate. Activities have also included geographic referencing of
industrial pollution information. The Point Source Pollution Database (PSPD) will serve as an important asset in order to improve overall knowledge base (sources and extent or pollution) and strategic planning for investments related to sanitation and wastewater treatment. Data so far have been collected for 366 industries with information on BOD, COD, N, and P available for 90 locations, collected mostly through field observations. This analysis will be expanded for 1000 more industries and the mission discussed that additional tools (e.g. online mapping, Google Earth, and searchable databases) will be used to further help build and visualize the database of remaining industries in the Basin.

Still, there remains considerably more work that could be done in this area, and the Kenya Cleaner Production Centre has proposed a substantial additional budget to allow them to continue activities at least through the last two years of APL-1. The scope for this will be considered carefully when discussing the LVBC work plan for the remaining two years.

**Component 4: Project coordination and management**

The LVBC has been supporting the implementation, monitoring, and reporting of project activities. The mission discussed with the LVBC Executive Director the need to strengthen the technical skills at LVBC to be able to provide technical and knowledge helpdesk services to its member countries beyond process support. The mission also discussed with LVBC how this could help achieve their evolving role as custodians of the Lake Basin’s sustainability and longer-term vision of promoting sustainable management of the Basin’s resources, facilitating implementation of natural resources management and pollution management activities in the Basin, improving awareness and partnership across key stakeholders, and become a respected knowledge and analytical resource for the Lake Victoria Basin. The LVBC organized a 2-day “Knowledge Café” with the National NPCTs, LVBC staff, and the mission to discuss a range of issues where knowledge sharing among the participants was thought to be useful. The participants selected and discussed the following issues:

- **Information and Knowledge**
  - Results Indicators and Reporting
  - MIS System
  - Visualizing through GIS
  - Information and Knowledge Management
  - Knowledge Repository/Sharing
  - Knowledge products
  - Communication (incl. newsletters, mass media, politicians, communities)

- **Basin Health Monitoring**
  - Indicators
  - Water Quality Monitoring
  - SLM Impact Monitoring
  - Water Hyacinth Monitoring/status
  - Using the Monitored Data-> Info→ Knowledge→ Decision Support

- **Project Implementation**
  - Synergy between CDD and Co-Management
  - Direct Beneficiaries
  - Community Incentives/Compensation
  - Water Hyacinth (Expo, Noxious weed, Management Plan)
  - Training (e.g. water hyacinth management/uses)
  - Workplanning

- **Coordination across Countries**
  - Integration of Fisheries Management Measures
  - Cleaner Production – Mainstreaming in Country
In this regard, the mission also discussed the need to improve the development of knowledge and analytical products and tools to improve sustainable Basin planning and management, including the development of:

- A systematic knowledge base (e.g. systematic GIS information, physical and electronic library)
- A range of knowledge products (including an Atlas, an enhanced website and online mapping portal, a State of Lake Victoria Basin report, interactive toolkit, interactive guidelines, and a number of thematic/sectoral briefs and newsletters and multi-media communication products)
- Analytical tools (e.g. for Basin pollution and erosion scenario analysis and visualization)
- Appropriate Partnerships, Training and Capacity-building (for a range of stakeholders)

The mission (with the support of the World Bank Africa Spatial Services Helpdesk) supported the LVBC on spatial analysis and visualization aspects and prototyped several ways in which available spatial data can be visualized for the Lake Victoria Basin Atlas being developed.

The mission also discussed that it would be useful for LVBC to strengthen relationships with other relevant entities (especially the Nile Basin Initiative) on these aspects.
The mission also noted the need to immediately strengthen documentation (both collating and making accessible key documents including from LVEMP-I and from other projects/activities, as well as supporting the documentation of achievements under the project). In this regard, the mission discussed the need to:

- Determine appropriate stakeholders, promote two-way communication, and use a variety of tools and approaches
- Target messaging and communications to different audiences (e.g. using newsletters, online tools, factsheets, reports like the State of the Basin report, competitions, events, training, etc.)
- Improve the use of specific facts and well-illustrated examples and analytical outputs to support the messages
- Improve the availability of good quality data, information and knowledge products in the public domain
- Strengthen proactive outreach to media and NGOs, to become a credible and reliable source of factual information to better inform media stories and better target advocacy on sustainable management of the Lake and its basin
- Make effective use of modern social media that is ubiquitous and rising in use in the region

The mission also discussed possible areas where factsheets or briefs could be developed by the LVEMP team (LVBC working in close partnership with the country NPCTs). Topics initially identified include:

- Brief History of the Lake
- Knowledge Base
- Water Resources of the LVB
- Water Hyacinth
- CDD/Community-based watershed management
- Fisheries
- Biodiversity - Flora and Fauna of the LVB
- Pollution Overview (incl. water quality of lake and rivers)
- Local Sanitation
- Cleaner Production
- Erosion
- Institutional Framework and Natural Resources Governance
- Social Profile (socio-economic activities/livelihood/ community industries, pop, poverty, water-related diseases)
- Changing Land Use
- Climate Risks (incl. Climate Change)
- Major Programs
- Investments (existing and proposed)

It is critical for LVBC to develop a realistic 2-year work plan to guide implementation through to the end of the project. More adjustments may be needed to the budget in the case of LVBC, however, to address the facts that their absorption rate is already much higher than the other teams, their management and coordination costs are relatively higher and there needs to be adequate budget to manage the 2-year extension, additional priorities are being identified (such as the extension of cleaner production activities in the extended time period, and the provision of greater support to fisheries), and the amount of funds available needs to be revised in line with shifts in the exchange rate influencing the dollar value of SIDA’s contributions. Given the time and the anticipated funds remaining, the need for fast and smooth implementation is paramount and the Bank team will work closely with LVBC to plan for the remaining
two years of implementation. The Bank will also work closely with SIDA to amend their administration agreement to reflect the new project closing date and any further project restructuring required in this regard. As for the other APL-1 teams, effective absorption of funds remains a greater challenge than the availability of funds.

**Financial Management**

The rate of disbursement for financing from Sweden to date is USD 5.53m (about 63.8% of original Grant amount) which is low considering that the project has only two more years to closure. The designated account is also reflecting unaccounted for expenditure amounting to USD 2,378,712 which LVBC should document immediately to ensure that future disbursements are not affected. The Designated Account has also been flagged by the Controller /disbursement unit as inactive for 8 months and refund or documentation has been requested. The current audit report for FY 30 June 2012 was received on January 8, 2013 which is after the submission deadline of December 31, 2012. This is contravenes the provision in the grant agreement of submitting the audited report within 6 months of the end of the Financial Year. In the last FY, LVBC had to hire a private auditor and was audited again by the Audit Commission. This is not only expensive but is also inefficient. There is a need to consider a Level II restructuring to align LVEMP II audit submission deadline to the LVBC audit to solve the above challenge. From our review of the quarterly unaudited reports (IFRs), we have noted a lot of inter-borrowings which point to poor cash flow management on the part of LVBC. The management should address the issue to avoid such situations in future. Moreover, in spite of having substantially exhausted its budget, KNCPC has not implemented some critical activities. One of the core contributions to the premature exhaustion of the budget is that KNCPC has incurred costs not previously budgeted for, but which were considered critical for the implementation of its activities.

**Procurement**

Despite considerable progress in the implementation of the procurement plan, significant delays in processing of contracts persist, especially at the stage of preparation of TORs, technical specifications and bidding documents. To speed up implementation in the remaining project period, the mission advised:

i. Updating the procurement plan to cover the entire remaining period of the project on the basis of the 2-year work plan, and to allow for long-term planning and monitoring of procurement related activities.

ii. Consulting proactively with the Bank and seeking technical advice whenever in doubt, so as to minimize implementation delays and/or avoid instances of noncompliance with procurement procedures.

iii. Additional training for the PCT on: (a) preparation of bidding documents; (b) evaluation of bids; and (c) contract management and monitoring

A procurement post review of procurement actions undertaken during the financial year was conducted on January 28, 2013 (see annex 6g). Summary findings were as follows:

(a) EOIIs not advertised in accordance with the provisions of the Consultant Guidelines;
(b) Shortlisting and invitation of proposals made from more than six firms;
(c) Firms submitting proposals disqualified on the basis of preliminary evaluation;
(d) Contract forms incomplete for effective contract administration and management;
(e) Advance payment of up to 30 percent made against insurance bonds; and,
(f) Poor procurement filing and records managements with important records missing in the files;
Directions & Next Steps

The broad challenges for LVEMP II are to:

(i) **Accelerate implementation of activities and disbursements under the national investments.** Project activities are now limited by time, rather than funds – i.e. there is a real risk of project funds being cancelled because they could not be absorbed before project close. NPCTs should act accordingly – i.e. there is no need to scale-back procurement because of a budget over-run if the purchase still makes economic sense, and activities should not come to a halt because of minor obstructions – if one activity cannot take place at a certain time, then teams must always be thinking about what they can still do that helps move the project forward (and there are always useful things that can be done in terms of technical preparation, capacity, knowledge collation and sharing, etc.). Work planning for the remaining project period should progress accordingly. Conversely, spending against budgets for regionally-managed activities is already high.

(ii) **Demonstrate that these investments are able not just to have isolated local impacts, but also contribute in a quantifiable and scalable manner to improving the health of the Lake Basin.** The size of the investments that can be provided directly under LVEMP II or under any likely APL-3 are very limited in relation to the total needs of the Basin and its population of over 35 million. The project cannot directly restore the health of the Basin, but can demonstrate the effectiveness of properly-designed basin-management investments, share knowledge and expertise, and strengthen coordination and monitoring mechanisms, to promote larger programs of investments in relevant sectors.

(iii) **Improve knowledge services.** There is a need to document adequately the work that is done under LVEMP to improve awareness, improve public domain access to basic information, build partnerships, provide knowledge and analytical services, and develop a shared vision of the issues and opportunities in the medium and longer terms at regional and national levels.

The bulk of the national-level investments concern sanitation improvements and watershed & wetland rehabilitation. For the three APL-1 countries, the critical issue for the sanitation investments is their timing, given the limited time available for completion of the civil works before project closure. Preparation of detailed schedules for the remaining steps (including design, safeguards preparation, contracting and implementation) is therefore requested, indicating the expected time and available float for each action, and allowing for tight monitoring of implementation against schedule going forward.

Watershed and wetland restoration activities are increasingly under preparation and implementation, and are often well-managed by enthusiastic and capable community groups. What is not currently available is a clear picture of what these activities will achieve in relation to the scale of the needs of the basin, and whether they will amount to more than the sum of their parts. Activities in Tanzania and Uganda were based on the identification of and management planning for priority sub-basins, Simiyu and Katonga respectively. In both cases, however, the sub-basin analysis identified environmental issues and activities to alleviate them, but did not include a quantitative assessment of the scale or map out locations of the interventions needed.

The mid-term review recognized the limitations of using CDD subprojects for basin restoration, in terms of the complexity and scale of the interventions needed, the fact that communities are more focused on immediate livelihood activities rather than communal resource management, and the time taken to identify, develop and approve CDD proposals. Co-management interventions were therefore introduced at
restructuring and for the APL-2 countries, but at present these are being implemented not dissimilarly to the CDDs, albeit at a slightly larger scale and with funds being managed by local government rather than communities themselves. Additional potential of the co-management approach could be realized through more systematic, large-scale and comprehensive interventions aimed at restoring hillsides and riparian habitats at a micro-catchment scale. These should be combined with CDDs, rather than substituting for them, to gain synergies with more focused livelihoods interventions that can (i) offset resource access restrictions and (ii) add value to resource management activities. An interesting model has been developed in Rwanda, where direct co-management interventions are used as a basis for community engagement and capacity-building, as well as early provision of direct economic benefits through paid labor. CDDs are incorporated later, once a foundation of community organization and savings has been established. Even in Rwanda, though, it was felt that a more comprehensive approach would be beneficial, involving participatory planning for a range of potential catchment management interventions, rather than just focusing on e.g. installation of terraces. In addition, there may be interventions that could be applied at broad scales – such as training programs on integrated pest and fertilizer management, or introduction of improved stoves – rather than relying on intensive investments in limited areas. Both the Simiyu and Katonga basin plans identified high use of agrochemicals as an issue, but didn’t identify measures specifically directed to addressing it.

In Rwanda and Burundi, strategic issues in the design of component 3 activities should be addressed through implementation of a consolidated watershed analysis, a model TOR for which has been provided by the Bank. In the APL-1 countries, there is no time to go back to the drawing board. Those activities that have already been planned and prepared should be continued, but the NPCTs should plan for additional scale-up based on the application of larger-scale, area-based co-management interventions, synergized with CDDs (not least to ensure that any access restriction impacts are addressed). Even in Burundi, implementation of activities on the ground should not wait until comprehensive watershed analyses are completed, preparatory and pilot activities should commence at the earliest.

A model TOR has also been provided for broad NGO support to implementation of the catchment management activities, covering strengthening of technical capacity available to support subproject design, and administrative capacity of community groups themselves, as well as ensuring that safeguards screening and simple subproject monitoring are effectively carried out. The specific capacity gaps and needs vary between countries, however, so the model TOR is intended to aid NPCTs in finalizing their requirements and approach, and doesn’t need to be adopted in totality.

The key documents for scaling up of implementation are the work plans being prepared by the coordination teams. For the 3 APL-1 countries and LVBC, these should cover the entire 2-year period until the end of the project. In all cases, they should include:

- End-of-project output targets, progress to date, spending to date, FY14 targets & budget, FY15 targets & budget for each sub-component / activity area (e.g. water hyacinth action plan)
- Action items and budget based on unit costs and quantities
- Sufficient text to explain the nature of activities and any key constraints – e.g. justification for training activities (particularly formal courses & study tours), types of communication / knowledge products to be produced, monitoring methodologies, any capacity constraints that could threaten implementation
- Identify options for rapid implementation activities in the event that absorption for other activities is slower than anticipated
- Incorporate cleaner production activities at the national level
It is critical that the work plans include a clear budget for the amount of expenditure under CDD subprojects, so that the need for re-allocation under the Eligible Expenditures tables in the legal agreements can be determined. This would need to be done through a further restructuring, which would also provide an opportunity to address some errors that seem to have been introduced into the Eligible Expenditures tables of the GEF and SIDA grant agreements at the last restructuring, as well as the timing of the LVBC audits.

Demonstrating, documenting, and publicizing project impacts will need to involve dramatic improvements in monitoring systems and communications. Design of basin-wide monitoring and information systems is underway through the regional component, along with related activities such as development of a state of the basin report. These and other regional activities (including how to ensure that regional policy work translates into strengthened regulation and decision-making at the national level) will be reviewed in more detail during the follow-on mission to Kenya in June. In the mean-time however, there are immediate steps that can be taken by the NPCTs:

- Start developing national monitoring systems based on simple tools that collate systematic information on inputs, outputs and impacts. As a first step the locations and basic attributes of all subprojects and activities should be collated and provided to LVBC for region-wide mapping.
- Support participatory action learning and monitoring at community level, both as contribution to overall monitoring efforts and to strengthen local awareness on the impact of restoration activities on sediment loads, yields, etc.
- Studies, reports and data on the Lake Basin should be collated by all implementing agencies and made available on public websites. For subjects where a lot of technical work has been done, it may make sense to engage local academics to prepare annotated bibliographies and/or literature reviews on e.g. local fisheries.
- Prepare basic communications materials (such as talking points on the issues faced by the Lake, what needs to be done and how the project is contributing), and take a proactive approach to putting these in the public media. There is a lot of media coverage of Lake-related issues, but much of it is poorly informed. NPCTs (and LVBC) should encourage media to contact them for information before publishing stories, and where this isn’t done, they should follow up to ensure that any misunderstandings are addressed and that better information is available for the future.

The following table summarizes specific actions agreed between the Bank and project teams (in addition to the specific FM and procurement actions contained within Annex 6).

In accordance with the Bank’s access to information policy and in discussion with the Counterparts, it was agreed that this aide memoire would be publicly disclosed, but not the detailed annexes, which remain deliberative.
## Agreed Actions for LVEMP-II APLs 1&2

<table>
<thead>
<tr>
<th>Type</th>
<th>Agreed Activity</th>
<th>Date</th>
<th>Party Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>Develop work plans for immediate scale-up of project implementation, including watershed activities, national-level support to cleaner production activities, etc. Work plans should link activities to project results, and include end-of-project output targets, progress to date, spending to date, FY14 targets &amp; budget, FY15 targets &amp; budget for each sub-component / activity area.</td>
<td>Drafts by end of June (mostly achieved), discussion with WB by end of Aug</td>
<td>All NPCTs and LVBC (2-yr plans for APL-1 units)</td>
</tr>
<tr>
<td></td>
<td>Inventory HHs affected by enforcement of riparian buffers and other habitat restoration CMIs; and documentation of social impacts, including rapid social surveys, monitor inclusion in CDDs (may require expansion of CDDs in some areas), and ensure grievance redress mechanism established</td>
<td>Sept 30, 2013 for existing activities, and ongoing for new wetland rehabilitation</td>
<td>NPCTs in all countries.</td>
</tr>
<tr>
<td></td>
<td>Intensive safeguards review mission</td>
<td>End of 2013</td>
<td>WB and all NPCTs</td>
</tr>
<tr>
<td></td>
<td>Detailed timelines for sanitation investments</td>
<td>Aug 31, 2013</td>
<td>UG &amp; TZ NPCTs</td>
</tr>
<tr>
<td></td>
<td>Provide spatial metadata on watershed management activities</td>
<td>Aug 30, 2013 and ongoing thereafter</td>
<td>All relevant NPCTs</td>
</tr>
<tr>
<td></td>
<td>Complete TORs &amp; timelines for recruitment of service providers for CDD scale-up</td>
<td>Aug 31, 2013</td>
<td>All relevant NPCTs</td>
</tr>
<tr>
<td></td>
<td>Amend Administration Agreement with SIDA to extend TF closing date</td>
<td>Aug 31, 2013</td>
<td>WB &amp; SIDA</td>
</tr>
<tr>
<td></td>
<td>Process 2nd restructuring to: • Revise the SIDA GA in line with the amount of the final tranche • Remove inconsistencies in the SIDA &amp; GEF GAs tables of eligible expenditures • Revise the allocations for APL-1 subproject grants, if necessary • Amend the date of the audit requirement for LVBC</td>
<td>End 2013</td>
<td>WB with input from APL-1 units</td>
</tr>
<tr>
<td></td>
<td>Use latest Results Framework for reporting</td>
<td>Ongoing</td>
<td>All NPCTs &amp; LVBC</td>
</tr>
<tr>
<td></td>
<td>Develop water hyacinth action plans</td>
<td>End 2013</td>
<td>NPCTs at national level, LVBC to consolidate at regional level</td>
</tr>
<tr>
<td>LVBC</td>
<td>Assemble available knowledge base on the Lake Victoria Basin (including previous studies done under the LVEMP – including LVEMP-I, annotated bibliographies, GIS and other datasets, maps, etc.)</td>
<td>Sept 30, 2013</td>
<td>NPCTs in all countries (can also engage academics for more complex reviews of technical knowledge)</td>
</tr>
<tr>
<td></td>
<td>Improved documentation and coordination with NPCTs on cleaner production activities</td>
<td>Sept 10, 2013</td>
<td>RW &amp; BI NPCTs</td>
</tr>
<tr>
<td></td>
<td>Share (&amp; disclose as appropriate) project reports and documents through document repository with appropriate tagging system</td>
<td>WB to provide list of expected documents Sept 30, 2013 LVBC to complete list and share Oct 31.</td>
<td>WB, and LVBC with inputs from NPCTs</td>
</tr>
<tr>
<td>Topic</td>
<td>Timeframe</td>
<td>Responsible Party</td>
<td></td>
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<tr>
<td>----------------------------------------------------------------------</td>
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<tr>
<td>Initial inputs on data sources for table of basin indicators</td>
<td>Sept 15, 2013</td>
<td>LVBC on basis of information from NPCTs</td>
<td></td>
</tr>
<tr>
<td>Identify key target groups and agendas (including policy agendas) for communications</td>
<td>End Sept 2013</td>
<td>LVBC, with input from NPCTs</td>
<td></td>
</tr>
<tr>
<td>Develop information products as discussed – particularly summary briefs</td>
<td>End 2013</td>
<td>LVBC</td>
<td></td>
</tr>
<tr>
<td>Revise TOR for State of Basin Report to elaborate basin monitoring indicators and templates</td>
<td>End Sept 2013</td>
<td>LVBC</td>
<td></td>
</tr>
<tr>
<td>Develop approach for linking economic analysis to State of Basin and monitoring</td>
<td>End Sept 2013</td>
<td>LVBC</td>
<td></td>
</tr>
<tr>
<td>Inception reports for fisheries activities – including work plan, and clarifying key agenda</td>
<td>End Sept 2013</td>
<td>LVBC</td>
<td></td>
</tr>
<tr>
<td>Provide table to track stages of adoption of key policy documents</td>
<td>End Aug 2013</td>
<td>LVBC</td>
<td></td>
</tr>
<tr>
<td>Enhance water hyacinth monitoring and control programs and extend to cover main tributaries, in line with recommendations by the water hyacinth specialist</td>
<td>Control in tributaries by end of September, 2013 – before the rains that will swell the rivers and bring the plants into the lake. Lake shore monitoring by end of October, 2013 Repeat at same time in 2014</td>
<td>KE NPCT</td>
<td></td>
</tr>
<tr>
<td>Prepare simple ESMF for mechanical removal of water hyacinth</td>
<td>End Oct 2013</td>
<td>KE NPCT</td>
<td></td>
</tr>
<tr>
<td>Procure ESIA studies for sanitation investments (and complete other actions in accordance with table on p18)</td>
<td>End Sept 2013</td>
<td>KE NPCT</td>
<td></td>
</tr>
<tr>
<td>Identify and provide timeline to address specific capacity needs related to watershed activities</td>
<td>End Aug 2013</td>
<td>KE NPCT</td>
<td></td>
</tr>
<tr>
<td>All the overall issues as listed above for all NPCTs</td>
<td>As indicated above</td>
<td>TZ NPCT</td>
<td></td>
</tr>
<tr>
<td>Resolve issues related to the Action Plan to resolve fiduciary issues and evolve alternative financial funds flow approaches and associated capacity-building acceptable to the Bank</td>
<td>Immediate</td>
<td>UG MWE</td>
<td></td>
</tr>
<tr>
<td>Initiate procurement (EOIs, TORs) for:</td>
<td>1-3: Aug 31, 2013, 4: Sept 16, 2013</td>
<td>BI NPCT, incorporating suggestions from WB team</td>
<td></td>
</tr>
<tr>
<td>1. Technical Support Consultancy</td>
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<td>2. Sanitation</td>
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<td>3. Hydromet</td>
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<td>4. NGO Support</td>
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<tr>
<td>Forward to WB KiW TORs for Gitega sanitation work</td>
<td>Aug 15, 2013</td>
<td>BI NPCT</td>
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<tr>
<td>Initiate procurement for critical consultancies (esp. Technical Support Consultancy)</td>
<td>Sept 10, 2013</td>
<td>RW NPCT, incorporating suggestions from WB team</td>
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<tr>
<td>Complete TORs for design of Kicukiro &amp; Gasabo sewerage system, and for sanitation master plans</td>
<td>End Aug 2013</td>
<td>RW NPCT, following input from WB team</td>
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<tr>
<td>Complete recruitment of environment officer and field environmentalist in RW</td>
<td>End Aug 2013</td>
<td>RW NPCT</td>
<td></td>
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ANNEXES

1a) RW: Mission schedule, members & persons met
1b) TZ: Mission schedule, members & persons met
1c) BI: Mission schedule, members & persons met
1d) UG: Mission schedule, members & persons met
1e) KE: Mission schedule, members & persons met

2) Status of performance benchmarks

3) Status of results indicators

4a) RW field notes
4b) TZ field notes
4c) BI field notes
4d) UG field notes
4e) KE field notes
4f) Water hyacinth notes
4g) Fisheries notes

5) Social safeguards

6a) RW: FM assessment
6b) TZ: FM assessment
6c) BI: FM & procurement assessment
6d) UG: Status of fiduciary action plan
6e) KE: FM assessment
6f) Regional FM assessment
6g) KE & Regional procurement assessment