Updated Project Information Document (PID)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>KENYA-Arid Lands Resource Management Project Phase Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
<td>Africa Regional Office</td>
</tr>
<tr>
<td>Sector</td>
<td>General agriculture; fishing and forestry sector (40%); Animal production (30%); Other social services (30%)</td>
</tr>
<tr>
<td>Project ID</td>
<td>P078058</td>
</tr>
<tr>
<td>Supplemental Project</td>
<td></td>
</tr>
<tr>
<td>Borrower(s)</td>
<td>MINISTRY OF FINANCE AND PLANNING</td>
</tr>
<tr>
<td>Implementing Agency</td>
<td>OFFICE OF THE PRESIDENT</td>
</tr>
<tr>
<td>Address</td>
<td>Arid Lands Resource Management Project Coordination Unit</td>
</tr>
<tr>
<td>Address</td>
<td>KICC 13th Floor</td>
</tr>
<tr>
<td>Address</td>
<td>Nairobi, Kenya</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Mr. Mahboub M. Maalim, National Project Coordinator</td>
</tr>
<tr>
<td>Tel</td>
<td>227496</td>
</tr>
<tr>
<td>Fax</td>
<td>227962</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:alrmphq@Africaonline.co.ke">alrmphq@Africaonline.co.ke</a></td>
</tr>
<tr>
<td>Environment Category</td>
<td>B</td>
</tr>
<tr>
<td>Date PID Prepared</td>
<td>April 15, 2003</td>
</tr>
<tr>
<td>Auth Appr/Negs Date</td>
<td>April 15, 2003</td>
</tr>
<tr>
<td>Bank Approval Date</td>
<td>June 19, 2003</td>
</tr>
</tbody>
</table>

1. Country and Sector Background

Both Kenya's PRSP (Government Action Plan dated September 2002) and its Rural Development Strategy (KRDS, still in draft, dated March 2002) propose a multisectoral, participatory approach to rural development. Both documents acknowledge that a greater level of decentralization of decision making, over resource allocation and service delivery mechanisms would be required for effective rural development. The adjustment of current institutional arrangements would be needed to achieve this goal, and to promote growth and investment in rural areas. The Bank produced a study entitled "Kenya - Community Driven Development: Challenges and Opportunities" (Report No. 24474, June 27, 2002) which discussed these institutional constraints and possibilities.

The PRSP consultation process, which took place in 2000-2001, identified agriculture and rural development as the number one priority of the Kenyan people. This was interpreted as an expression of the desire of Kenyans, a great majority of which rely on this crop and livestock production for their primary livelihood, as a desire for higher incomes. To address this priority, improved responsiveness of agricultural research and extension services, improved marketing systems, improved land tenure systems, promotion of better environmental management and water conservation, and improved access to credit are highlighted as priority objectives in Kenya's PRSP.
A pastoral thematic team was one of the nine cross-cutting teams that participated in the drafting of the PRSP, and many of their recommendations regarding improved livestock marketing and animal health were included in the final version. Specifically, the pastoral team listed priorities in the following order:

- Improvement of livestock marketing opportunities;
- Effective management of droughts and improvement of household food security;
- Development of a clear land tenure policy for ASALs and subsequent legislation;
- Infrastructure development;
- Improvement in governance;
- The management of insecurity and the development of peace and harmonization measures among the different ethnic groupings and along international borders;
- Facilitation of income diversification through investments and through the development of the livestock production sector;
- Provision of adequate and appropriate informal and formal education facilities;
- Employment creation;
- HIV/AIDS control and awareness creation; and
- Reduction of drug use and abuse in areas such as alcoholism and miraa chewing among pastoral communities.

The Rural Development Strategy promotes greater participation and local planning as a prerequisite for effective rural development. It also indicates an urgent need for coherence in the agricultural policy framework, which suffers from a plethora of outdated laws governing the sector. It states that "successful implementation of the KRDS will be predicated on increased agricultural productivity and commitment to devolution of decision making to lower levels of government, backed by effective legislation and fiscal change." Its principal components and objectives are to increase agricultural productivity, expand farm and non-farm incomes and food security, reduce disease and ignorance, and achieve sustainable natural resource management.

Both the PRSP and the KRDS discuss a need to reduce risk and vulnerability for those Kenyans who rely on the natural resource base for their livelihood. The need for development aimed at reducing this risk is emphasized, through improved infrastructure and marketing systems, effective service delivery, drought early warning systems, an improved natural resource and land use management system, and assist in the creation of more effective conflict resolution mechanisms.

The new administration, in its manifesto and Economic Recovery Plan, acknowledges the special attention the ASAL areas need in order to strengthen nomadic pastoralism. The manifesto noted that in relation to the smallholder livestock sector there was a need to address problems of lack of access to markets, to animal health services, insecurity, degradation of rangelands, poor access to water, poor breeding stock and high costs of inputs. The new administration has committed itself to develop a national strategy for a sustainable and profitable livestock sector.

The President consequently, during the state opening of Parliament, recognized the importance of pastoralism to the national economy and committed the Government to a considerable emphasis on development in North-Eastern Province and other districts marginalized in the past through a focus on security, health, water, communication and education.
2. Objectives

The proposed second phase project (ALRMP II) will build upon the first Arid Lands Resource Management Project (ALRMP), which is scheduled to close on June 30, 2003. ALRMP has undergone evaluation and the lessons from the evaluation have been built into the preparation of the proposed project. The first phase ALRMP objective, as revised during the Mid-Term Review, was to build the capacity of communities in the Arid Districts of Kenya to better cope with drought. The evaluation concluded that the project had met this objective.

The project development objective of the proposed second phase is to enhance food security and promote sustainable livelihoods through implementing effective systems and development approaches which reduce vulnerability. ALRMP II will support three complementary channels of intervention, which together address the complex problem of vulnerability, and enable communities in the project area to move beyond survival and subsistence to sustainable development: 1) Strengthening and Institutionalizing Natural Resources and Drought Management, which will improve the management of natural capital, reduce the impact of natural shocks and diminish acute vulnerability by reinforcing preparedness and mitigation activities, and by improving the effectiveness of response interventions; 2) Empowering communities so that they can successfully identify, implement and sustain their development priorities through Community-Driven Development; and 3) Fostering a conducive enabling environment for development in the arid lands through policy support, advocacy and improvement in the delivery of essential services, complementing existing sector programmes.

3. Rationale for Bank’s Involvement

Arid Lands is an important Bank instrument for providing a targeted poverty intervention to Kenyans living in the drought prone, and often neglected areas of Kenya. Citizens in these areas in many cases have never received effective services from government, and are ready and willing to embrace the CDD model of development which promotes self reliance. The successful use of the CDD approach under this project is likely to influence the path of decentralizing public services in this area as well as Kenya-wide.

Kenya has also, through the project, become the African leader in community based drought early warning systems, district contingency planning, community based food aid distribution as well as national level government/multi-agency drought coordination. Further Bank support to these processes will allow this work in Kenya to continue to serve as a model within the Bank for effective drought management for other countries in Africa, first being the proposed Ethiopia Pastoral Community Development Project.

4. Description

The proposed project has three components: 1) Natural Resource and Drought Management, 2) Community-Driven Development, and 3) Support to Local Development. The latter two components will be implemented in the eleven arid districts of Kenya which were included in the 1st Phase project. The first component will also be implemented in selected semi-arid districts which suffer regular acute food insecurity related to drought.

Component 1: Natural Resource and Drought Management

The Natural Resource and Drought Management Component aims to mitigate the risk posed by drought
and other factors by strengthening and institutionalizing natural resource and drought management systems. This in turn will reduce the vulnerability of the population an area which is characterized by frequent, acute food insecurity related to drought. The component will promote a better understanding of the natural resource base, leading to better planning and implementation of a coordinated set of activities. These activities will be designed to make the most beneficial and sustainable long term use of the natural assets found in these areas, which are subject to low and erratic rainfall and other external uncertainties. It is generally agreed that effective natural resource management in Kenya’s ASALs will be achieved mainly through socioeconomic and administrative means rather than through the development and application of new techniques in forestry or range management. The key challenges relate to community organization, consensus building, and the application of agreed rules and regulations.

Specific activities around natural resource management (NRM) include enhancing the information and awareness of the natural resource base. This will include the collection and analysis of information on the natural resource base and production system, and determination of trends. Much information already exists, however some data collection through survey work will be necessary, including research grants to be made available to Kenyan students to carry out some of this analysis.

Another activity will aim to clarify and strengthen the roles of institutions responsible for improved NRM in arid and semiarid areas. The focus will be firmly on providing support to local-level institutions, such as pastoral associations and management committees. The PRA process will provide an entry point, but as the experience of the first phase has shown, communities will not demand NRM inputs as readily as other perceived pressing needs. NRM problems normally cut across communities as well. As training and awareness grows, this should change. For the initial part of the project, the main work of NRM planning will fall to districts rather than communities. The component will provide resources for training and capacity building of the DSGs and other district leaders, with cross fertilization with the role of traditional leaders regarding conflict resolution and other related roles and responsibilities.

Guidelines for district level NRM planning will be developed to guide local actors in the preparation of district NRM plans, which will form the basis for planning district drought preparedness investments (especially water) and other investments in local service provision. As community capacity grows, the implementation of discrete development area plans (areas where ecology, population growth, and relative social and economic feasibility is delineated from neighboring tracts as having distinct development opportunities or requirements) will form the basis for local investment, as well as for the further establishment of grazing reserves and conservation areas.

Enhanced work on drought management, both preparedness and response, will be based on a better understanding of production systems, the resilience of the ecosystem and the use of simple, widely replicable management responses. The objective being a more effective drought cycle management system, which will minimize the need for emergency intervention, and enhance response mechanisms for better action in acute drought emergencies.

Drought management activities will build upon the drought management system established during the first phase project. The system has been operating successfully in the ten arid districts, and an expanded EWS is being piloted in six food-insecure semi-arid districts. The system is based on three pillars:

1. An effective institutional and decision-making framework at community, district and national level to coordinate and support drought monitoring, mitigation, response and recovery
2. Timely availability of reliable drought status information to aid decision-making at all levels; and
3. Capacity to plan and implement interventions in a timely, effective and efficient manner, including the timely availability of funding to finance mitigation and response interventions.

Under the second phase of the project, the drought management system will be expanded to an additional
ten semiarid districts (including those where the pilot is going on). Where the system is already operational, it will be revised to increase its effectiveness. The first improvement will be to enhance the early warning system (EWS). The current EWS is well suited for the dynamics of a pastoral economy, with a focus on livestock and water-related indicators. With increasing numbers of periurban and mixed livelihoods, in the arid lands and a variety of farm and waged labor activities in the semiarid districts, the EWS will broaden its focus. This will be accomplished through improvements in the field data collection instruments and the database system, including a range of income and expenditure indices beyond the "meat-cereal price ratio" currently being used. More data will be collected on natural resources, migration, and conflict. Software and data capture instruments will be upgraded, as well as mapping capability. Systems for better communication of EWS data and analysis will be enhanced for improved upward and downward flow. Human and technical capacity will be enhanced at district and national levels to ensure the continued credibility and sustainability of the system.

The second phase of the project will aim to strengthen and institutionalize the drought management system at national and district level. At the national level the legal formalization of the Kenya Food Security Meeting (KFSM) as the national steering group for food security and drought management would be sought. Investments to strengthen the role and function of the Kenya Food Security Steering Group (the secretariat of the KFSM) through its data sub-committee and the data management unit at ALRMP headquarters would be carried out to complete the capacity building requirements for national coordination as well as to formalize the key focal points in all relevant government departments for information sharing on food security and drought. The legal formalization the district steering group in all 22 project districts in the government structure would be sought, as the subcommittee of the DDC responsible for natural resource and drought management with the mandate to harmonize the planning of NRM and drought-related activities of all line ministries, CBOs and NGOs in the district. In addition, the project will aim to strengthen local government by enhancing the role of community councilors, the link between line ministries at district level and the county/municipal councils, and assist with feasibility studies for local authority projects as appropriate.

The component will strengthen and improve drought preparedness and contingency planning at the district level. The first step will be to enhance and standardize the contingency planning process by developing an improved contingency planning software tool. Intensive technical training of drought management officers (DMOs) as well as general district training of the DSGs will lead to the preparation of two plans. The project will continue to finance key drought mitigation and management activities such as livestock offtake, strategic water investments, drought grazing reserves, as well as emergency human and animal health interventions. To ensure that drought contingency plans are better tied to the drought cycle and flexible enough for rapid response, a restricted definition of what is eligible for contingency funding will be applied. A separate planning and funding process will be developed to cover long term investments for strengthening the district’s ability to prepare and recover from drought.

A separate long-term Drought Preparedness Plan will be prepared, which will embody the natural resource management and discrete development area plans, highlighting agreed long term investments to better prepare the district for drought. Districts will be assisted to gather all existing hydrological, range and other physical data with the aim to prepare maps reflecting their medium term spatial development plan. From this, districts will prepare their first annual drought preparedness work plan, which will include an environmental assessment and mitigation plans of each large-scale investment to be carried out.

A second district Drought Contingency Plan will be formulated, whose actions will be triggered by the stages of drought signaled by the EWS. Contingency funds will be on standby to finance agreed activities outlined in the contingency plan. Logistics, plans of operation, scenario development, and a
portfolio of rapid interventions for each phase of the drought cycle will be developed for funding from the contingency fund. Improved funding mechanisms will be established, to allow better multi-sectoral planning and also to attract other donors. Separate modalities will be developed for funding drought preparedness and drought contingencies. It is expected that a mechanism will be established to allow other donors to contribute to a Drought Contingency Trust Fund.

Component II: Community-Driven Development

The Community-Driven Development (CDD) component will foster development capacity at the community level and below to empower communities to take greater charge of their own development agenda and take responsibility for the development choices made. The component activities will build on the significant capacity created during the first phase and strengthen existing institutions, as well as expanding to other communities in the same districts to achieve broad coverage and to build up new CDD implementation capacity. The component will strengthen decentralized and participatory planning and implementation procedures at the community level to finance a variety of community priority investments. Innovations and improvements over and above the first phase are planned. In particular, communities will take greater responsibility in project implementation, including procurement; the Participatory Rural Appraisal (PRA) approach will be adapted to identify the differentiated needs and priorities of various sub-groups in the community, and PRAs will not be one-offs but start a process of continuous priority setting and review. Two approaches to implement CDD are envisaged in the second phase:

Basic CDD: Communities with no or little micro-project implementation experience will be supported by Mobile Extension Teams (MET), composed of district technical and partner agency staff, to formulate and update Community Action Plans (CAPs) through PRA. Priority projects identified will be forwarded for funding approval to the District Steering Group (DSG). Individual CDD projects will not exceed an established threshold (USD 10,000). Once a project has been successfully implemented and accounted for, the community may request approval of further projects for funding.

Extended CDD: Communities which have established a track record of successful project implementation and accountability may submit their full CAP for funding approval within a certain allocated budget over a specific time period (USD 25,000 over three years). This will give the community greater power to manage different development priorities and meet various community needs in a comprehensive fashion. The community will then be accountable to the DSG for the CAP implementation as a whole.

Community projects identified in the CAPs and eligible for project financing will fall into three broad categories:

1. Social Infrastructure and Service Delivery: projects which produce benefits for the whole community or a large section of the community. Likely priorities will be in water development, animal and human health, and education provision.
2. Safety nets: mechanisms targeted and managed by the community to support and protect the most vulnerable community members (including marginalized groups, the elderly and orphans). These may include restocking and shelter projects.
3. Income-Generating Activities: projects which generate income or other direct benefits to the participants. The projects may be implemented by a sub-section of the community. Likely activities include animal and other trading activities, production of goods such as housing materials for sale, fishing or bee-keeping.
A 30% community contribution will be required for the first two categories of CDD projects, following the policy of the first phase. Income-generating activities will not be supported by a lump-sum grant. Instead the project will foster the group’s savings capacity by providing top-ups once groups have mobilized specific saving levels. This approach is designed to ensure that groups retain a strong feeling of ownership of the funds invested and, with the assistance of the METs, select financially viable investments.

The component will finance capacity building of communities and their management committees in leadership skills, financial management and procurement; of project and MET staff to support community development processes and advise on technically, financially, environmentally and socially sound project design; visits and study tours to enable the exchange of experiences and lessons amongst communities and support staff; and the implementation of the approved CDD projects and CAPs.

CDD implementation and performance will be monitored by the project monitoring system, which will incorporate participatory M&E techniques to monitor the performance of the MET teams, as well as to measure the perceived and actual impact of the CDD projects from the participants’ standpoint. Community projects will continue to be vetted through the DSG for environmental, financial and technical soundness, and after approval, funds will flow directly from the project to communities. The process will be governed by a memorandum of understanding which clearly specifies the roles and responsibilities of the government and the communities throughout the design, implementation and evaluation of the CDD projects or CAPs.

Component III: Support to Local Development

The Support to Local Development Component aims to foster a conducive enabling environment in the arid lands to allow the population to break out of the prevalent survival-relief continuum into a positive development agenda leading to economic growth and reduced dependence on outside intervention. This will be achieved by improving the delivery of essential services, which will enable communities to diversify their economic activities and to develop sustainable exit strategies, and by promoting the interests of the arid lands at the national level to ensure that adequate consideration is given to arid lands development.

The component will provide financial assistance to policy, advocacy and research in support of arid lands development. Policy work will follow-up on the agenda highlighted by the Pastoral Thematic Working Group of the PRSP to ensure that the particular concerns and requirements of the arid lands are adequately addressed in national and sectoral policy initiatives. A particular focus of policy intervention will be on gender concerns to feed into the current development of the national gender policy. Natural resource planning and management interventions carried out under Component I will be complemented by the development of Vision and Strategy for the Arid and Semi-Arid Lands (ASAL). The development of the Vision would be a participatory process to generate a clear picture of how the population and their leaders in the ASAL view the future and how the government can respond to the opportunities and challenges identified. This Vision should then be translated into an ASAL strategy for natural resources management, which will outline procedures to guide natural resource management operations in the ASAL. The project will continue the activities of the first phase in advocating for the interests of the arid lands to complement these policy initiatives. The component will support local and national advocacy groups to allow them to present their interests more effectively in the right fora. The project will also finance visits of national policy makers to the arid lands to enable them to develop a first hand appreciation of the particular challenges in the project area. Funds are set aside to finance research work to analyse and develop appropriate responses to specific technical and social challenges in the arid lands,
including innovative responses to risk through drought or livestock insurance. The project will also assist local government in the local government reform process by training clerks and councillors to prepare them for their greater responsibilities in shaping the local development agenda. Conflict resolution in the arid lands will be strengthened by fostering dialogue between parties and supporting local initiatives to manage conflicts between different pastoral groups as well as between pastoralists and other local stakeholders, such as sedentarized farmers.

The project will strengthen local services development in sectors, which are essential to the sustainable development of communities in the arid lands. The aim of project interventions is not to replace existing government and partner programmes but to complement these, and to address the particular challenges posed by the mobile lifestyle and low population density in the project area. There will be two channels of funding to improve service delivery. Some strategic investments are earmarked for funding. To complement these investments, each district will be allocated a district services fund to allocate to specific interventions prioritized by the district through the District Steering Group and outlined in the District Annual Work Plan. The district services fund can finance capacity building for service delivery as well as the construction of facilities.

Sectors for which specific investment funds are earmarked include education, human health and HIV/AIDS, livestock production, marketing and health, and agricultural advisory services. In education, the project will complement existing government and partner initiatives to provide at least basic education to the population in the arid lands. Recognizing that education is a particular challenge in nomadic pastoral communities, which do not reside in the same area all year round, and in view of ALRMP’s comparative advantage in working with mobile communities, the project will pay particular attention to strengthening the delivery of mobile education provision in line with the GoK Concept Paper on the Education of Pastoralist and Nomadic Communities. To complement and support the mobile schools the project will also finance the establishment of nomadic learning centers, which provide backstopping for teachers, educational resources for the community and act as a link between the informal mobile schools and the conventional schooling system. These learning centers would also function as information resource centers for other sectoral information material. On human health and HIV/AIDS, sensitization and awareness creation programmes will be strengthened. Support to agricultural services in the arid lands will focus on increasing the capacity of technical service providers through training in irrigated and rainfed cropping techniques. The emphasis is not on augmenting cropping in the arid lands but on assisting those communities that already rely on crops for parts of their livelihoods to increase the profitability and sustainability of their operations. The project will also support the creation of river water user associations on a pilot basis with a view to strengthening community based water resource management as well as the prevention and resolution of conflicts over access to and use of water resources. As the majority of households in the arid lands depend upon livestock for their livelihoods, the project will continue to support livestock production, health and marketing initiatives. Strategic investments will be undertaken in the establishment of disease-free zones to facilitate export and movement of animals to finishing ranches, the provision of funding for feasibility studies to attract private investment (particularly in meat processing), the drafting of guidelines for emergency livestock offtake, the comparative study of drug delivery systems in the arid lands with a view to highlighting best practice, and the strengthening of technical service providers to deliver improved backstopping and advisory services to pastoralists.

Investments which are expected to be prioritized for funding by the DSGs under the district services fund include the construction, rehabilitation or upgrading of education and health facilities, drug dispensaries, the training of CAHWs, CHWs and TBAs and the rehabilitation of market infrastructure for livestock. Only investments which benefit more than one community should be financed under this component, to avoid overlap with investments under the CDD component for which a 30% community contribution will
be levied.

The project will also pilot the provision of financial services in the arid lands. Recognizing that current coverage of formal and informal financial services which support expenditure smoothing and investment remains very low, the project aims to identify low-cost delivery mechanisms for financial services, which meet the needs of the population in the arid lands. In conjunction with an in-depth review of traditional financial services to highlight suitable entry points, a market research process will identify appropriate financial services products which will then be piloted in five locations with varied cultural and economic characteristics. Following the pilot, a careful review will be carried out to assess performance and impact and to provide recommendations on appropriate roll-out strategies and approaches.
5. Financing

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Total (US$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>$11.90</td>
</tr>
<tr>
<td>IBRD</td>
<td>$60.00</td>
</tr>
<tr>
<td>IDA</td>
<td>$4.60</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$76.50</td>
</tr>
</tbody>
</table>

6. Implementation

The project will be implemented over a period of 6 years.

One of the success factors of the first phase was its institutional location. Being a multisectoral, decentralized project, the location in Office of the President, with ties to provincial administration, has been the ideal location for effective coordination of drought management and community development in the districts. Given these factors, the overall project coordination of the second phase will remain with the Project Co-ordination Unit (PCU) established under ALRMP I in the Office of the President (OP). The Unit reports directly to the Permanent Secretary, Provincial Administration. This has proved to be an effective location during the first phase for project coordination, both at the national and district levels, for coordination and delegation of responsibility to the districts. The national unit will be strengthened in the second phase with the addition of a Natural Resource Management Officer, and strengthened analytical capacity for the improved drought management system and environmental assessment. Existing financial management and procurement capacity has been rated satisfactory and will be maintained and strengthened.

Food Security and Famine Relief are both functions of OP. A steering committee with representation from key sectoral ministries concerned, external partners and key NGOs will oversee implementation progress and give strategic guidance. The Kenya Food Security Meeting and Steering Group, a government/donor partner steering committee consisting of key sectoral ministries concerned and external partners will continue to give strategic guidance to the project as a whole, with special focus on the drought preparedness and management component. The project will continue to foster collaboration and co-funding of activities with other partner agencies through local and national dialogue.

At district level, the project will continue to be coordinated by Drought Monitoring Officer (DMO), who will also act as the district ALRMP II Coordinator, and a Community Development Officer (CDO). In the semi-arid districts where only the drought preparedness and management component will be implemented, only a DMO post will be established. Existing financial management and procurement capacity at the district level will be maintained. An additional post of capacity building officer will be established at the district level to oversee the support to local development component.

All interventions at district level or below are coordinated and approved by the District Steering Group, a sub-committee of the DDC, which is composed of local leaders, technical staff of the district and partner agencies. The DSG will be institutionalized under the second phase, and its mandate legalized as the key coordinating body for natural resource and drought management. Processes to be enhanced under the second phase, such as natural resource management and improved preparedness and contingency planning, will serve to strengthen the capacity of the DSG members and improve overall management at the district level.

Communities will bear great institutional responsibility, especially in the operation of the CDD component. As during the implementation of ALRMP I, “communities” will be defined loosely to allow a
variety of community groups in different socio-cultural settings to participate in the CDD process. Thus far, communities have defined themselves as groups sharing common resources. The planned social assessment should provide better definitions of the various “community” concepts relevant for ALRMP II implementation. Community institutions taking on decision-making and fund-managing responsibilities will be strengthened to ensure representativeness of their respective communities and appropriate management capacity. Community PRA and CAPs, which will be updated on a regular basis, will provide the basis for interventions in CDD. Procurement for items required in specific microproject, which in ALRMP I was carried out by the district officials, will be the responsibility of the communities in ALRMP II using the WB guidelines for community procurement.

The institutional structures, especially those that are anchored in government, will be subject to revision throughout the project implementation phase in view of potential institutional changes proposed by the new government in line with the constitutional review process. Detailed institutional and implementation mechanisms will be defined in the project implementation plan.

7. Sustainability

The challenges for sustaining the impact of project interventions and structures vary across the project components.

Natural Resource and Drought Management: The natural resource management and planning interventions are aimed to increase the sustainability of all other interventions by improving the understanding of underlying resource constraints and resilience. Low-cost update mechanisms will be developed to ensure that key information and plans regarding natural resource management will be continued after the project. The sustained operation of the drought preparedness and management system will depend upon continued funding, strong partnerships and government commitment. The project aims to establish a drought contingency trust fund which is open to replenishment from various donors and contributors and which will continue to provide funding beyond project closure. The emphasis on “institutionalizing” the drought management system will leave a strong structure, which is anchored in the existing and continuing Kenyan institutions, thereby ensuring sustained operations. Overall sustainability of project interventions, of the continued support to districts by a drought management officer, and of advocacy for pastoral concerns at the national level will be strengthened by planning for a gradual transformation of project positions to regular government staff. During ALRMP I implementation the government contribution to funding project staff was gradually increased to 40%. During Phase II this contribution will continue to be increased to 60%.

Community-Driven Development: CDD provides a challenge to ensure sustainability at two levels, a) the sustainability of individual CDD activities and investments and b) the sustainability of the CDD approach. The former will be considered and incorporated at the start of each micro-project. For infrastructure investments, appropriate maintenance plans and financing mechanisms will be established. For other types of support to social service provision and safety nets, community-based financial contribution mechanisms will be encouraged to sustain provision beyond project closure. The required community contribution of 30% is high compared to other programmes, and will increase the incentives for maintenance. Communities who are proposing income generating activities for funding (through the matching savings grants) will be supported by the METs in conducting a simple analysis of technical and financial viability. Future funding possibilities through government or external sources will also be identified throughout the project. Technical training will not be restricted to project staff, but extended to all METs and to other partners in the district who are working together or in parallel with ALRMP, thereby increasing the pool of skilled facilitators. The project will also foster the creation of pastoral umbrella organization, which will give a greater voice to individual community groups and may
eventually provide development support to members.

The system of CDD implementation promoted by the project may not be maintained beyond project closure. This would not be a problem as such, as CDD is not an end in itself, but a mechanism to empower communities to develop and implement their own development priorities. If at the end of the project CDD mechanisms will cease to be in operation, but communities are empowered to continue to determine their development through other mechanisms, including their own fund-raising capacity, then the impact of the CDD system will be sustained. The project will review CDD procedures and mechanisms throughout project implementation and make appropriate amendments to allow a smooth transfer from project supported CDD to a post-project situation. Particular emphasis will be placed on supporting the GoK initiatives to foster greater decentralization and strengthening of local governments, and to ensure that CDD mechanisms are adapted to any changes in local implementation capacity and delivery mechanisms.

Support to Local Development. The policy and advocacy work in Phase II will not only strengthen advocacy groups to raise the visibility and foster the integration of arid lands specific concerns into national policies, but will also increase the exposure of national policy and decision makers to the arid lands. This is expected to generate some change in mindset in Nairobi well beyond the closure of the project. For the strengthening of service provision to yield sustainable results, these services must obtain regular sources of finance from government or other sources, or be self-financing through user charges. Throughout project implementation, the project will explore different financing and cost-sharing approaches as appropriate to the various services. The project will also be conditional on government commitment to finance core services and/or retain core technical staff in the project area, depending upon the developments in decentralization. Strong capacity building and partnership formation in the implementation of project activities and support services to the target population should also increase the sustainability of operations. Regarding the roll-out of financial services, these will be designed as self-financing interventions and will therefore not be dependent upon further financial support beyond project closure.

8. Lessons learned from past operations in the country/sector

A number of lessons have been learnt from the implementation of the first Phase ALRMP:

Participation is the key to project impact and sustainability: The participatory process increases ownership of project activities, creates capacity amongst communities and leads to replication of activities. Community contributions to interventions further increase ownership and sustainability. Capacity building is essential to aid implementation and ensure transparency and accountability. The second Phase will build upon and strengthen the participatory approach of the first Phase project. The project will give increasing responsibility to communities with demonstrated capacity and project track record.

Need for continuous capacity building: when a project relies on collaboration mechanisms with technical and other partners to implement project activities and to build sustainability into operations, it must provide for continuous capacity building support as staff changes in partner agencies. Strengthening of technical support services is also a necessary element to ensure the quality of project interventions and to provide technical follow-up. Equally important has been the emphasis on building community capacity at the grassroots level, through CBOs and management committees, to better equip them to manage their own development. Continuous capacity building is built into project design and the project budget.
Partnerships in implementation are not always reliable: Reliance on partnerships for implementation has benefits by increasing coverage and extending the project approach to other actors, but there are risks regarding the unreliability of partner support. During the first phase, the trained METs were not always available when needed for project activities because their first responsibility remained with the line department. During the second phase two METs per district will be recruited to become full time team member. A wider pool of METs will also be retained and trained to ensure that there will be sufficient backstopping resources to extend the CDD approach.

Importance of Education: Development is closely linked to education, which ranks high on community priority lists and provides important exit strategies for pastoralists. The second Phase will increase the emphasis on education and support government efforts to develop suitable education provision for nomadic pastoralists, especially through mobile school development.

Diversification and Risk Management: Since the 1980s a trend of diversification away from pastoral activities has been observed amongst the richest and the poorest herders. The reasons and strategies for diversification differ significantly between these groups and between male and female pastoralists. For the poorer groups diversification does not necessarily reduce risk exposure; rather it tends to be a replacement of pastoral activities out of necessity. Diversification cannot therefore be seen as an unequivocally positive development, and support to diversification must be varied, and well targeted. Project emphasis will be on improving the enabling environment for risk reducing and wealth creating diversification, predominantly through policy change, capacity building and the piloting of financial services, rather than the promotion of diversification as such. Further analysis of diversification in the pastoral areas may be funded through the research fund.

Grant contributions to income generating activities may not encourage sustainable initiatives: Anecdotal evidence from the first phase suggests that many IGAs financed by the CD component involved heavy capital investments (posho mills, irrigation pumps). Sustainable IGAs in poor communities usually have to build on small capital investments and high labor input, which has a low opportunity costs. The large capital investments are unlikely to have been funded had it not been for the substantive 70% grant element. Further concerns have been raised that the IGA investments were captured by wealthier parts of the community, who are deriving significant private benefits from this project investment. The second phase project will finance IGAs through a different mechanisms which encourages a savings culture and increases ownership of the funds invested in any specific IGA. It is expected that the value of IGA investments supported will be significantly lower, and that such investments would be more financially viable.

Individual initiative should be encouraged. The first phase emphasized group ownership (IGAs, social services) and group management approaches (drug dispensaries, water points). The pre-appraisal workshop highlighted the importance of fostering individual initiatives which are often seen as more sustainable. The new approach to IGA support will provide incentives for individual savings accumulation and investments. Further, the project will explore individual management mechanisms for community infrastructure where appropriate.

Collaboration in development increases ownership and effectiveness: The involvement of major actors and interest groups in the planning of project financed activities through the DSG enhances stakeholder ownership of project activities, effectiveness of interventions and increases sustainability by increasing follow-up from different actors, strengthening implementation capacity and reducing duplication of effort. The second Phase will continue to support collaboration of different agencies, and strengthen such collaboration to tackle long-term development challenges in addition to drought.
management. The increased availability of funding at the discretion of DSGs should also strengthen the collaborative mechanisms at the district level.

Process oriented projects may spread themselves too thinly. A project emphasizing the importance of process and refraining from ex-ante meticulous definition of project interventions runs the risk of being drawn into too many activities, in some instances substituting core responsibilities of technical line ministries, and losing focus. The project implementation plan (PIP) will detail the terms of reference for project staff, and the guidelines for project funding. Government commitment will be sought to retain necessary staff resources to support project implementation and to avail development funds for the project districts in line with national standards.

Conflict management is essential for development: The first phase project was not designed to deal with conflict, but it, by necessity, had to strengthen community-based and other conflict management systems in order to carry out its development activities. Effective conflict management must involve the communities and build upon traditional institutions and structures. The second phase will explicitly include activities to strengthen sustainable conflict management systems in the project area.

Availability of funding at the critical time: Despite improvements in the flow-of-funds, DSGs and project staff at the district could not always access funds at critical times, especially for mitigation activities in response to increasing drought stress. Some of these delays and limitations are linked to GoK procedures. The project will set up a replenishable trust fund for drought contingency interventions, which can be accessed by district authorities to finance activities identified in the drought contingency plans as soon as need is signaled through the early-warning system.

Preparedness and mitigation to reduce needs for recovery: Investments during the preparedness and mitigation stages can reduce the extent of recovery needs. Planning and funding must be at hand to intervene earlier rather than later and reduce overall costs of intervention. The project will strengthen preparedness and, in particular, mitigation strategies and interventions and increase the availability of timely funding through the drought preparedness and contingency trust funds.

Natural Resources Management: An improved understanding of the AL resource base is essential for successful and sustainable project interventions and NRM activities need to be given greater importance. Activities need to encompass data collection and monitoring of the resource base and a strategy for its maintenance and development. The second phase includes specific natural resources information, planning and management interventions.

Monitoring and Evaluation: Meaningful evaluation of project impact and effective monitoring which can act as a tool in project implementation can only be achieved if a systematic monitoring and evaluation framework is established from the start of the project. The utility of carrying out a beneficiary assessment on the first phase was evident, (although carried out somewhat late in the project), as a tool to help ascertain the degree to which the various project interventions were consonant with their intended beneficiaries' values and priorities, and hence their social sustainability. A monitoring and evaluation expert will be included in the appraisal team to help the government in refining the project design summary and establishing a project monitoring and evaluation system, including beneficiary assessment.

Phase Out Strategy: Project organization and management planning must incorporate a phasing-out strategy in order to increase project sustainability. Such a strategy should prepare the institutional, technical and financial requirements and provide for their testing and optimisation during project life. The project envisages a phase out strategy, and specific activities and approaches will be defined during
the Mid-Term Review.


   Issues:

   An Environmental Assessment (EA) study was carried out during January and February 2003 to identify the potential environmental impacts related to activities proposed under Phase II of the ALRMP. The objective of the EA study was to identify significant impacts and propose mitigation measures to appropriately address them in line with the Project’s sustainable development objectives. The main output of the study is an Environmental Management Framework (EMF) which outlines the process and mechanisms for screening and approving all activities under the ALRMP components, and identifies the lines of reporting on environmental issues.

   The methodology for the study took a participatory approach and included (a) public consultation with stakeholders, non-governmental organizations, and communities, (b) a review of selected documentation from the ALRMP I, relevant World Bank and Kenyan guidelines and policies on environment, and other documents relevant to environmental issues in the ASAL areas of Kenya; and (c) site visits to a number of pilot communities under the previous ALRMP I.

   The main findings of the EA study suggest that overall, at a strategic level, ALRMP II has the potential to make a significant positive contribution to environmental sustainability and specifically pastoral sustainability, but there are risks that there may be negative environmental impacts associated with a number of activities to be financed under the Project. Although CDD will promote small-scale infrastructure and productive investments with grants of below USD 10,000 per CDD project, there is a potential for localized impacts.

   In certain cases, the cumulative effect of some investments may also have a significant negative impact on particular environmental resources. These include the potential for groundwater over-extraction and associated saline intrusion of aquifers due to borehole construction or rehabilitation; depletion of downstream water supply or groundwater recharge due to the tapping of springs; depletion of river flows and river bank erosion and associated silt-loading of rivers due to small-scale irrigation; depletion of soil fertility and erosion, conflict over pastoralist access to land, and habitat destruction due to small-scale rain-fed agricultural projects; and habitat destruction due to fuelwood commercialization.

   The Natural Resources and Drought Management Component aims to reduce vulnerability of the population in arid and food insecure semi-arid districts, which is closely linked to the fragile resource base. This will be achieved through several subcomponents including mechanisms for natural resource management, drought information management, strengthening drought management institutions, strengthening drought preparedness and contingency planning, establishment of effective funding mechanisms, conflict resolution, and provision of national and district support units. These investments will be carried out in the context of district planning frameworks, and will include an analysis of likely environmental impact and proposed mitigation measures.

   The Support to Local Development Component will predominantly finance technical assistance to improve the provision of services by government and other providers to the population in the arid lands. As part of the EA study, recommendations for strategic planning and research focused on environmental issues have been identified and will be incorporated into this component.
10. List of factual technical documents:

11. Contact Point:

   Task Manager
   Christine E. Cornelius
   The World Bank
   1818 H Street, NW
   Washington D.C. 20433
   Telephone  202 458-1882
   Fax:  202 477-0515

12 For information on other project related documents contact:
   The InfoShop
   The World Bank
   1818 H Street, NW
   Washington, D.C. 20433
   Telephone (202) 458-5454
   Fax: (202) 522-1500
   Web: http://www.worldbank.org/infoshop

Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

Tables, Charts, Graphs:

Processed by the InfoShop week ending 04/15/2003

For a list of World Bank news releases on projects and reports, click here