

STATUS OF PROJECTS IN EXECUTION – FY06
SOPE
REGION: AFRICA
COUNTRY: KENYA

Operations Policy and Country Services
SEPTEMBER 19, 2006



Report on the Status of Projects in Execution - FY06
SOPE
Region: Africa
Country: Kenya

Introduction

The Status of Projects in Execution (SOPE) Report for FY06 provides information on all IBRD/IDA projects that were active on June 30, 2006.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY06 SOPE report¹ contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date for all active projects.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.



Country: Kenya

Project Name (ID): Nairobi Water and Sewerage Institutional Restructuring Project (P049618)

Country: Kenya

Board Approval Date : 06/17/2004

Midterm Review Date : 12/14/2005

Closing Date : 06/30/2007

Loan/Credit/Grant Number : IDA-H1000

Sector(s): Water supply (100%)

Theme(s): Other urban development (P)

Project Development Objectives:

The objective is to build a strong governance, institutional and service delivery framework that will enable the efficient and sustainable delivery of water and sewerage services to the population of Nairobi.

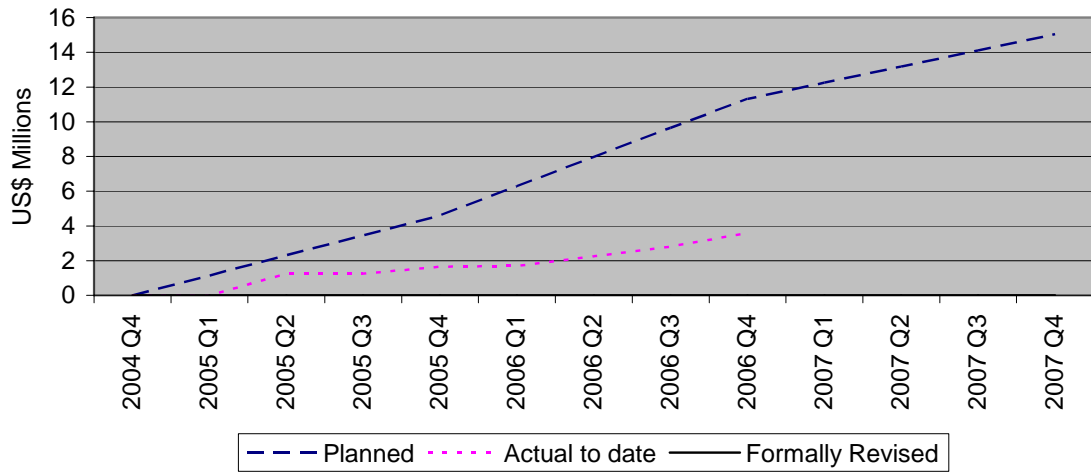
Progress toward achieving development objective(s):

The Athi (Nairobi) Water Services Board (AWSB) and Nairobi City Water and Sewerage Company (NWSC) are establishing themselves as credible service provision organizations. The governance and management framework underpinning the new service delivery provision in Nairobi is operational; revenues collected are ring-fenced and traceable; and agreed payments between NWSC, AWSB and the city council are transparent and timely. The comprehensive billing, collection and customer management system is being installed. With respect to the sector reform, the Transfer Plan, a key document detailing the specific activities towards the full implementation of the sector reform under the Water Act (2002), has been published and should help solidify project gains.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H1000	Effective	14.99	3.61	11.35	0.00





Project Name (ID): Decentralized Reproductive Health & HIV/AIDS (P066486)
Country: Kenya
Board Approval Date : 12/12/2000
Midterm Review Date : 09/29/2003
Closing Date : 12/31/2006
Loan/Credit/Grant Number : IDA-34400
Sector(s): Health (92%), Sub-national government administration (8%)
Theme(s): HIV/AIDS (P), Population and reproductive health (P), Child Health (P), Decentralization (S), Gender (S)

Project Development Objectives:

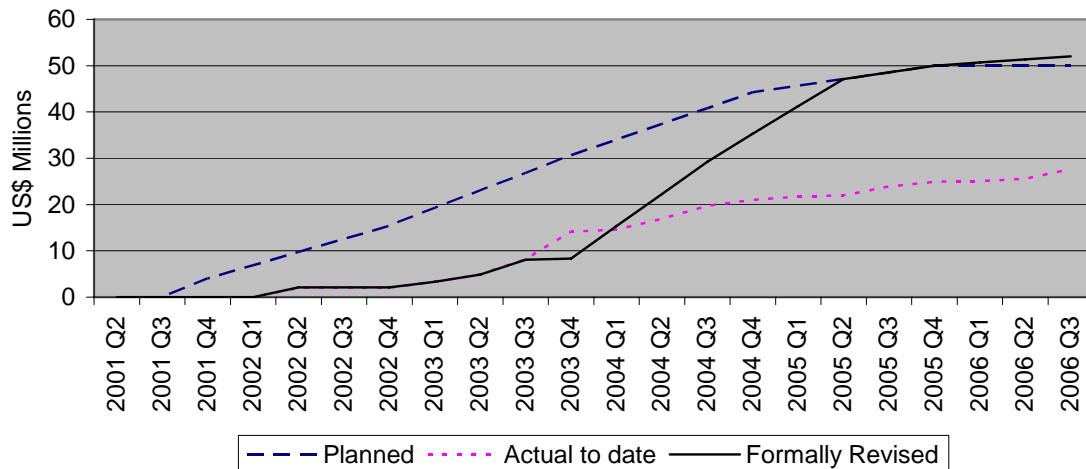
The objectives are to improve mother and child health, slow increase of HIV prevalence rates and create an enabling environment for the decentralized delivery of child survival, reproductive health and HIV/AIDS services.

Progress toward achieving development objective(s):

This project moved on very slowly in FY06 in view of achieving its development objectives due to (a) the findings of a forensic audit undertaken in mid-2005 by the Government on three IDA projects, including this one, and (b) the carrying out of a Detailed Implementation Review by the Bank’s Integrity Department (the conclusion of which are not yet available), (c) the Ministry of Health delay in extending the procurement contract with their procurement agent which is necessary to undertake procurements required in the project. The Government and the Bank have already agreed that the Project needs to be restructured as soon as approval is given and project extended to allow for the implementation of the restructured proposal.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34400	Effective	56.30	27.66	27.53	0.00



Project Name (ID): Regional Trade Facilitation Project - Kenya (P070718)

Country: Kenya

Board Approval Date : 04/03/2001

Midterm Review Date : 05/15/2006

Closing Date : 06/30/2011

Loan/Credit/Grant Number : IDA-34900, IDA-Q2260

Sector(s): Non-compulsory pensions, insurance and contractual savings (100%)

Theme(s): Regional integration (P), Trade facilitation and market access (P), International financial architecture (S), Export development and competitiveness (S)

Project Development Objectives:

The objective is to contribute to poverty alleviation through private sector led growth in participating countries by improving access to financing for productive transactions and cross-border trade.

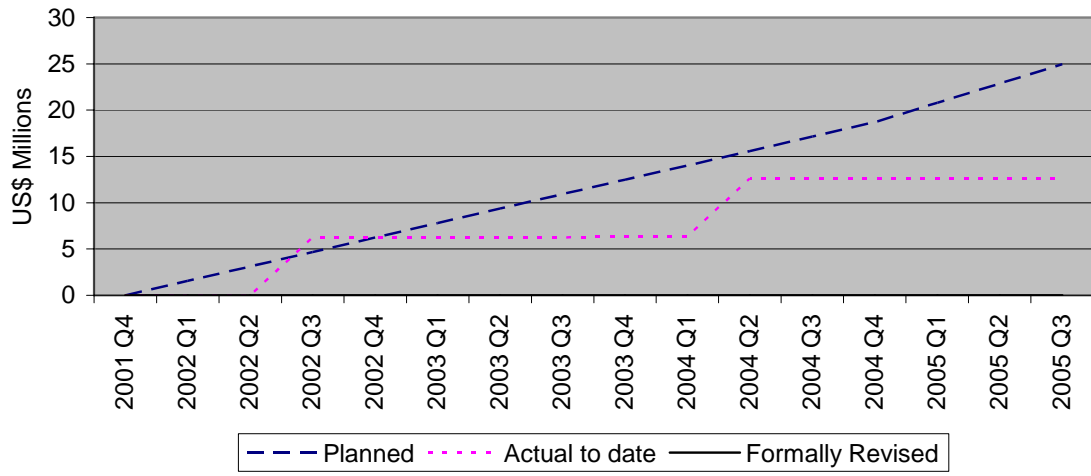
Progress toward achieving development objective(s):

It has been difficult for The African Trade Insurance (ATI) to write policies in Kenya due to a misalignment between ATI products offered and market demand. Initially, ATI was able to offer political risk insurance to the private sector only. The targeted volume of transactions was predicated on a high turnover of short-term business. It was anticipated that ATI would be able to offer comprehensive risk (including commercial risk), through its partnership with Atradius. While this partnership has enabled ATI to offer comprehensive cover to African exporters exporting to OECD (Organization for Economic Co-operation and Development) countries, Atradius was unable to cover commercial risks on African buyers due to constraints imposed on it by its reinsurers. The project will be restructured to expand the product line in response to market demand.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34900	Effective	28.52	12.61	14.79	0.00
IDA-Q2260	Closed	0.14	0.00	0.00	0.14





Project Name (ID): KE-GEF W KE Int Ecosys Mgmt SIL (FY05) (P072981)

Country: Kenya

Board Approval Date : 03/01/2005

Midterm Review Date : 11/05/2007

Closing Date : 06/30/2010

Loan/Credit/Grant Number : MULT-51024, MULT-54250

Sector(s): General agriculture, fishing and forestry (67%), Agricultural extension and research (15%), Sub-national government administration (10%), Other social services (5%), Central government administration (3%)

Theme(s): Biodiversity (P), Environmental policies and institutions (S), Climate change (S), Participation and civic engagement (S), Other rural development (S)

Project Development Objectives:

The project seeks to improve the productivity and sustainability of land use systems in selected watersheds in the Nzoia, Yala and Nyando river basins, through adoption of an integrated ecosystem management approach. In order to achieve this the project will: (a) support on- and off-farm conservation strategies; and (b) improve the capacity of local communities and institutions to identify, formulate and implement integrated ecosystem management activities (including both on-and off-farm land use planning), capturing local and global environmental benefits.

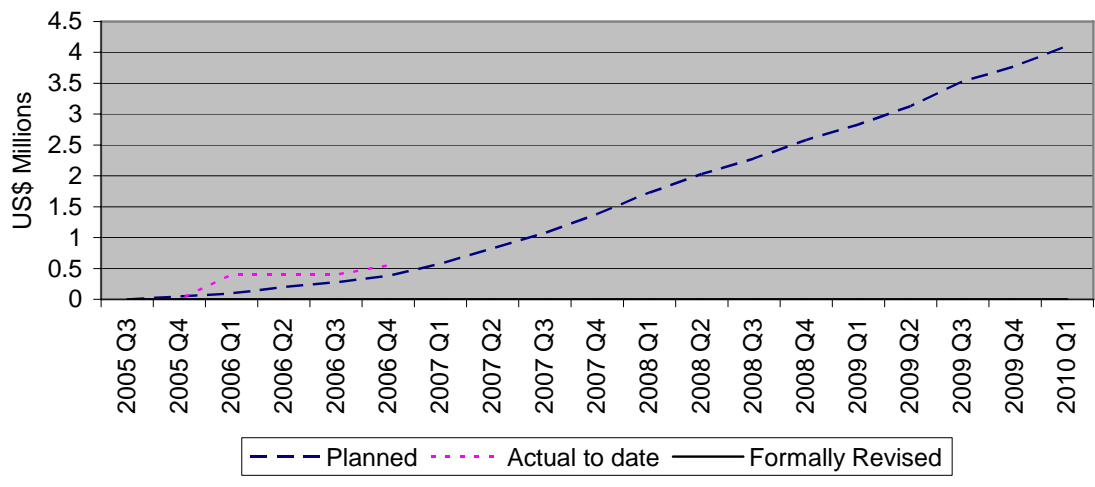
Progress toward achieving development objective(s):

Although implementation during the first year of project effectiveness has been slow, project coordination has been set up and is now a functional entity. Several project launch workshops were organized to promote wider understanding of the project objectives and arrive at a broad consensus on priority areas of the project among stakeholders. Bench mark surveys and a monitoring plan for the project are being developed. A draft training plan targeting communities, extension agents and project staff has been completed. A six month (February to August) action plan on community mobilization and sensitization has been developed and shared with IDA. Given the short implementation period of the project, it is difficult to measure progress towards the development objective at this time.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-51024	Closed	0.20	0.10	0.00	0.10
MULT-54250	Effective	4.10	0.55	3.55	0.00





Project Name (ID): Arid Lands Resource Management Project Phase Two (P078058)

Country: Kenya

Board Approval Date : 06/19/2003

Midterm Review Date : 11/06/2006

Closing Date : 06/30/2009

Loan/Credit/Grant Number : IDA-37950, IDA-Q3610

Sector(s): General agriculture, fishing and forestry (40%), Animal production (30%), Other social services (30%)

Theme(s): Natural disaster management (P), Other rural development (S), Participation and civic engagement (S), Other environment and natural resources management (S)

Project Development Objectives:

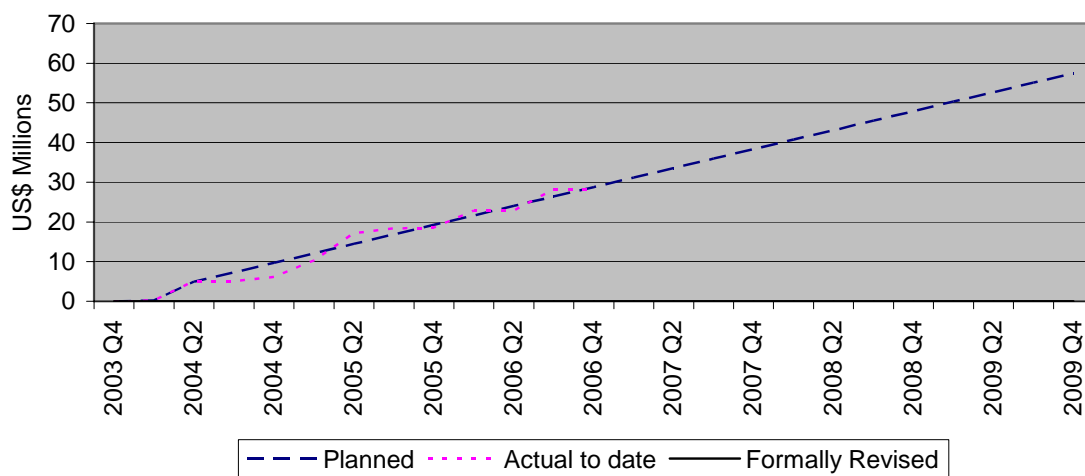
Reduced livelihood vulnerability, enhanced food security, and improved access to basic services in 28 drought prone arid and semiarid districts in Kenya.

Progress toward achieving development objective(s):

The project is on course to achieving its objectives. It continues to be a successful instrument both to support the drought management structures of Government and to invest in the long term development of the project area. The vulnerability of arid lands populations has reduced due to effectively functioning drought management system, and improved access to services. On average the distance between communities and water, schools and health facilities has been halved. Response to the current drought was three months sooner than the 2000 drought.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37950	Effective	64.09	28.26	35.85	0.00
IDA-Q3610	Closed	0.75	0.00	0.00	0.75



Project Name (ID): Development Learning Centre Project (P078209)

Country: Kenya

Board Approval Date : 10/17/2003

Midterm Review Date : 02/12/2007

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IDA-H0650, IDA-Q3370

Sector(s): Central government administration (70%), Vocational training (30%)

Theme(s): Education for the knowledge economy (P)

Project Development Objectives:

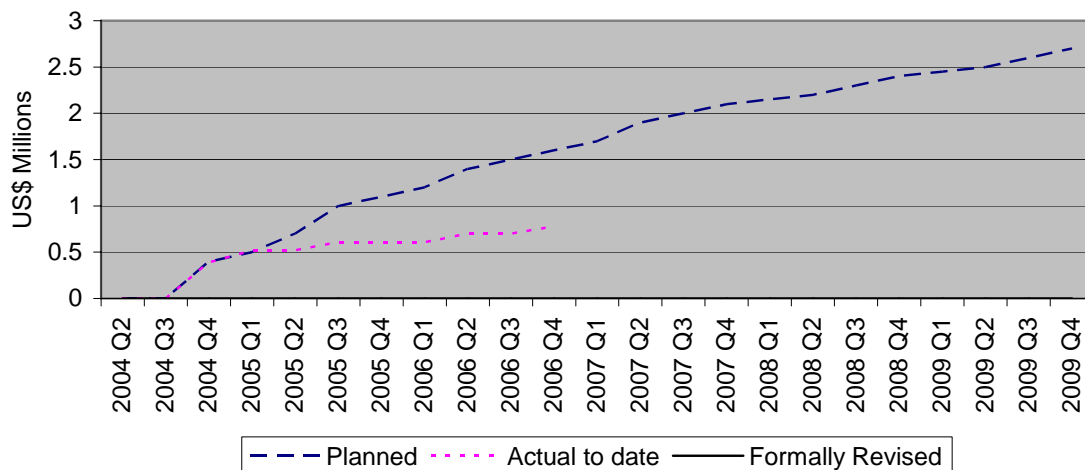
The project objective is to test the effectiveness and sustainability of a development learning centre in Kenya as part of a global knowledge-sharing network to strengthen the capacity of public, private and civil society decision makers and implementers. In particular, the centre aims to enhance the capacity to design, plan and manage social and economic development policies and programs.

Progress toward achieving development objective(s):

Project implementation related to critical equipment required for the centre to become operational is lagging behind targets. Meanwhile, construction has been completed and staffing is on course. The project will have a much better basis for measuring its effectiveness in capacity building and in achieving institutional sustainability when the centre is operational and opens its doors for training the target population.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H0650	Effective	2.94	0.77	2.17	0.00
IDA-Q3370	Closed	0.15	0.00	0.00	0.15



Project Name (ID): Free Primary Education Support Project (P082378)

Country: Kenya

Board Approval Date : 06/19/2003

Midterm Review Date : 09/16/2004

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IDA-H0500, IDA-Q2590

Sector(s): Primary education (100%)

Theme(s): Education for all (P)

Project Development Objectives:

The objective is to improve pupil performance and retention through ensuring an adequate supply and better use of instructional materials.

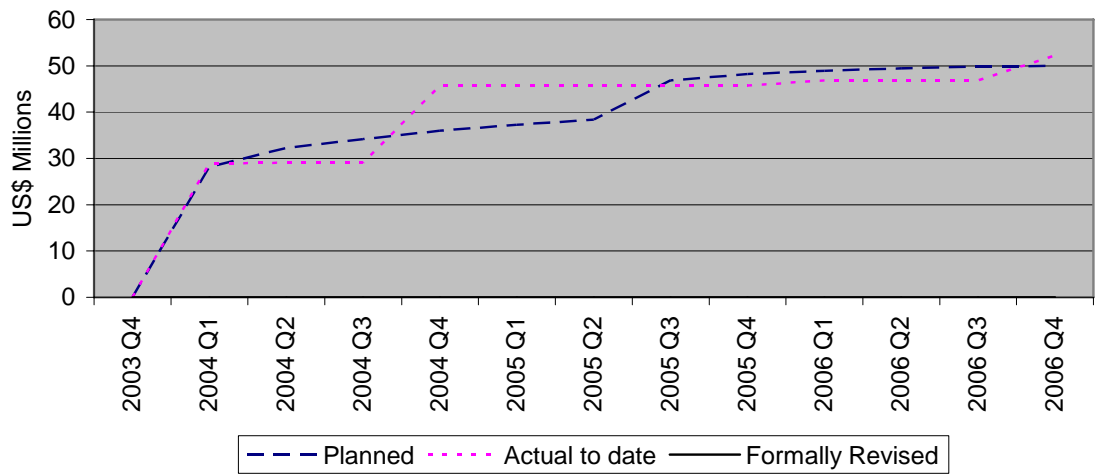
Progress toward achieving development objective(s):

The project is progressing well in achieving its objectives. It has significantly contributed to improving the provision and utilization of instructional materials by school children and teachers. The national student/textbook ratios in schools are now ranging 1:2 to 1:4 (target is 1:3) in lower primary, and 1:2 (target) to 1:4 in upper primary. The associated teacher support and development program planned under the Project has been important for ensuring that 72,000 teachers in Mathematics, English and Science are retrained. Pilots aimed at expanding access for disadvantaged groups in slums and arid and semi-arid areas are currently underway. The Project has demonstrated the effectiveness of transferring financial resources directly to schools and decentralizing the procurement of instructional materials to that level. This experience has been extended and expanded upon in the Ministry of Education's new five-year strategic plan. While school-based procurement of instructional materials has greatly enhanced financial management and procurement capacity at school-level, further efforts to enhance capacity at the Ministry level for the forthcoming Sector Wide Approach are currently being undertaken. Steps are also being taken to improve monitoring and evaluation.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H0500	Effective	53.95	52.28	0.18	0.00
IDA-Q2590	Closed	1.19	0.00	0.00	1.19





Project Name (ID): Kenya Agricultural Productivity Project (KAPP) (P082396)

Country: Kenya

Board Approval Date : 06/17/2004

Midterm Review Date : 09/05/2005

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IDA-39290, IDA-H0980, IDA-Q4130

Sector(s): Agricultural extension and research (100%)

Theme(s): Rural services and infrastructure (P)

Project Development Objectives:

The project development objective is to support generation, dissemination, and adoption of agricultural technology through: (a) reforms in extension to increase pluralism, responsiveness to clients, and participation by private providers; (b) an evolutionary change in the existing system of agricultural research to improve accountability and impact; and (c) increased empowerment of producer organizations to influence the planning, design, implementation, funding and monitoring and evaluation of research, extension, training and capacity building activities.

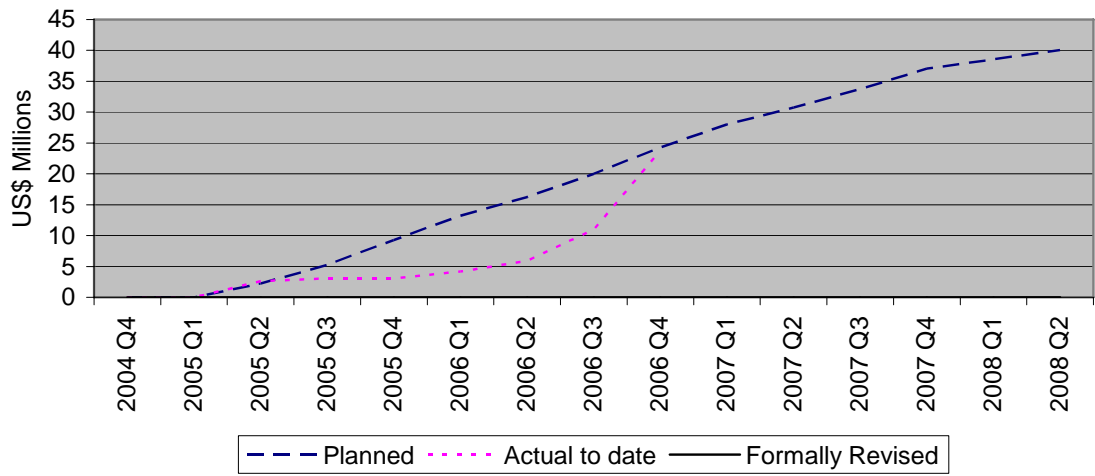
Progress toward achieving development objective(s):

The project continues to make progress towards achieving its development objective after a slow start. A national extension policy and its implementation framework that will pave the way for reforms in the extension service delivery has been formulated. National level project activities towards reforms in the research system are also on track. On the other hand, implementation of grassroots activities in research and in farmer/client empowerment are lagging behind, while slow disbursements and weak financial management system remains a major constraint towards accelerating project implementation and the achievement of the Project Development Objectives.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39290	Effective	26.46	19.53	6.85	0.00
IDA-H0980	Effective	12.79	4.27	8.53	0.00
IDA-Q4130	Closed	0.98	0.00	0.00	0.98





Project Name (ID): Northern Corridor Transport Improvement Project (P082615)

Country: Kenya

Board Approval Date : 06/17/2004

Midterm Review Date : 01/15/2007

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IDA-39300

Sector(s): Roads and highways (72%), Aviation (15%), Central government administration (10%), Other social services (2%), Health (1%)

Theme(s): Trade facilitation and market access (P), Infrastructure services for private sector development (P), Regulation and competition policy (P), Regional integration (S), Administrative and civil service reform (S)

Project Development Objectives:

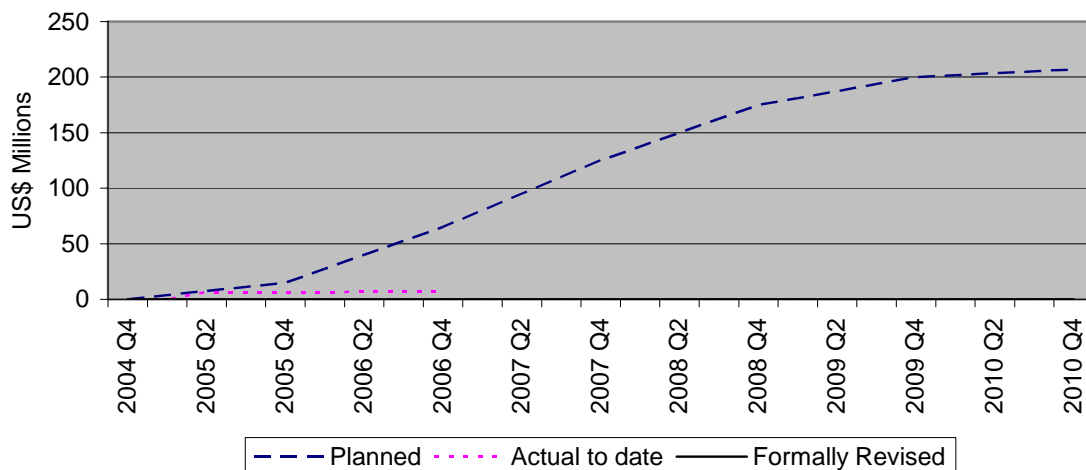
The objectives are to: (a) increase efficiency of road transport along the Northern Corridor to facilitate trade and regional integration; (b) enhance aviation safety and security to meet international standards; and (c) promote private sector participation in the management, financing and maintenance of road assets.

Progress toward achieving development objective(s):

Progress in implementation is proceeding well, albeit slow. The Institutional Reforms and Road Sector Strategy have been adopted by the government and 3 road Authorities under the Ministry responsible for roads will be established to manage the entire road network. The enabling legislative instruments and the road sector policy have been developed, discussed with Stakeholders and finalized for Parliamentary debate and approval.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39300	Effective	203.50	7.11	196.36	0.00



Project Name (ID): Energy Sector Recovery Project (P083131)

Country: Kenya

Board Approval Date : 07/13/2004

Midterm Review Date : 01/31/2007

Closing Date : 03/31/2010

Loan/Credit/Grant Number : IDA-39580

Sector(s): Power (85%), Oil and gas (12%), Central government administration (3%)

Theme(s): Regulation and competition policy (P), Access to urban services and housing (P), Corporate governance (S), Infrastructure services for private sector development (S), State enterprise/bank restructuring and privatization (S)

Project Development Objectives:

The project development objective is to: (a) enhance the policy, institutional and regulatory environment for private sector participation and sector development: (b) support efficient expansion of power generation capacity to meet the economy's supply deficits projected to occur by 2006/07; and (c) increase access to electricity in urban and peri-urban areas while improving the efficiency, reliability and quality of service to existing customers.

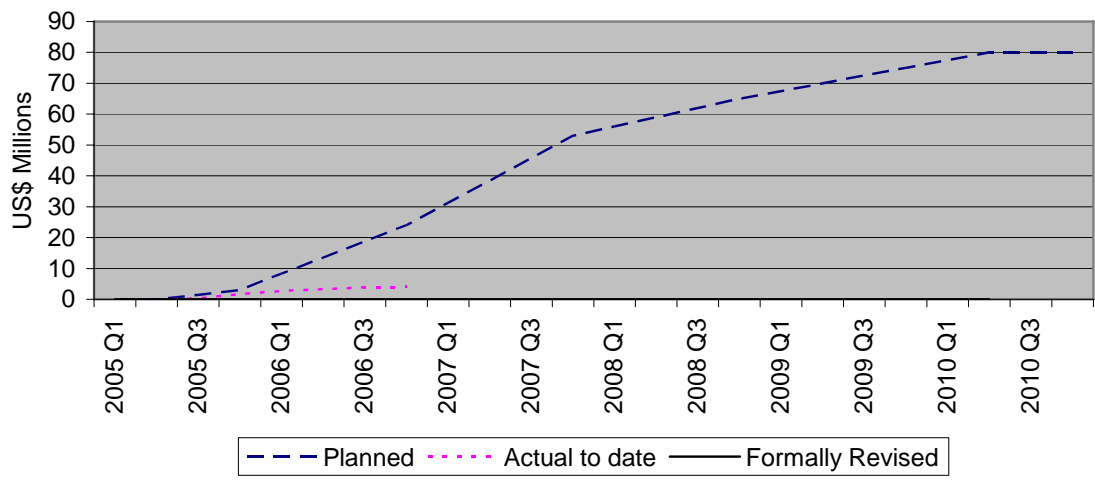
Progress toward achieving development objective(s):

Implementation speed has improved during FY06. The construction of the geothermal power generating plant, the project's largest component, encountered delays due to the long time needed to confirm the adequacy of geothermal steam flow. The Government is in the process of preparing a business plan for the establishment of a Geothermal Development Company, which will regulate the development of private and public geothermal development in the country. On the policy front, the Government has initiated a tariff study, a coal plant study, and a study on customer connection policy for Kenya Power and Lighting Company (KPLC). The Government has engaged a management contractor for KPLC, which will target reduction of system losses, improvement in quality of supply, and improvement in access to electricity and in overall operational performance.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39580	Effective	81.14	4.15	77.00	0.00





Project Name (ID): Financial and Legal Sector Technical Assistance Project (P083250)

Country: Kenya

Board Approval Date : 10/14/2004

Midterm Review Date : 11/30/2007

Closing Date : 03/31/2010

Loan/Credit/Grant Number : DFID-04530, IDA-39920, IDA-Q4090

Sector(s): Law and justice (40%), Central government administration (30%), Payment systems, securities clearance and settlement (14%), Banking (12%), Capital markets (4%)

Theme(s): Regulation and competition policy (P), Law reform (P), Legal institutions for a market economy (P), Debt management and fiscal sustainability (S), State enterprise/bank restructuring and privatization (S)

Project Development Objectives:

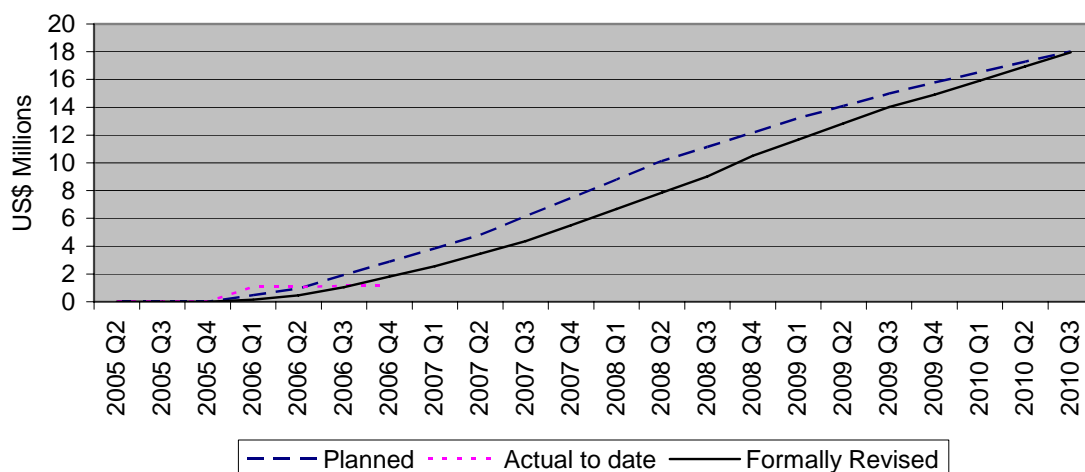
The overall development objective is to create a sound financial system and strengthened legal and judicial capacity that will ensure broad access to financial and related legal services.

Progress toward achieving development objective(s):

Implementation has been slow with only one consultancy activity and one training activity taking place in the last 10 months.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
DFID-04530	Effective	10.00	0.00	10.00	0.00
IDA-39920	Effective	17.93	1.12	16.80	0.00
IDA-Q4090	Closed	0.73	0.00	0.00	0.73



Project Name (ID): Micro, Small, and Medium Enterprise Competitiveness Project (P085007)

Country: Kenya

Board Approval Date : 07/13/2004

Midterm Review Date : 06/30/2007

Closing Date : 06/30/2010

Loan/Credit/Grant Number : IDA-39590, IDA-Q4320

Sector(s): General industry and trade (45%), Micro- and SME finance (35%), Vocational training (10%), Central government administration (5%), Sub-national government administration (5%)

Theme(s): Regulation and competition policy (P), Small and medium enterprise support (P), Improving labor markets (P), Rural markets (S), Tax policy and administration (S)

Project Development Objectives:

The Project aims to increase productivity and employment in participating micro, small and medium enterprises (MSMEs). The project will focus on key value chains and on both formal small and medium enterprises and informal micro-enterprises that have high potential for dynamic growth, including "graduation" from informal to formal status.

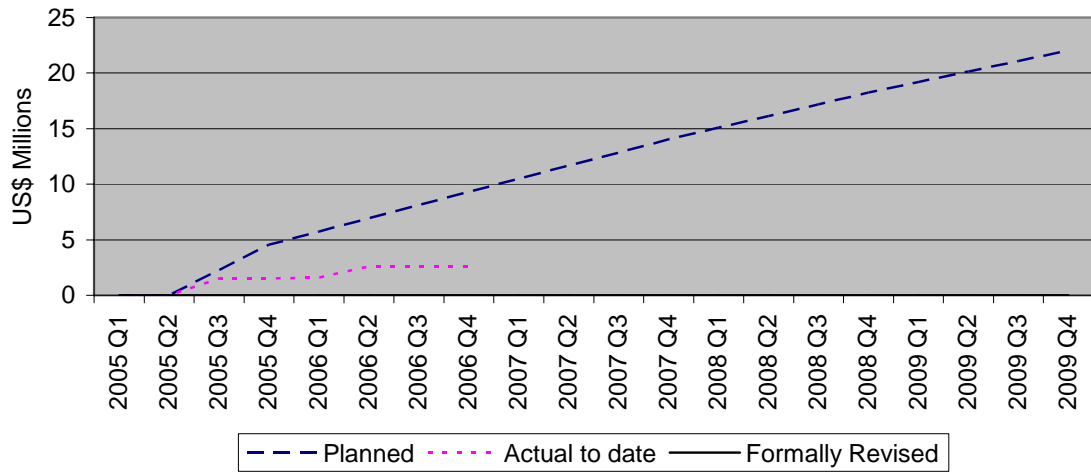
Progress toward achieving development objective(s):

Progress of the project was slow, given the transition of a new Permanent Secretary within Ministry of Trade and Industry, who revisited aspects of the project's design and implementation structure. Despite the delays, the project is now progressing well toward achieving its objectives. (1) The Financial Sector Deepening Trust has been established. This will help deepen and expand the reach of financial services and products that are available to MSMEs; (2) The risk capital fund, an equity vehicle, is in the process of raising funds from private investors (with The International Finance Corporation as lead investor) to begin operations by end of this year; (3) The value chain matching grant is active and receiving applications, which aims to strengthen competitiveness and linkages within each sector and to provide access to business development services; (4) The 3 participating business schools for the Global Business School Network has been selected and the case writing program has been launched, which will strengthen the capacity building of the schools.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39590	Effective	22.05	2.61	19.50	0.00
IDA-Q4320	Closed	0.11	0.00	0.00	0.11





Project Name (ID): Institutional Reform and Capacity Building Technical Assistance Project (P090567)

Country: Kenya

Board Approval Date : 01/24/2006

Closing Date : 11/30/2010

Loan/Credit/Grant Number : IDA-41460

Sector(s): Central government administration (75%), General public administration (15%), Sub-national government administration (10%)

Theme(s): Public expenditure, financial management, and procurement (P), Administrative and civil service reform (P), Managing for Development Results (S), Tax policy and administration (S), Other public sector governance (S)

Project Development Objectives:

The development objectives of the project are to: (a) strengthen public financial management systems, and (ii) to enhance transparency, accountability, and responsiveness to public expenditure policy priorities as well as the effective implementation of Results Based Management.

Progress toward achieving development objective(s):

The Credit was not yet effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-41460	Not Effective	25.43	0.00	25.43	0.00

