



Investing in rural people

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report

Main report and appendices

Mission Dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015
Document Date: 27-Jul 2015
Project No. 110001544
Report No: 3831-KE

East and Southern Africa Division
Programme Management Department

Contents

Abbreviations and acronyms	Error! Bookmark not defined.
A. Introduction	1
B. Overall assessment of programme implementation	2
C. Outputs and outcomes	3
D. Programme implementation progress	16
E. Fiduciary aspects	18
F. Sustainability	21
G. Other	21
H. Conclusion	25

Appendices

Appendix 1: Summary of project status and ratings	27
Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs	31
Appendix 3: Summary of key actions to be taken within agreed timeframes	35
Appendix 4: Physical progress measured against AWP&B, including RIMS indicators	37
Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category	57
Appendix 6: Compliance with legal covenants: Status of implementation	61
Appendix 7: Knowledge management: Learning and Innovation	63

Abbreviations and acronyms

AFC	Agricultural Finance Corporation
AWPB	Annual Work Plan and Budget
BToRs	Back to Office Reports
CAPs	Community Action Plans
CEC	Community Environmental Committee
CFAs	Community Forest Associations
CIGs	Common Interest Groups
FY	Financial Year
FDA	Focal Development Area
FDACs	Focal Development Area Committees
GoK	Republic of Kenya
GLTN	Global Land Tools Network
IFAD	International Fund for Agriculture Development
IGAs	Income Generating Activities
KARI	Kenya Agricultural Research Institute
KEPHIS	Kenya Plant Health Inspectorate Service
KENAO	Kenya National Audit Office
KM	Knowledge Management
M&E	Monitoring and evaluation
MoEW&NR	Ministry of Environment, Water and Natural Resources
MoU	Memorandum of Understanding
NRM	Natural Resources Management
O&M	Operations and Maintenance
PRA	Participatory Rural Appraisal
PTC	Project Coordination Team
RIMS	Results and Impact Management System
TNA	Training Needs Assessment
UTaNRMP	Upper Tana Natural Resources Management Project
WRMA	Water Resources Management Authority
WRUAs	Water Resources Users Association
WSTF	Water Services and Trust Fund

A. Introduction¹

1. The supervision mission of the Upper Tana Catchment Natural Resource Management Programme (UTaNRMP) took place from 16 February to 6 March, 14 to 16 April, and 8 to 12 June 2015. The objectives of the mission were to: (a) review implementation progress and achievement of outputs by component since programme start up; (b) identify implementation constraints and agree on actions to address them; and (c) review the quality of financial and procurement management. Specifically the mission reviewed: (i) the status of implementation against expected outputs since programme start up and the 2014/2015 Annual Work Plan and Budget (AWPB); (ii) the status of execution of actions agreed during the last supervision mission; (iii) financial and procurement management; (iv) infrastructure and contract management processes; (v) the effectiveness of programme coordination; and (vi) the development results to date and sustainability. The mission was ultimately conducted in three phases given the significant issues brought out by the PCT to the attention of IFAD; i.e. the mismatch between the level of financing allocated to the programme through the cost tables versus amount available under financing agreement and accordingly funds are insufficient to meet expenditures for planned PDR activities and programme management leading to overrun, etc. In order to address these issues in a comprehensive manner, IFAD's office secured additional technical expertise over the above mentioned to review the funding issues affecting implementation, provide complementary cost-tables to the programme, and clear recommendations in terms of financial resources for programme implementation and management in line with the terms and conditions of the financing agreement.

2. UTaNRMP came into force on 23 May 2012 and has a Completion date of 30 June 2020 and a Loan Closing date of 30 December 2020. The total Programme cost is USD 68.84 million of which the IFAD Loan I-867-KE is USD 33 million and Spanish Trust Fund Loan 1-E-8-KE is USD 17 million, Government of Kenya USD 11.4 Million while beneficiary contribution is USD 7.50 million. The Lead Programme Agency is the Ministry of Environment, Water and Natural Resources (MEW&NR). The goal of UTaNRMP is to contribute to poverty reduction among the target population of about 205,000 poor households living in the targeted river basins whose livelihoods revolve around the use of the natural resources in the Upper Tana catchment. The programme has two development objectives namely: (i) To enhance sustainable use and management of natural resources (land, water, biodiversity); and (ii) to increase sustainable food production and incomes.

3. To achieve these development outcomes, the programme is implemented through 4 components namely: i) Community Empowerment (US\$ 4.1million or 6% of total project funds); ii) Sustainable Rural livelihoods (US\$ 22.3 million or 32.3% of project funds); iii) Sustainable Water and Natural Resources Management (US\$ 32 million or 46.5% of project funds); and iv) Project Management and Coordination (US\$ 10.5 million or 15.2% of total project funds).The programme area covers 24 river basins and the tributaries of the MKEPP river basins in the 6 counties of Embu, Meru, Tharaka Nithi, Nyeri, Murang'a and Kiriyanga, the associated hotspots (hilltops, wetlands, and degraded areas) and protected areas (forest reserves, national parks and game parks).

4. The mission exchanged with the PCT, senior officials of the National Treasury, members of the Programme Steering Committee (PSC), representatives from the implementing partners² and

¹ Mission composition: Nadine Gbossa, IFAD Country Director (Mission Leader); Joseph Nganga (Country Programme Officer); Peter Situ (Programme manager, EU funded projects); Elizabeth Ssendiwa (Regional Gender and Youth Coordinator); Faten Bokri (Programme Analyst); Caroline Alupo (CFS Manager), Michael Jenrich (Consultant, Agronomist); Samuel Eremie (Consultant, Value Chain Specialist); William Critchley (Consultant, NRM Specialist); Guy Augustin Kemtsop (Consultant, Rural Engineer/Rural Infrastructure Specialist); Frederick Kagaba (Consultant, Financial Management Specialist); Davis Atugonza (Financial Management Specialist).

² The following members of the Programme Steering Committee or their representatives participated fully in the mission and provided insights to the policy and technical issues related to the implementation of UTaNRMP: Thomas Milewa (IFAD Desk Officer, State Department of Water), Emma Mburu (Assistant IFAD Desk Officer, The National Treasury), Eliud S. Mwavali (IFAD Desk Office, State Department of Planning), Henry Ng'eno (IFAD Desk Officer, State Department of livestock), Thomas Ngumi, (Director, Social Development), Mathews Murgor, (Senior Environmental Conservation Officer, Ken Gen), Muia Muindi,(IFAD Desk Officer, State Department of Agriculture), Benedict Omondi,(Senior Assistant Director –KFS), Ibrahim Muchangi (Regional Commissioner's Office- Eastern), Mawira Mungania (Regional Commissioner's Office- Central), Sylvia Kaari Kinyua (Member, Catchment Area Advisory Committee), George S. Gitonga(Chairman, Catchment Area Advisory Committee), Joyce Imende (National Environment Management Authority (NEMA)), Mr. Kinyua Kibaki (Forest Conservation Committee- Central), and Dr.Mworia Mugambi, (Forest Conservation Committee- Eastern

technical service providers, to appreciate the progress of their contribution to the programme's implementation. The mission also visited selected programme activity sites³ in the six counties. The mission is grateful to the Government of Kenya and the PCT for the facilitation of the mission.

B. Overall assessment of programme implementation

5. Following entry into force in May 2012, UTaNRMP is in its third year of execution. The PCT was appointed in February 2013, however there was delay in start-up of programme implementation until April 2014, due to challenges associated with the implementation of the new constitution. This related to the national devolution process engaged by the Government induced by the new Constitution and the timeline required to promulgate the related provisions for the management of funds for development programmes cutting across counties, the new decentralized unit of governance. Although the national devolution process is an element out of the control of the Lead agency and the PCT, UTANRMP was rated as a 'problem project' due to the resulting implementation/disbursements lags.

6. However during the period under review, the mission was pleased to note that the PCT completed significant preparatory work to ensure implementation readiness upon release of the loan proceeds such as baseline studies, Participatory rural Appraisal (PRAs), identification of beneficiary groups and basic capacity building activities. The PCT developed an action plan to fast-track implementation upon release of the funds structured including the following actions:

- i.* Sensitization and Awareness-raising: More optimal grouping of participants to reach out to the targeted audiences over a shorter period of time;
- ii.* Undertaking of all preparatory activities necessary to launch procurements of support items like vehicles and office equipment;
- iii.* Fast-tracking implementation particularly of big ticket items like in procurement of the electric fence material in bulk etc.

7. Accordingly, programme disbursements in February 2015 stood at SDR 2.9 million for the IFAD Loan 867-KE and Euro 2.1 million of the Spanish Trust Fund Loan 8-KE, representing a disbursement rate of 14% and 17%, respectively. The reported level of counterpart fund contribution by GoK is below target KES 120 million equivalents to USD 1, 3 million against an appraisal target of USD 11, 3 million for the period under consideration (12%). This is also related to the delay in programme disbursements.

8. Category disbursement for the IFAD Loan reflects the emphasis put by the PCT on preparatory activities -development of approaches and methodologies, planning, sensitization, etc. - to effectively launch programme interventions on the ground. Disbursements for Technical assistance stand at 27%, Sensitization, training workshops and studies at 20%, and for the Spanish Trust Fund Loan, Technical assistance (19%). The relatively high level of disbursement on the Salaries and allowances category under the Spanish grant is linked to the fact that all related expenditures were temporarily charged to the this source of funds as IFAD loan funds for this purpose were not available until April 2014 as explained above. The corresponding budget execution per component is as follows: Community Empowerment 36%, Sustainable Rural Livelihood 15%, Sustainable Water and NRM 6%, and Programme Management and Coordination 27%. Commitments amounting to USD 4.192 million, whose contracts have already been signed, if fully disbursed as planned should ensure a minimal budget execution of approximately 61% by the end of the 2014/15 Financial year.

³ Tharaka Nithi County – Nithi WRUA and conservation site, Chogoria CFA , Chogoria wild life control fence, and Tharaka FFS Nyeri County – MIK Dairy SHG, Ragati CFA, Ragati forest rehabilitation site, Gatunduga FDAC, Kaugi Unit SHG and fish pond, ;Embu County – KALRO seed bulking site, water laboratory at WRMA office, CIG on bee keeping; Meru ,Gitije Disabled SHG and Ruthumbi Forest Rehibition Site; Murang'a Mumbui-ini Farmers Field and Life Project and Kuhuhurini Secondary School-School Greening - energy saving jikos; and Kiriyanga - KaritiNgando Energy Group and FDAC and Kangaita Forest Station.

C. Outputs and outcomes

9. The report below provides a review of programme outputs and outcomes by component based on the mid-year progress data up to 31 December 2014.

Component 1 – Community Empowerment

10. The objective of the component is to empower rural communities to sustainably manage natural resources while also improving their livelihoods, food security and nutrition. Accordingly, Component 1 is structured around 3 subcomponents: (i) Sensitization and awareness raising; (ii) Establishment and strengthening of key community structures; and (iii) Community action plans for livelihood improvement and sustainable NRM. Expected outputs are: (a) Communities awareness of sustainable NRM is increased; (b) Key community organizations capacity to manage natural resources sustainably is increased; and (c) Community action plans for livelihood improvement and sustainable NRM are implemented.

Subcomponent 1.1 - Sensitization and Awareness-raising

11. The programme objective under this sub-component is to stimulate interest and awareness on sustainable rural livelihoods and NRM through training and sensitization of staff at county and sub-county level; public meetings (barazas); mass media campaigns; school greening programmes; and competitions and awards for good environmental stewardship.

12. **Training and sensitization:** The mission was pleased to note that the programme conducted the training and sensitization of designated county/sub county staff, and chiefs/assistant chiefs in the 24 river basins and tributaries of MKEPP. These sessions provided an opportunity to raise their awareness in sustainable NRM and to familiarise them with the concepts/objectives of the Programme to support implementation at their levels. The trainings were based on a substantive methodology developed by the PCT technical team; i.e. mixed sessions alternating working groups, presentations and plenary sessions sustained by hand-outs, reference material and a detailed overview of expected achievements for each component. The mission acknowledged the positive results of the measures taken by the PCT to fast-track programme outreach in terms of sensitization and awareness raising; e.g. more optimal grouping of participants to reach out to the targeted audiences over a shorter period of time. A total of 1257 out of a target of 1320 county staff and officials in 34 sub counties were reached, representing an achievement rate of over 95%. Similarly, the PCT reported that public meetings targeting community members were also completed during the period under review. To reach out to a larger number of stakeholders, the PCT relied on Focal Development Areas (FDA) with a population of 800-1200 households as the central venue for community sensitization organized in concomitance with the PRAs. Barazas were organized under the leadership of county department of social development, the community chiefs offering a forum to exchange with the communities opportunities offered through UTaNRMP and modalities for community participation. To sustain stakeholders' sensitization and awareness creation, the PCT developed communication material including posters, leaflets and brochures on the programme implementation modalities, expectations and roles of communities.

13. **Schools greening programmes:** The programme's objective is to support about 3,500 schools in a tree planting by instilling a culture of environmental conservation in the pupils, while contributing to increasing tree cover through demonstration sites for neighbouring communities. The PCT reported that during the period under review, tree planting had been supported in 425 schools providing them with 500 seedlings each (against a target of 100 seedlings per school). The PCT also developed communication materials on environmental conservation to support this activity. The PCT justified an increase in the number of seedlings distributed to each participating school by the will to ensure that at least each pupil in the targeted school would be able to "plant/adopt a tree". While the mission commended the programme on achievements in this area, it was brought to the attention of the PCT that their proposal to increase the number of seedlings per school supported by the programme would lead to a reduced impact in terms of outreach to children on environmental conservation.

14. *The mission recommended that the programme's targets in terms of number schools supported by the programme to instil a culture of environmental conservation in the pupils be maintained within the allocated budget to ensure that outreach/impact in this area remains at the expected scope.*

15. *Competitions and awards for good environmental stewardship:* The objective of the scheme is to instil a culture of environmental conservation through competition and recognition of the best efforts in conservation. The programme took advantage of the sensitization and awareness raising campaigns to inform stakeholders that the best environmental conservation initiatives will be recognized.

16. *The mission recommended that the process and selection criteria for winning environmental stewardship be developed by the PCT so that the scheme can be launched under the 2015/16 AWPB.*

Subcomponent 1.2 - Establishment and Strengthening of Key Community Structures

17. This sub-component aims at the creation and/or strengthening of community organizations to implement sustainable livelihood and NRM initiatives through the provision of technical assistance and training. The programme support is focussed on the Water Resources User associations (WRUAs), the Focal Development Area Committees (FDACs), and the Community Forest Associations (CFAs). The delineation of Focal Development Areas is also central to identifying programme intervention areas. During the period under review the PCT reported the following:

- **Capacity Building for Water Resources User associations (WRUAs):** It was planned that with the support of NRMP through the Water Resources Management Authority and funding from WSTF, 19 new river basins in the programme area would have functioning WRUAs and that upon start up UTaNRMP would provide support to develop their capacity and implement their SCMPs. The PCT reported that WRUAs were not operational when activities were launched therefore during the period under review; the Programme supported the formation of 19 new WRUAs along the river basins through the identification of stakeholders within the common water resource, the development of their internal governance framework, and their registration by the county social development office pending their registration under the societies act. The programme also provided them with training for the development of their Sub Catchment Management Plans (SCMP). With regard to the programme approach to capacity build WRUA, the mission noted that the training programme of WRUAs covers the main issues related to efficient management of catchment areas, i.e. data collection for development of SCMP, income generating activities and climate change issues that affect the water flow, sustainable use of water and poverty alleviation, gender equity, ownership, laws, conflicts and conflict management, leadership, book keeping etc.

- **Capacity Building for Focal Development Area Committees (FDACs):** The FDACs are responsible for project in implementation and monitoring of activities implemented within their

County	Repartition FDACs
1 Kirinyaga	36
2 Murang'a	21
3 Nyeri	19
4 Meru	32
5 Tharaka Nithi	20
6 Embu	27
Total	158

FDA. In this context, the mission was pleased to note that the programme launched the training of the FDACs through the county social development staff on their roles and the basic skills they require to support programme execution. It was noted that the training covered areas such as the role of FDAC in the matching grants process including UTaNRMP's approach, monitoring of community projects funded under the grants, leadership, constitution and bi-laws making, book keeping, conflict management, and cross cutting areas like gender mainstreaming and HIV. The PCT reported that 114 FDACs had been trained during the period under review across Meru, Nyeri, and Kirinyaga and Embu counties. In Tharaka Nithi and Murang'a counties. 29 PRAs were ongoing to complete the delineated FDAs in the 12 high priority river basins and tributaries of MKEPP which will lead to the formation of new FDACs. The repartition of FDACs by county is summarised in the table below.

- **Capacity Building for Community Forest Associations (CFAs):** With regards to CFAs, the PCT reported that the 8 newly CFAs formed in the gazetted hills within the project area have been taken through the preparation of PFMP. The programme has planned to take CFAs through capacity-building training in group governance like the FDACs. The launching of the grant scheme from the WSTF to fund the implementing of the PFMPs will be launched as a priority activity of the 2015-16 AWPB.

Subcomponent 1.3 - Community Action Plans for Livelihood Improvement and Sustainable NRM

18. This sub-component aims at developing Community Action Plans (CAPs) which reflect community needs and priorities through the delineation of Focal Development Areas (FDAs), Participatory Rural Appraisals (PRAs) to assist communities to develop Community Action Plans for funding by a development partner and the community. During the period under review the PCT reported the following achievements:

- **Delineation of Focal Development Areas:** The PCT reported that with the involvement of chiefs and assistant chiefs and communities, 185 FDAs were delineated to date which represents 91% achievement of the PDR cumulative target of 203 by PY3. The mission was pleased to note that despite start up delay, achievements are in line with targets following the measures taken by the PCT to fast track conducting PRAs in the 12 priority river basins identified in the design.
- **Participatory Rural Appraisals:** The mission was pleased to note that the PCT reported that training of 440 county officers out of a target of 450 (97% achievement rate) was conducted through a specialized service provider on PRA methodology and tools used in gathering data to be used in the preparation of community Action Plan. The PCT reported that the programme procured the services of a consulting firm to conduct the training. Building on these capacity building results, PRA were launched and the PCT reported that 158 CAPs were developed and underwent community validation in the six counties while 28 are on-going. Following the adoption of CAPs by the community, the PRA team supported the communities in forming an FDAC to promote community participation in implementation, supervision, monitoring and reporting. The CAPs will guide the selection of proposals for matching grants.

19. In addition, the mission was pleased to note that the PCT completed a gender baseline study to gather information on the differences in the conditions, needs, participation rates, access to resources and development, control of assets, decision-making to guide the programme in setting up gender specific approaches to address identified constraints. A training needs assessment was also conducted to determine the training needs and gaps of the technical officers and implementing CBOs.

20. While it is foreseen that grant supervision will be conducted through the community FDACs, the mission noted that the responsibilities of the programme's oversight agent include both appraisal and monitoring responsibilities for selected proposals.

21. *To allow the communities access a wider range of programme activities, including proposals for CIGs, school greening programme, civil works (irrigation), spring water protection etc., the mission recommended that the programme completes scheduled PRAs and CAPs for of the 12 priority river basins and MKEPP tributaries.*

22. *It is recommended that the mandate of the independent agent for the third call for proposals, the terms of reference be adjusted to remove the monitoring of milestones, which are planned under the existing community organization arrangements (FDACs, WRUAs and CPFT). This would ensure that the role of each actor in the monitoring process is clarified and reduce layers in this process. It is also recommended that the PCT includes in grant agreements the minimum performance indicators to be achieved by the group in terms of profitability, technical and financial management.*

Component 2 – Sustainable Rural Livelihoods

23. The objective of the component is to improve the incomes and living standards of the target group using interventions that are sustainable and beneficial to the management of the natural resource base. Accordingly, Component 2 is structured around the following sub-components: Adaptive research and demonstrations; and Adoption of Income Generating Activities (IGAs). The expected outputs of Component 2 are: (i) agricultural packages (including crops, livestock, aquaculture, apiculture, etc.) adapted to various agro-ecological and socio-economic contexts; and (ii) Common Interest Groups (CIGs) successfully adopt or improve farm and/or non-farm income generating activities (IGAs).

Sub-component 2.1: Adaptive research and demonstrations

24. This sub-component aims at addressing technical and knowledge constraints to improved livelihoods in the Upper Tana catchment. To that end, the programme support is focussed on on-farm trials and demonstrations; soil fertility enhancement; and seed multiplication and distribution. The PCT reported that the PRAs which led to the development of CAPs brought into light farmers' productivity constraints in farming KALRO *formerly KARI*) also participated during the PRA exercise in-order.

25. Following the formation of FDAs and the CAPs, the PCT successfully negotiated an MoU with KALRO Embu to support the programme in responding to the production constraints faced by the farmers Signing of a *MOU with KALRO* (Under this agreement, KALRO participate in PRA to take stock of farmers' constraints in focus areas and provides technical leadership for on-farm trials/demonstrations, soil fertility and seed multiplication, PRA activities, development of AWPB, and reporting.

26. **On farm trials and demonstrations:** The PCU reported that KALRO completed a quick reconnaissance survey to all FDAs which have been established to determine the type of on farm/demonstrations trials and seed requirements in the project area. A pair wise ranking of key production constraints and selection of key thematic areas for demonstration was done based on the zonation (upper, middle and lower zones) and where each technology fits best and also types of seed to be multiplied were identified. The mission noted with satisfaction that: (i) technologies for demonstration were identified and schemes launched; (ii) sites were identified and extension staff in liaison with FDAC officials led the selection of farmers across the FDAs; (iii) procurement of inputs and other materials; (iii) training were conducted for area farmers. The PCT reported that a total of 60 sites have been established against a target of 270 (22%) for the short rains. It is estimated that a further 100 sites will be established by May 2015 (long rains) bringing the achievements to a total of 160 sites corresponding to 60% of PY3 target. The mission was pleased to note that in order to fast-track achievements the programme supported the establishment of sub-county implementation teams, facilitated with equipment and vehicles.

27. The mission noted that that the selection of the participating farmers for on-farm-trials and demonstration did not follow a structured approach and was based on area farmers who were interested in following the training. Accordingly, no post-training mechanisms has been put in place to monitor farmers' adoption of demonstrated technical packages and progress in addressing production constraints.

28. **Soil fertility enhancement:** Through the partnership with KALRO, the programme reported that the following was achieved during the period under review:

- Soil sampling was conducted in all FDAs for selected farmers to determine nutrient requirements and assist in designing the multi-treatment trials on soil fertility 300 samples. Nitrogen was identified as the most limiting nutrient while in some cases phosphorus was detected. However in most farms acidity was also identified as a key issue due to continuous use of DAP fertilizers;
- Site selection and setup of demonstrations plots followed by the training of the farmers by KALRO and county extension ensuring that it addressed constraints emerging from the soil analyses and investigated soil fertility enhancement options. The demonstration thus included the use of leguminous crops in combination with farm yard manure and inorganic fertilizers. In some sites liming was done to show effects of increasing the PH to crop production.

29. In terms of physical achievements, the PCT reported that a total of 6 sites were established against a target of 15 in PY3 (40% achievement rate) and 60 on-farm trails/demonstrations completed. It is estimated that an additional 6 sites will be established giving a total of 12 sites by the long rains which is 80% of PY 3 target.

30. *The mission reiterated its recommendation that the PCT develops a structured approach for selection of beneficiary farmer groups and ensure the effective monitoring of participating groups to track level of adoption of technologies, results and impact. Concerning the training content, the mission recommended:*

- i. *Alignment and complementarity of the Farmer Field School (FFS) demonstrations and the Income Generating Activities(IGAs) of the Common Interest Groups whenever appropriate;*

- ii. *The inclusion of aspects of Good Agricultural Practices (GAP), Conservation Agriculture (CA), Climate Smart Agriculture (CSA) and NRM in the training curriculum as soil and land degradation are major contributors to declining/fluctuating yields in farming areas; and*
- iii. *An output-oriented focus rather than numbers-oriented.*

31. **Seed multiplication and distribution:** Under these activities, KALRO is also the programme's main implementation partner given its mandate to develop new varieties, ensure their adaptation to different zones, and their multiplication through seed companies or contract farmers. In the framework of the MOU with the programme, the mission was pleased to note that PCU reported that during the period under review KALRO initiated:

- The identification of the seed and planting materials which will be multiplied in the field following a two stages- approach: (i) engaging farmers in identifying major seeds for multiplying in the backdrop of the problems identified in during PRAs, (ii) collaborating with county implementing teams. The crops identified for multiplication were (i) legumes - beans, green grams, cowpeas (2 varieties); and (ii) root crops- Cassava, Sweet potatoes and Irish potatoes.
- The identification of the sites for farmers to do seed multiplication using the following criteria: farmers must belong to a group, have irrigation facilities and zoning -upper, middle, lower zone- for the different types of crops and fodder;
- The training of the sub-county field staff and contract farmers in techniques of seed production and management ;
- The multiplication of basic seeds through contract the farmers ensuring quality control. The PCT indicated that a total of 40 tonnes of basic seed have been produced against a target of 80 tonnes representing a 50% achievement against PY3 targets.
- The facilitation of seed marketing through a retrieval system and distribution (selling or contracting new farmers in other FDAs) to other farmers.

Seed quantities multiplied at KALRO farms

Crop	Quantity
<i>Legumes</i>	
Beans: Kat 1 & Kat X56	1434 kg
Green grams N26	108 kg
Cowpeas m66 and K80	470 kg
<i>Root crops</i>	
Cassava	not yet harvested
Sweet potatoes 8,600 cuttings & Irish potatoes	affected by rhizoktina disease and could not be used as seed

32. To facilitate both KALRO and extension staff while implementing the activities for the component, 10 vehicles have been procured. In addition, the procurement process for the setup of a seed store at KALRO Embu where all the seed produced will be sorted, graded and packaged ready for distribution is at completion stage. As for the soil equipment and the seed equipment, the procurement process is also almost complete. The soil equipment will be used to assist target farmers to collect soil samples and support allows analysis to take place in Embu instead of taking them to KALRO Nairobi, while the seed equipment will be used to process seeds in the programme area when harvested from farmers' field and even from KALRO farms meeting the requirements of KEPHIS, the regulatory body for seeds.

Overview physical achievements in adaptive research & demonstrations

Activity	Unit	Target PY3	Achieved	
			(#)	(%)

Activity	Unit	Target PY3	Achieved	
			(#)	(%)
On-farm trials and demonstrations	Plot s	270	60	22
Soil fertility enhancement	Sites	15	6	40
Seed multiplication and distribution	Kg	80,000	40,000	50
Construction of seed stores	No	1	0	0
Procurement of vehicles	No	10	10	100
Procurement of motorcycles	No	74	40	54
Soil testing equipment	No (set)	1	0	0
Seed equipment	No (set)	1	0	0

33. *The mission recommended that the programme capitalizes its approach based on the training a pool of contract farmers to multiply the seeds, and capacity building of extension staff (technical and equipment), and the facilitation of the marketing of the seeds to swiftly scale up targets and achievements in this area under the 2015-16 AWPB.*

Sub-component 2.2- Adoption of Income Generating Activities

34. This sub-component supports CIGs with matching grants to adopt IGAs that are beneficial to the CIG as well as the wider community, especially downstream water users through.

Overview of physical achievements under IGAs

Activity	Unit	Target PY3	Achieved	
			(#)	(%)
Matching grants to CIGs	Grants	760	174	23
Independent oversight agent	No	760	1	N/A
Farmer Field schools	No	254	75	30
FDA/CFA level meetings with financial service providers	Meetings	380	0	0

35. **Award of matching grants for CIGs engaged in IGAs:** The matching grant scheme to farmers aim at support income generation capacity while contributing to the conservation of natural resources, either on their own farm or on hotspots threatened on the sloppy, top hill or side hill surrounding his community. Selection of the enterprises will be made by the CIGs, but technical and financial, support from the programme will be subject to a number of NRM criteria. Only enterprises assessed as having neutral or beneficial environmental impacts will be supported. It is foreseen that IGAs identified as priorities in the CAPs developed will be implemented by small CIGs of 20 – 30 members. The CIGs will be for the purpose of accessing inputs, organising training, bulking produce for marketing, and facilitating access to financial services. Grants to CIGs are expected to average around KSH 0.5 million with a maximum of KSH 2.0 million. Improved access to financial services should improve the enabling environment for rural IGAs by connecting farmers to sustainable sources of credit and other financial services for financing both investments and recurrent expenditure.

36. The mission was pleased to note that the PCT was able to operationalize its grant scheme during the period under review. A matching grant manual was developed to define steps and procedures to be followed by all CIGs to competitively apply for the grants to finance their income generating/NRM projects. The PCT reported that the first call for proposal was launched in August 2014. A total of 1498 proposal were received at PCT and were appraised by the programme's Independent Oversight Agent (IOA). A total of 235 groups qualified for award of the grants against a target of 760 groups (31% of the target for PY3) and a total of ksh 34 million disbursed to beneficiary

farmer groups. The programme also provided training to 1,019 leaders of the grantee CIGs to ensure effective implementation.

Distribution of CIG grants by county and subsector

County	Livestock	Crop	Environment	Fisheries	Total
Embu	22	2	3	3	30
Kirinyaga	14	11	14	2	41
Meru	23	7	7	2	39
Tharaka Nithi	30	2	8	2	42
Nyeri	10	6	14	3	33
Murang'a	27	6	15	2	50
Total	126	34	61	14	235
Per cent	54	14	26	6	

37. While, the mission commended the capacity of the PCT to operationalize the grant scheme in a reasonable timeframe, the mission took note that the implementation has faced some challenges including:

- The length of the period to process the proposal over three months (90 days);
- The high number of proposal vs the amount allocated;
- The weak flow of information to and from CIG;
- The low quality of group proposals especially in areas of good quality enterprise model, business plan and sustainability mechanisms; and
- Unsustainable overhead costs for the management of the grant scheme ;

38. The mission noted that the above challenges contributed to a low level of achievement under the grant scheme. The PCT indicated that to address these constraints; (i) the budget item in AWPB 2015/16 to support the CIGs was increased from Ksh 70 million to Ksh 175 million; (ii) a revision of the grant procedures will be conducted in view of more effectiveness.

39. *The mission recommends that the PCT takes immediate measures to reduce the overhead costs associated with the grant scheme so that programme funds are used in priority for group investments rather than management costs. To that end, the mission recommends that :*

- i. The budget for the monitoring of the grant remains within the 3% of the resources allocated to the CIG for use by FDAC. The monitoring should be based on minimum performance indicators to be achieved by the group in terms of profitability, technical and financial management. A reporting form certified by the FDAC, the WRUA, and the responsible officer at the Country Programme Facilitation Team (CPFT) should be the basis of the reporting mechanism;*
- ii. The training to grant awardees should be limited to governance for the leaders (financial management, procurement and record keeping), while technical training should be provided by the extension services as provided in the design;*
- iii. The programme should discontinue the 'special category' IGAs in the Grant Manual which are associated with transaction high costs, lack transparent appraisal criteria, and would consume a large chunk of the grant funds contrary to the principle of matching grants aimed at small investments that would lift people out of abject poverty. Proposals requiring a higher than planned level of investments should be referred to financial institutions; and*

- iv. *On the concern raised by the programme about the high cost of electronic fund transfers to the bank accounts of the grant recipients, the first tranche could be paid by cheque to allow for necessary publicity at the county level, but all subsequent tranches should be paid through electronic transfers for security and better monitoring.*

40. The mission assessed the distribution of the approved 235 grants among the subsectors and counties and observed that livestock IGAs received more than 50% of the number of grants. Overall, the mission observed that most of the activities under Component 2 are implemented largely as stand-alone, with insufficient linkages and synergies between interventions.

41. *The mission recommended that the PCT monitors the financial allocations to the counties and subsectors through the grants ensuring a fair distribution of grants across the various areas of the community livelihoods. With regard to the grant process, the mission concurred with the need for revision in view of enhanced effectiveness. Detailed recommendations are provided in annex 1 and include that :*

- *The PCT organize a learning session with the IFAD-funded SDCP to share lessons learned in the management of their respective grant scheme and best practices to guide the revision of their respective manuals and promote harmonization in approaches where applicable;*
- *The grant cycle be revised to follow a sequenced process specifying the roles of the different actors involved including independent oversight agent including steps and timeframe;*
- *The group business plan be more substantive and include standard elements of profitability, as well as organizational, technical and financial capacity of the group to carry out proposed activities; and that the PCT devises modalities of technical support to assist the groups in this area given identified capacity gap.*

42. The mission also expressed concern over the fact that the programme's approach in terms of poverty-environment nexus was inadequately mainstreamed in the grant scheme. Many of the selected IGAs were lacking an affirmative NRM focus.

43. *The mission recommended that IGA requests be also assessed against their integration of NRM/climate-resilient activities that act as a demonstration alongside the grant enterprise itself. In this context it is recommended that all grants be assessed for "environmental compliance" through higher scores for proposals with environmental provisions to reflect the poverty-environment nexus of the programme.*

44. **Independent oversight agent:** PCT recruited an independent oversight agent (Agricom consulting firm) to undertake the work. During the period under review, the PCT contracted the independent oversight agent to appraise the CIG proposals for matching grants, make award recommendations and follow up on the attainment of milestones of the IGAs to trigger the release of subsequent tranches. The mission considered this process to constitute a potential conflict of interest, with the appraiser also monitoring attainment of the milestones of the proposals, it recommended for selection. The assigning of the monitoring function to IOA also contributed to the high overhead costs for running the scheme as this activity was foreseen under existing arrangements with FDACs, WRUAs and CPFT.

45. *It is recommended that in recruiting an independent agent for the third call for proposals, the terms of reference should be adjusted to remove the monitoring of milestones, which should be done under the existing arrangements (FDACs, WRUAs and CPFT) and change the designation of the agent to Independent Appraisal Agency (IAA) as is the case with the grants managed by WSTF. This would ensure that the role of each actor in the monitoring process is clarified and reduce layers.*

46. **Extension services to support CIGs:** The PCT followed the FFS approach to enable farmers to investigate a wider range of sustainable land management problems and where technical staffs are positioned as facilitators rather than trainers. During the period under review, the programme reported that a total of 61 staff were trained as TOT for FFS to spearhead the establishing of FFS groups in the FDAs. Under the 2014/15 AWPB, a total of 75 FFs were established against a target of 254 in year 3 (30 % achievement rate). The mission appreciated that the following measures have been put in place by the PCT to increase the number of FFS: (i) a further 20 staff will be trained on FFS to scale up support to target communities in their setup; (ii) the extension staff who were

trained by MKEPP to establish FFS and are within wards which are in the FDAs will also be contracted to increase the programmes outreach; (iii) the budget to support the establishment and support of FFS from ksh 10 million to 15.24 million under the upcoming AWPB.

47. *The mission recommended that programme support through extension, demonstrations, specific research and input support to be better aligned to groups' FFS and CIG projects specific investment interventions for complementarity.*

48. **Improved access to financial services:** To ensure financial services, sustainability and continuation of the funded CIG, it was envisaged that funded activities would be able to access further funding through the IFAD supported PROFIT programme. However, PROFIT is not fully operational.

49. *It is recommended that the PCT organizes a learning session with the IFAD-funded SDCP to share lessons learned on linkage of groups with financial institutions and contract technical expertise to update the strategy of the programme in this area to guide implementation.*

Component 3 – Sustainable Water and Natural Resources Management

50. The objective of the component is to improve the sustainable utilisation of water and other natural resources in the Upper Tana catchment, to that end the component is structured around two themes (i) sustainable management of water resources; (ii) sustainable management of forest and agricultural ecosystems. The expected outputs are that water resources, forests, and agricultural ecosystems of the Upper Tana catchment are sustainably managed.

Sub-Component 3.1: Sustainable management of water resources

51. This sub-component support community-based water resource management through support for: (i) implementation of sub-catchment management plans (SCMPs); (ii) community water development and management (rainwater harvesting and storage, rehabilitation of boreholes, wells, pumps, and springs); (iii) water-saving irrigation technologies; (iv) remedial works at environmental hotspots.

52. **Support for implementation of sub-catchment management plans (SCMPs):** The mission noted that during the period under review, the PCT facilitated the signing of the MOU with WSFT. The MOU details the roles of the parties, the scope of the work, performance monitoring and review, risk mitigation strategies, financial and procurement procedures, and eligibility and selection criteria of the WRUA and CFA proposals through WSTF. WSFT advertised for the first call for proposals in July 2014 and 21 WRUAs and 25 CFAs proposals reached WRMA Regional Offices by September 2014. The proposals were appraised (desk and field) by a secretariat comprised of WRMA and KFS staff and forwarded to WSTF for review by the Independent Oversight Agent based at WSTF. However, the PCT reported that in January 2015, the Ethics and Anticorruption commission (EACC) suspended the contract with the oversight agent following a claim questioning the transparency of the procurement process. The PCT reported that since then the EACC has not submitted their findings to WSTF and processing of WRUA and CFA proposals for grants have been on hold. The mission raised the following concerns on the contracting of the oversight agent:

- i.* The delay in following up in the claim over the procurement process and exploring alternative measures, which led to a suspension of activities since January 2015;
- ii.* The programme approach for this activity provides that the PCT will follow the Water Development Cycle (WDC) developed by WSTF to support participatory water resource management through WRUAs. Underlying the MOU between the programme and WSTF is the recognition that the PCT, WRMA, and implementing counties and sub-counties have sufficient capacity to support WRUAs to prepare and forward proposals, which will be appraised (in collaboration with WRMA and other technical partners) and approved by WSTF, and that WSTF has capacity to, supervise implementation of projects, monitoring and evaluation and reporting, including taking corrective action without having to recruit another oversight agent.
- iii.* In line with the WDC cycle, funding applications should therefore be appraised by WRMA rather than another oversight agent using set criteria. Where participatory forest management activities are included in a proposal, WRMA is expected to involve the participation of staff of the Kenya Forest Service in the screening process.

It is recommended that the PCT addresses the issues of lack of compliance of proposals with thresholds and technical requirements through adherence to the WSTF process for funding of WRUA activities in community water development and management water-saving irrigation technologies which provide that:

- i. Level 1- grants for newly established WRUAs have a maximum of Ksh 1.0 million. Once the specified activities have been implemented, WRMA and WSTF audit the results and financial records. If the audit report is satisfactory, the WRUA may then apply for a second grant. Second and subsequent grants have progressively higher ceilings.
- ii. Grants for mature WRUAs progress from Ksh 2.0 million to Ksh 10.0 million depending on performance. The maximum for a single WRUA is Ksh 50 million over ten years.
- iii. To help groups meet technical and technological requirements and produce viable and technically acceptable proposals, grants should be used as a first step for some of the following: (i) training and capacity building; (ii) preparation of SCMPs; (iii) hydrological studies and surveys; etc.
- iv. The MOU will specify any required modifications to the current proposal screening and grant award processes for the use of IFAD funds.

53. *The mission also recommends that the PCT should fast-track the implementation process of these activities to generate expected impacts at the end of the programme.*

54. *The mission recommended that the PCT realigns the management process of the SCMP and PFMPs to the WDC approach with WSTF managing through WRMA/KFS and not through another oversight agent, the appraisal, monitoring and evaluation of activities funded through the grant scheme. The PCT should also (ii) design a framework for early capture of the participation/contribution of the WRUAs; and (iii) together with WRMA/KFA organises field visits and experience sharing sessions between the WRUAs/ CFAs on the implementation of their SCMPs/ PFMPs.*

55. **With regard to grants for community water development and management:** The PCT reported that the first call for CIGs proposals in August 2014. The independent oversight agent submitted its final report in December 2014 where it recommended that water proposals could not be funded under the matching grant category as some proposals were above the set threshold of KES 2 million, others did not meet technical requirements (e.g. technical designs, Water authorization permit, way-leave), or did not meet the 10% cash contribution. The mission noted with concern that following the oversight agent's recommendations, the programme decided to implement these proposals under the civil works category. 10 springs, 5 shallow wells, 2 intakes and 10 rain water harvesting tanks proposals were found ready for funding under the current financial year and others planned for funding under subsequent years. The mission was further concerned that the WRC recommended that in the future the water subcomponent proposals budgeted under civil works do not need to be evaluated by the independent oversight agent.

56. Concerning water-saving irrigation technologies, the mission noted with concern, that after the WRC guidance on the requirements, only one project -which will irrigate 40 ha- is ready for implementation. This will be implemented in this financial year. Other 11 irrigation projects are reported by the PCT to be at different stages of preparation. The PCT explained that for a civil works project to be considered ready for implementation it should include the following elements a design report signed by an Engineer, drawings, an authorization from WRMA to abstract water, way leave, an Environmental Impact Assessment, a 10% cash contribution, and willingness to contribute 20% through unskilled labour and local materials. The mission reminded the PCU that grants for community water development and management water-saving irrigation technologies also fall under the grant scheme managed by the WSTF and are thus expected to follow WSTF' funding approach.

57. *In order for the project to achieve the PDR target for civil works (In take devices – 2No., Dams 10 No., Springs 100No., Boreholes 55 No., Shallow wells 55 No. and 2000 Ha of Irrigation schemes), the PCT will develop a guideline on implementations of community civil works activities including dams, irrigation schemes, shallow wells, boreholes, intake devices and springs.*

58.

59. **Remedial works at environmental hotspots:** The design provided a lump sum of KSH 6 million for each of the first seven years of the programme. As at the time of the mission, the PCT did not provide clear ideas yet of where priority action needs to be taken.

60. *It is recommended that: (i) the programme fast-tracks the identification of hotspots where rapid and visible gains can be made. Prevention of erosion from roads is one such initiative but this should be only on minor drainage channels and not where major engineering works are required;; (ii) interventions for treatment of riverine/riparian zones should be prioritised with a focus on perennials that are both productive and protective ('three Ps'); and (iii) experiment the idea of planting giant bamboo, provided care is taken of the potential invasion of the plant.*

61. **Water quality monitoring:** The programme is expected to support the building and equipping of the Embu and Aberdare's water laboratories; the technical training for laboratory staff; and training on water sampling for about 60 county staff. The mission was pleased to note that the PCT reported that the contracts for the construction of Embu and Aberdare's laboratories were signed on 7 August 2014 and 31 July 2014 respectively and works are on-going. The mission noted with satisfaction that construction works are following a single design and drawing for both construction sites, for the sake of time and money saving. Also, staff from Water Resources Management Authority (WRMA) and Ministry of Water was involved during the early design stage of these buildings. The mission however advised on some slight changes on the original drawings, in order to improve the functioning of the facilities, without compromising their structural frame.

62. *The mission recommends that PCT should ensure that: (i) an approach for a sustainable management of the water laboratories by WRMA is clearly defined with roles and responsibilities well set up; (ii) it receives from the Embu contractor a request for extension of the contractual period (without financial implications), including an updated work programme; (iii) all the light changes suggested by the mission to improve the original design are incorporated during construction works of the two buildings; and (iv) the Murang'a laboratory should be provided with equipment as soon as possible after completion of works.*

63. The programme reported that a hydrological baseline survey has been carried out, aimed at gathering qualitative and quantitative data that would help in assessing the hydrological situation in the programme area. *The mission recommended that the PCT should incorporate all the recommendations and relevant issues raised by the hydrological baseline survey into practical implementation actions in the field to generate earlier results/impacts.*

Sub- component 3.2: Sustainable Management of Forests and Agricultural Ecosystems

64. This sub-component will provide support to various community groups to improve their management of agricultural and forest lands through: rehabilitation of degraded forest reserves; institutional support to Kenya Forest Service (KFS); efficient use of fuelwood; reduction of human-wildlife conflict; and soil and water conservation on farm lands.

65. **Rehabilitation of degraded forest reserves:** With Kenya Forest Service (KFS) as implementing partner, the programme is supporting community groups living adjacent to the forests to establish CFAs and develop Participatory Forest Management Plans (PFMPs) to safeguard forest resources. The mission was also pleased that each forest station has one PFMP valid for 5 years. The Programme reported that to date 20 out of 33 targeted forest stations have operational PFMPs duly approved by the Kenya Forest Service supported by other stakeholders through KFS. Cumulatively, the Programme area has 28 Community Forest Associations ready for funding to implement their PFMPs through the matching grants administered by the Water Services Trust fund. The remaining PFMPs will be developed in 2015/16 Financial year. The First call for proposals was done in August 2014 where 25 CFAs proposals were submitted to WSTF for appraisal and subsequent funding. However, the process at WSTF is also stalled since January 2015 due to the claim over the procurement process of the oversight agent. The PCT reported that the support to the CFAs during the period under review therefore focussed on the planting of trees in degraded forest areas inside gazetted forest areas under the custody of the Kenya Forest Service. The mission was pleased to note that members of CFAs were mobilized and backstopped by KFS foresters for land preparation, planting and weeding. Foresters are ensuring that quality seedlings are procured by KFS by providing the specifications. The PCT reported that through these activities, the Programme supported the rehabilitation of 550 Ha against a target of 500 Ha. An additional 600 Ha are planned

during the next Financial Year (2015/16). The PCT assesses that the overall programme target in this area should met by 2016/17 financial year.

66. *It is recommended that the PCT revises the modalities for appraising the CFA proposals in line with the recommendations related to the role of WSTF in the management of the process.*

67. As for the programme's institutional support to Kenya Forest Service (KFS), the PCT reported that the following equipment has been procured for implementing counties to increase their effectiveness and outreach. On the training side, the PCT reported trainings were organized for KFS staff covering UTaNRMP implementation approach as well as the process of funding WRUA/CFA's using the WSTF matching grants including eligibility criteria, proposal writing process, funding levels and accountability of funds. The training empowered the officers to support the CFAs during the proposal writing and provided guidance on how to backstop them during implementation. 21 KFS officers were also trained for two weeks in Participatory Forest Management by MSTDC in Arusha Tanzania where MKEPP had sponsored some staff members to train.

Allocation of equipment to implementing counties

Equipment	#	Distribution							Remarks
		Embu	T/Nithi	Meru	Kirinyaga	Nyeri	Murang'a	PCT	
Cameras	33	5	6	6	5	5	5	1	Distributed
GPS	33	5	5	6	5	5	5	1	Distributed
Tractors/trailers	7	1	1	1	1	2	1	-	To be distributed
Motorcycles	33	2	2	9	4	12	4	-	To be distributed
Computer sets	18	2	3	3	3	4	3	-	Distributed
Vehicles	15	To be allocated to sub-counties based on agreed criteria							

68. **Efficient use of fuel wood:** The overall objective of the efficient use of fuel wood is to conserve the available woody biomass by using less of it especially for cooking purposes. KFS is also the implementing partner for this activity. While the design had planned the promotion of efficient stoves and kilns within the forest stations, the PCT found that forest stations were not the ideal areas for mainstreaming of this equipment as wetter humid areas where wood supply is not a major problem. The PCT thus opted to implement the activities within the counties and sub-counties outside the gazetted forest areas. The programme has so far supported the procurement of 62 institutional size efficient stoves for schools against a target of 50 stoves at this stage of implementation. The main criteria for a school to receive an efficient stove are to have a school feeding programme and also to be performing well in the School greening Programme. The PCT reported that the programme will from next financial year (2015/16) have a component on domestic size energy saving demonstrations. The Efficient charcoal producing kilns have started well in the ASAL areas of the programme where charcoal production is an economic activity. The PCT reported that the programme supported the construction of 16 efficient charcoal kilns against the expected 20 at this stage of implementation. The mission took note of the PCT comments that the activity is not viable in the wetter humid areas of the project where there are alternative sources of income and the land holding are too small to sustain charcoal production. The PCT also reported that the programme will explore possibility of supporting smaller domestic size charcoal producing kilns for the wetter areas of the catchment where commercial size kilns are not viable.

69. The main concern of the mission is that that the training of artisans to fabricate the efficient stoves and kilns and has not commenced. The PCT explained that the programme has been using the services of community artisans trained during the MKEPP period. The UTaNRMP is also in the process of partnering with GIZ which has had energy saving projects in the region and hence assist in training community artisans. *The mission recommended that due attention be given to the operationalization of the training of artisans in the construction of the efficient stoves and kilns under the AWPB 2015-16.*

70. **Reduction of human-wildlife conflict:** The programme reported that out of the 40km it targeted at this stage of implementation, a total of 16km of fence is constructed and is fully operational. The remaining works are expected to be completed by the end of the financial year. The mission noted that the fast tracking of the activity has been enabled by the initiative taken by the PCT to sign an memorandum MOU bringing together KWS, KFS/Rhino Ark and Mt Kenya Trust for the construction for the construction of the fence whereby (i) UTaNRMP procures materials; (ii) Rhino ark and Mt Kenya Trust which are NGO which main activity is wildlife control fence construction manage the construction costs. The Rhino Ark raises funds through the “annual Rhino Charge”, and (iii) KWS provides technical backstopping and build the energizer houses while KFS contributes some materials for gates. The local communities are involved through the CFAs and provide unskilled labour during the fence construction. Selected community members are trained and hired to maintain the fence. The mission appreciated that this partnership has led to good results in terms of speed (the total length constructed within very few months) and quality of works, and the involvement of local communities in the fence construction and eventual maintenance as it is important for sustainability purposes.. The PCT also indicated that feedback from KFS and target communities indicate that the fencing led to improved diversification of crops, increase in the value of the land as it is now safe for agricultural investments while the communities claim that their wellbeing has improved since they no longer sleep outside during the night chasing away wild animals. The KWS and KFS managers have indicated that the fence has made forest management easier since there are manned entry gates with a register for access allowing them to monitor activities of community members entering the forest. The working relationship between KWS, KFS and communities has also improved since the wildlife does not “disturb” the communities. The main concern of the mission was that the construction costs of the fence has risen from 1.5 million/Km to 2.5 million/km.

71. *The mission recommended that the PCT closely monitors the cost of the works and takes remedial measures to bring back the level of investments to an acceptable level. It was also recommended that the PCT conducts without delay a technically sound evaluation of the development impact of the fencing to document and share the programme results and impact in this area.*

72. **Soil and water conservation on farm lands:** The PCT reported that soil and water conservation activities required a conduction of a detailed status survey on tree planting on the farmlands to act as a baseline (Woody Biomass Survey). This was a detailed baseline for on-farm tree cover status conducted during the 2014/15 financial year through a consultancy. The overall objective of the woody biomass survey is to provide quantitative and qualitative information that would give the current status on tree cover, species diversity and degradation hotspots to guide the programme in its tree-planting programme on the farmlands (outside gazetted forest areas). It showed that the upper Tana catchment had a deficient on wood supply and needed to grow at least 6.3 million seedlings annually (translates to planting 8.2 million seedlings annually at 70% survival rate) to take care of the deficit. The region on-farm tree cover average was 8% which is below the required 10%. In terms of wood balance projections, the survey found out that assuming a situation where there is no intervention and ‘business as usual’ continues in terms of both biomass demand and current tree planting trends, the biomass deficits are bound to rise even higher especially as populations rise and sustainable supply decreases as standing stock is consumed. In terms of biomass balances, percentage deficits will generally increase threefold, from 2 to 6 cubic metres on average, with the percentage deficit rising from 23% to 54% by year 2030. The mission appreciated that the survey is a management tool for UTaNRMP in planning its tree planting programme as regards to target numbers of trees to be grown, current wood demand verses supply, species mix, planting niches, and end uses based on the ongoing practices of the communities and agro-ecological zones.

73. **On-farm demonstrations:** This activity entails undertaking soil and water conservation demonstrations (inclusive of tree planting) on selected farmlands within the Focal Development Areas to promote learning and adoption by other members of the communities. Each Focal Development area should have one demonstration farm. As the mission expressed concern that the activity had not started yet, the PCT indicated that start up is planned in April-May 2015 during the long rains and that it is expected that targets for 2014/15 will be met. The PCT also ensured that the targets for subsequent years will be increased to make up for the delay in activity start up. With regard to the approach, the PCT opted for on-farm tree planting activities, as they assessed that it will have a better impact than the demonstrations. The change of strategy has been ignited by the woody biomass report that brought out serious wood deficits when supply and demand are taken together. The Biomass survey indicate that to bridge the wood deficits the region need to grow 6.3 million seedling

every year which translates to planting 8.2 million seedlings per year (at 70% survival rate) for the next 5 years and this can only be achieved through farm forestry.

74. *The mission recommended that due attention be given to the fast tracking of on-farm demonstrations for tree planting activities under the AWPB 2015-16 to catch up with targets.*

75. **Matching grants to CIG:** This activity is managed together with the activities under rural livelihoods component. The activity main objective is to assist/motivate communities implement micro-projects that are friendly to the environment and also give communities some income to improve their livelihoods. The Matching grants are awarded against successful proposals from communities in the Focal Development Areas as per their respective Community Action Plans (CAPs). The mission noted with concern that the PCT had initially planned to fund 100 CIGs at a budget of Ksh 60 million during the financial year, but only 61 proposals were found eligible at a budget of Ksh 15 million against a target of 340 projects at this stage of implementation (18%). The PCT indicated that the funding of the 61 groups will commence in the second half of the 2014/15 financial year. The PCT also expects that the successful proposals will increase during the next financial year where 200 groups are targeted with a budget of Ksh.76.5 million.

76. The mission brought to the attention of the PCT that most of the grants awarded are for tree nurseries and energy-saving stoves with very few addressing soil & water conservation issues. The PCT indicated that it expects that more grants will go for Soil & Water Conservation as more FDAs are delineated. The key Sustainable Land Management (SLM) interventions include rehabilitation of terraces, grass fodder strips, agroforestry systems, CSA generally or GAP and CA with its three pillars of: (i) minimal tillage, (ii) crop rotation/ mixtures, and (iii) mulching/residue cover. These interventions possess combination of income, food and nutrition, environment and upstream and downstream benefits. None of the planned demonstrations was established.

77. *The mission recommended: (i) to tie sustainable land management to all CIG matching grants and make it a requirement of the grants, and thus form a climate-resilient package that acts as a demonstration alongside the grant enterprise itself; and (ii) more environmental CIGs be encouraged and all IGA grants made 'environmentally compliant' through higher scores for proposals with viable environmental provisions to emphasize the production-protection nexus. Annotations: For each Outcome/Component (except the Component on project management and coordination, which is covered in section D), provide a short overview of the mission's assessment of project's progress towards the achievements of outputs and outcomes (scores reflected under Section B3 of Appendix 1) in relation to both annual targets and Logical Framework targets.*

D. Programme implementation progress

78. **Programme Management:** The PDR envisaged support to PCT, County Project Coordinators offices and other implementing agencies such as KWS, KFS and NEMA for smooth and efficient implementation and coordination of project activities. Under this function, the programme was supposed to procure vehicles, buy computers, as well as buy office furniture to equip the county to facilitate the implementing officers. By the time of the mission, the programme had procured 14 vehicles and 40 computers which were awaiting distribution to the counties. However the mission observed that the programme had not entered into an agreement with the counties which defines the modalities of use and safe keeping of the equipment in the context of programme implementation.

79. *To ensure proper use and maintenance of programme-funded equipment, it was recommended that the programme enters into MOUs with the relevant county governments to define roles and responsibilities in the programme execution including asset management.*

80. Despite the difficulties experienced at the early stages of this programme due delay in accessing IFAD funds, the mission commended the effective programme management approach of the PCT to fast-track implementation. During the period under review, relevant documents that supports efficient execution of project activities like the PIM, Procurement manual, and Financial Management Manual were developed. The programme also completed the baseline survey. As mentioned throughout the report the PCT was also able to adjust its approach or implementation modalities to reduce the effects of implementation delays and catch up with annual targets.

81. *The mission recommends that this RIMS survey be conducted as soon as it is practical but not later than the 3rd quarter of 2015/16 FY.*

82. One area of concern of the mission was the addition of activities which were not planned under the programme and induced significant expenditures not foreseen in the programme budget design; i.e. the training officers on PRA, group dynamics and training officers on the winning CIGs. While the programme deems that these trainings could have been important for the programme, they have implication to the overall programme financing and efficiency.

83. *The mission recommends that the PCU proceeds with implementation within the set budget to ensure efficiency and cost-effectiveness in programme execution. New activities should be assessed by the PCU in terms of budget implications, cost-effectiveness and management efficiency prior to implementation. Significant adjustments leading to PDR budget overrun should be submitted to the Lead Agency and IFAD for no-objection.*

84. In regard to performance assessment, the mission observed underperformance in some components especially water resources component which could be attributed to weak management by the responsible technical officer with some returning zero percentages despite a continuous flow of funds for the last 18 months.

85. *The mission recommended that staff performance appraisal be based on tangible deliverables with an achievement of a satisfactory level of execution of activities to determine contract renewal. The programme coordinator has the responsibility to ensure this is done and give the necessary recommendations to the PSC for appropriate action.*

86. Programme connectivity is important to efficient and effective delivery of service. The mission noted that the PCU lacked reliable internet facilities. *The mission recommended that the PCU procures reliable internet facilities immediately.*

87. **Monitoring & Evaluation:** The mission noted that during the period under review the programme completed its baseline survey and the setting up a Monitoring, Evaluation, Learning and Reporting system. The baseline report provided a number of start-point reference for socio-economic aspects, water resources management, environmental conservation, and agricultural/rural livelihoods. The mission was pleased to note that the data generated by the baseline study led to an update of the programme's logframe targets and also provided comprehensive information used by the PCU to guide planning and decision-making in addition to providing benchmarks against which programme interventions are assessed. However, the RIMS survey is yet to be conducted as part of the baseline survey and hence a number of RIMS anchor indicators are not available, such as the household asset index, child malnutrition and food security. These key impact indicators show the programme's goal achievement in rural poverty reduction.

88. *It is recommended that the RIMS survey be conducted in the 3rd quarter of the coming AWPB.*

89. After a review of the programme M&E system, the mission noted that the system is well geared to manage annual planning, financial allocations, progress and performance, and expenditure details. However, the system is not tuned up to monitor status of activities and their results. Likewise, impact and output indicators built in the M&E system should be linked to quantified targets.

90. *It is recommended that the programme enhance the M&E system to ensure that it allows for monitoring of development results against quantified indicators where applicable; capture beneficiary contribution; and record real time realization for the reporting period.*

91. **RIMS annual report.** A review of the programme's RIMS annual report 2013 indicated that first-level indicators are mostly covered, except those related to individual and household direct participation. Second-level indicators are not quantified in the RIMS report table, though some of them are already quantitatively stated in the logframe. The third-level is not available due to the absence of a RIMS survey.

92. *The mission recommends that output-level indicators of the logframe and the RIMS table be synchronized in a compatible table sheet so that both can be timely monitored effectively, and the logframe's outcome indicators be adopted to form the second-level RIMS report table. The third-level indicators should be filled in the RIMS annual report table after the RIMS first survey is conducted.*

93. **Gender integration and mainstreaming:** The programme has undertaken a gender baseline survey. The survey report shows that patriarchy is entrenched in the programme area resulting in high gender inequalities that might affect gender sensitivity in programme implementation. The mission appreciates efforts to gather and report on sex disaggregated data and also the planned gender training for implementing technical officers in the 2015/16 AWPB .

94. *The mission recommends that (i) based on its gender baseline, the programme develops a gender and social inclusion action plan as a road map to address targeting, gender mainstreaming, and reporting; (ii) the programme uses some tools from the Gender Action Learning System for enhanced gender equality; and (iii) capture data on key gender indicators such as women in leadership positions in various community structures.*

95. **Innovation and learning:** A programme website (www.utanrmp.or.ke) was created in June 2014 to promote the programme's principles and achievements; and the intranet was also set up for internal communication. *The mission recommended that a KM plan should be created and its road map should be well stated in order to capture the good practices and innovations and record the lessons learnt.*

96. **Partnerships and linkages:** The mission was pleased to note that the programme makes productive use of partnerships for increased efficiency in the implementation of activities. A core partnership was developed with WRMA and WSTF for supporting the development of WRUAs, their planning processes and funding. The mission visited an electric fence site in Chogoria, which appears to be a successful example of partnership between the CFA, KWS, KFS, Rhino Ark and Mt. Kenya Trust with tangible impacts reported.

97. **Exit strategy:** The involvement of county-based staff members from various ministries and institutions contributes to: (i) better coordination and harmonisation among all stakeholders in all the programme activities; (ii) greater efficiency in the targeted activities through improved synergy; (iii) potential for continuity of programme activities during and after the life of the programme; and (iv) a facilitated transfer of assets to the counties and communities for management at the end of the programme. The mission established that all infrastructures constructed/rehabilitated are owned by counties through their respective technical ministries for further management.

E. Fiduciary aspects

98. **Programme costing:** The mission observed that the programme did not have the full cost tables required for the financial management of the programme. This led to discrepancies in budget planning and mentoring affecting programme implementation and the assessment of resources available for the execution of planned activities.

99. In order to address this constraint, the mission through its phased approach completed the finalization and transmission to the programme with detailed cost tables (including USD based cost tables) to support future programme planning and budget. This also provided an up to date basis for the assessment of the financial performance of the programme for the period under review. Additional costing tables provided to the PCU are; (a) Detailed cost tables -base cost (USD); (b) Detailed tables-base cost(KSH); (c) Detailed tables–contingencies (USD); (d) Financing plan; (e) Reconciliation of cost tables to schedule 2 to the financing agreement; (f) Summary tables KSHS; (g) The actual Tab file; and (h) UTaNRMP Cost Tables in Ms. word

100. **Disbursements:** Disbursement as per IFAD records (including the initial deposit and pending withdrawal applications) stands at 13.53% (or SDR 2.9 million of SDR 21.2 million) - for IFAD loan 867-KE, and 16.6% (or EUR 2.1 million of EUR 12.8 million) for Spanish loan 8-KE as at 17th February 2015. Combined total programme disbursement is estimated at 12.49%. The mission observed a relatively high expenditure rate on Category VI (Salaries, allowances, operations and maintenance) on the Spanish loan, relative to other categories. Programme operations were affected by the devolution process, where the 2013/2014 AWPB was devolved under donor commitment to counties instead of national commitment under the MEW&NR. While activity implementation was stalled because of this, operational costs continued to be incurred, and the only source of funding available to the programme during the first 14 months of operation was the Spanish funds – hence the high expenditure rate on Category VI in relation to other categories.

Status of disbursements for IFAD Loan 687 - KE (as of 17th February 2015)

IFAD Loan 687-KE

Cat	Description	Disbursement (%)
	Authorized allocation-designated account	
I	Vehicles, equipment and materials	8%
II	Sensitization, training workshops and studies	20%
III	Grants and awards	0%
IV	Technical assistance	27%
V	Civil works	1%
VI	Salaries, allowances, operations and maintenance	12%
	Unallocated	
Total		14%

Status of disbursements Spanish Loan 8 - KE (as of 17th February 2015)

Spanish Loan 8-KE

Cat	Description	Disbursement (%)
	Authorized allocation-designated account	
I	Vehicles, equipment and materials	3%
II	Sensitization, training workshops and studies	14%
III	Grants and awards	1%
IV	Technical assistance	19%
V	Civil works	0%
VI	Salaries, allowances, operations and maintenance	55%
	Unallocated	0%
Total		17%

101. **Salary Review.** The mission reviewed the salary request to align staff salaries using the inflation rate estimates included in PDR. As a first step, the programme was issued with the approved detailed cost tables since it was using cost tables based on Kenya Shillings only which was causing confusion. For future reference it was brought to the attention of the programme that the theoretical exchange rates are forecasted in the design report for the purpose of assessing the programme economic and financial returns. At time of implementation, the actual exchange rates to be used by the PCT should be the prevailing rates issued by the Central Bank of Kenya.

102. The programme was advised that for the purpose of calculation of salary and increment, the PCT should refer to the US dollars cost tables for the programme which provides monthly salary rates inclusive of contingencies and use the latest exchange rate issued by the Central Bank of Kenya. In this context, the programme's requests for salary increment should be submitted on an annual basis to ensure that it is aligned to the prevailing exchange rate.

103. *In view of consideration by IFAD, it is recommended that the PCT submits a request for annual salary increment following the above mentioned guidelines.*

104. **AWPB 2014/2015.** Budget execution for the financial year 2014/2015 (PY3), as at 17th February 2015, stood at 16%, broken down per component as: Community Empowerment 36%, Sustainable Rural Livelihood 15%, Sustainable Water and NRM 6%, and Coordination and

Management 27%. Commitments amounting to USD 4.192 million, whose contracts have already been signed, if fully disbursed by the end of PY3 will push the budget execution to approximately 61%.

105. **As mentioned earlier** programme should seek no-objection from IFAD for high value items that are not costed in the PDR. Examples are: (a) training of selected technical officers on group dynamics (USD 133,000), (b) training of officers on PRA (USD 155,000), (c) training officials of the winning CIGs (USD 76,000) etc.

106. *The mission recommends that any significant deviations thereof, the programme should seek no-objection from IFAD. If such activities are found not to be urgent, they should form of MTR, and if found relevant be allocated the required funds.*

107. **Spot-check of Statement of Expenditures (SOEs).** A post-review of SOEs included WA 02, 03, 04, and 05, and those transactions up to February 2015 pending inclusion in WA were conducted. SOE vouching has revealed that there is a satisfactory filing system enabling easy access to the sampled vouchers. The review further revealed that some activities were: (a) claimed inclusive of VAT (Voucher 97, WA 03/IFAD, VAT component was KES 4,137); and (b) charged to wrong categories (Line item 19 & 20, WA 04/IFAD), where advertising costs were charged to category III instead of category VI. The mission took this opportunity to inform the PCT that IFAD is designing a modified package version of SOEs that requires more detailed information e.g. reference to the relevant AWPB line item, reference to bank statement, contract/invoice number etc. and were given samples to be acquainting themselves with. *The mission recommends that proper categories should be charged to avoid early requests for re-allocation of categories, and that replenishment of expenditure items inclusive of VAT, regardless of materiality, should be avoided as it is tantamount to violation of loan covenants.*

108. **Special account (SA) reconciliation.** The mission reviewed the SA reconciliation for WA 03/IFAD, and it had a figure for 'Explanation for any difference' of USD – 1,150,654.62, which was explained as: (a) USD 563,654.62 - unrepresented cheques, and (b) USD 587,000 being counterpart funds in the programme account. On the contrary, further analysis of the WA indicated that the bank reconciliation statements enclosed in the WA indicated unrepresented cheques of USD 25,510 (KES 2,295,972). Procedurally, every figure on the SA reconciliation should be fully supported to the extent possible that it can be independently verified.

109. *The mission recommends that: (i) bank account balances should be supported by a bank statement for the WA period up to the cut-off date, (ii) Unrepresented cheques be supported by bank reconciliation statements, and (iii) counterpart funds be supported by a detailed schedule of cash inflows and outflows.*

110. **Counterpart funds.** The provision of counterpart funds is rated unsatisfactory since the programme has received only two disbursements of counterpart financing totaling KES 120,000,000 (equivalent to USD 1,324,940), translating to 12% achievement against the appraisal target of USD 11,344,000. *It was agreed that the PSC/PCT should follow up the timely payment of counterpart contribution.*

111. **Audit.** The financial statements for the year ended 30th June 2014 were audited by Kenya National Audit Office (KENAO) and an 'except for' opinion was given. The matter that was qualified is the 'the unreconciled difference of KES 9,013 in the Cash and Bank balances'. Other matters pertaining to financial statements, legal and regulatory requirements were confirmed to be presented fairly in all material aspects. Overall, the matter leading to the partial qualification of the accounts was regarded immaterial by IFAD.

112. **Financial Statements.** The audit review done by IFAD noted that two items were missing on the completeness of financial statements, that is: (a) Balance Sheet /Statement of Financial Assets and Liabilities, and (b) Special Account Statement Reconciliation. Although the auditor expressed an opinion on the SA reconciliation, the two SA reconciliation statements (for IFAD and Spanish loans) were not part of the financial statements. The statement of Financial Assets and Liabilities was included but had a balance brought forward (Cash and cash equivalents b/fwd.), which should not have been, since this was the first set of audited financial statements for the programme for a period of 16 months. The balance brought forward for next year financial statements may be presented in form of a note to the programme showing description, bank balances, cash balances, accounts receivables and accounts payables and then totals.

113. **Compliance with loan covenants.** Apart from expenditure items claimed (in WAs) inclusive of VAT as noted above, the programme is generally being implemented in compliance with the loan covenants.

114. **Financial management.** The programme has acquired a financial management system (FMS) – the Sun system, which has been customised to meet the programme reporting requirements. However, the mission noted that, the whole accounting process is not yet real time, and financial reporting is still relying on manual systems (Excel). Financial data for the programme life has been captured into the FMS up to October 2014, and the reason for delayed data capture is attributed to unreliable internet connection at the PCT office.

115. *The process of recruiting a reliable internet service provider is on, and the mission recommends that this should be hastened to facilitate update of the programme books of accounts and in turn be able to provide timely, accurate, actionable financial reports.*

116. **Procurement.** A review was conducted of the procurement processes from planning to contract management. Sampled procurement processes leading up to contract award and monitoring of contract execution were found to be respected. *However as procurement progresses, actual dates need to be indicated and the subsequent forecast date for each milestone updated to allow monitoring of actual versus planned.* This will ensure that the procurement process runs as smoothly as possible by providing advance warning to managers of potential delays. It was further noted that documents pertaining to a particular procurement are kept in separate files. Consistent filing methods allow for a more organized approach to procurement and ensure that anyone reviewing the file is able to locate documents with minimal effort.

117. *The mission recommends that all procurement records for a specific tender, from pre-tendering, tendering and contract administration phases should be kept in one file and that procurement plan progress reports should be prepared.*

F. Sustainability

118. **Institutional sustainability:** The programme has already established structures that can assure sustainability such as links to devolved county governments through the CPFTs and CPCCs. The county officials are involved in planning, implementation, provision of technical advice, supervision and monitoring of programme activities. The community structures being established and strengthened by the programme, such as the FDACs, WRUAs and CFAs are aimed at fostering ownership and sustainability of programme activities at the community level. The major implementation partners such as KALRO, KFS, KWS, WSTF and WRMA are existing statutory bodies who will continue to discharge their respective mandates as appropriate under the programme through MOUs.

119. **Social sustainability:** The CAPs developed by the programme through the PRA process are an input into the County Integrated Development Plans of targeted counties. Prioritization under the PRAs and the resulting CAPs for funding by other development partners. The programme's capacity building activities at county and sub-county level will ensure that there will be capacity to address NRM issues beyond the programme life.

120. **Economic and financial sustainability:** This will be assessed in future missions.

121. **Environmental sustainability:** The mission noted with satisfaction that during the construction of electric fences, some environmental measures were taken to prevent land erosion such as planting back grasses alongside the alignment of constructed fences. The forest management and energy-saving technologies in the programme's portfolio are also important for helping to protect the 'water towers' of Mt. Kenya and the Aberdares.

G. Other

122. Physical and financial assets, Food Security and Increase in incomes will be assessed in future missions.

Summary of Agreed Actions

	Agreed Actions	Responsible	Deadline
Component 1 (Community Empowerment Component)			
1.	Maintain programme's targets in terms of number of schools within the allocated budget to ensure that outreach/impact is of expected scope	CEO	Immediate
2.	Develop process for winning environmental stewardship and launch scheme under 2015/16 AWPB	CEO/NRMO	Immediate
3.	Complete PRAs and CAPs of 12 priority river basins and MKEPP	CEO	
4.	Adjust mandate of independent agent to remove monitoring of milestones which are planned under existing community organization arrangements (FDACs, WRUAs and CPFT)	PC	Immediate
5.	Include in grant agreements minimum performance indicators to be achieved by the group in terms of profitability, technical and financial management	PC in liaison with Heads of Component	30 July 2015
Component 2 (Rural Livelihood Component)			
6.	Develop structured approach for selection of beneficiary farmer groups and ensure effective monitoring of participating groups to track level of adoption of technologies, results and impact	RLO	Immediate/continuous
7.	Capitalize Programme approach based on training of a pool of contract farmers to multiply the seeds, and capacity building of extension staff, and the facilitation of the marketing of the seeds to scale up achievements under 2015-16 AWPB	RLO	Immediate
8.	Reduce overhead costs associated with the grant scheme so that programme funds are used in priority for group investments rather than management costs	RLO	Immediate
9.	Monitor financial allocations to counties and subsectors through the grants ensuring a fair distribution of grants across the various areas of the community livelihoods	RLO	Continuous
10.	Review the grant process, in view of enhanced effectiveness	RLO	30 June 2015
11.	Assess all grants for 'environmental compliance' through higher scores for proposals with environmental provisions to reflect the poverty-environment nexus of the programme	RLO/NRMO	
12.	In recruiting an independent agent for the next call for proposals, adjust the terms of reference to remove the monitoring of milestones, which should be done under the existing arrangements (FDACs, WRUAs and CPFT)	PC	30 June 2015
13.	Align the programme support -through extension, demonstrations, specific research and input support- to be better aligned to groups' FFS and CIG projects specific investment interventions for complementarity	RLO	immediate
14.	Organize a learning session with IFAD-funded projects on lessons learned on linkage of groups with financial institutions and contract technical expertise to update strategy of the programme in this area	RLO	continuous
Component 3 (Sustainable Water and Natural Resources Management Component)			
15.	Realign the management process of SCMP and CAPs to the WDC approach with WSTF managing through WRMA, the appraisal, monitoring and evaluation of activities funded through the grant scheme and not through an oversight agent	WRO	Immediate
16.	Address the issues of lack of compliance of proposals with thresholds and technical requirements through adherence to the WSTF process for funding of WRUA activities in community water development and management water-saving irrigation technologies and fast-track implementation process to generate expected impacts at the end of the programme	WRO	Immediate

	Agreed Actions	Responsible	Deadline
17.	Regarding remedial works at environmental hotspots: <ol style="list-style-type: none"> i. fast-track identification of hotspots where rapid and visible gains can be made; ii. prioritise interventions for treatment of riverine/riparian zones with a focus on perennials that are both productive and protective ('three Ps'); and iii. experiment planting giant bamboo; 	NRMO	Immediate/ continuous
18.	Ensure that: <ol style="list-style-type: none"> i. an approach for a sustainable management of the water laboratories by WRMA is clearly defined with roles and responsibilities well set up; ii. the Embu contractor submits a request for extension of the contractual period (without financial implications), including an updated work programme; iii. all the light changes suggested by the mission to improve the original design are incorporated during construction works of the two buildings; and iv. the Murang'a laboratory is provided with equipment as soon as possible after completion of works 	WRO	Immediate 30 June 2015 Immediate 30 June 2015
19.	Incorporate recommendations by the hydrological baseline survey into practical implementation actions in the field to generate earlier results/impacts	WRO	Immediate and continuous
20.	Revise the modalities for appraising CFA proposals in line with the recommendations related to the role of WSTF in the management of the process	NRMO	30 June 2015
21.	Give due attention to the operationalization of the training of artisans in the construction of the efficient stoves and kilns	NRMO	Immediate /continuous
22.	Closely monitors the cost of the fencing works and take remedial measures to bring back the level of investments to an acceptable level	NRMO	Immediate
23.	Conduct without delay a technically sound evaluation of the development impact of the fencing to document and share the programme results and impact in this area.	NRMO	immediate
24.	Give due attention to the fast tracking of on-farm demonstrations for tree planting activities under the AWPB 2015-16 to catch up with targets.	NRMO	31 December 2015
25.	Regarding the matching grants to CIG: <ol style="list-style-type: none"> i. tie sustainable land management to all CIG matching grants and make it a requirement of the grants, and thus form a climate-resilient package that acts as a demonstration alongside the grant enterprise itself; and ii. More environmental CIGs be encouraged and all IGA grants made 'environmentally compliant' through higher scores for proposals with viable environmental provisions to emphasize the production-protection nexus. 	PC	immediate
Programme Management			
26.	Enter into MOUs with the relevant county governments to ensure proper use and maintenance of such facilities	PC	
27.	Conduct the RIMS survey not later than the 2 nd quarter of 2015/16 FY	M&EO	30 September 2015
28.	Where new activities have been proposed and planned although they have not been foreseen in the design, seek no-objection from IFAD.	PC	continuous
29.	Base future performance appraisal on tangible deliverables with an achievement of a satisfactory return to determine contract renewal or a justifiable reason for underachievement.	PC	Immediate and continuous
30.	The mission recommends that the programme procures reliable internet facilities immediately.	KM&L	Immediate
31.	Regarding the M&E system: <ol style="list-style-type: none"> i. quantify indicators where possible, and carefully monitor their 	M&EO	Immediate

	<ul style="list-style-type: none"> ii. progress along the implementation period; iii. capture beneficiary contribution; and record real time realization and non-realization (zero) for the reporting period. 		
32.	Synchronise the output-level indicators of the logframe and the RIMS table in a compatible table sheet so that both can be timely monitored effectively, and the logframe's outcome indicators be adopted to form the second-level RIMS report table. Fill in the third-level indicators in the RIMS annual report table after the RIMS first survey is conducted.	M&EO	Immediate
33.	Standardize a report format tracking down the incremental movements of direct beneficiaries in terms of both households and individuals, and apply it vertically down to the grassroots level where related activities are implemented.	M&EO	Immediate
34.	Regarding gender: develop a gender and social inclusion action plan as a road map for each component to address targeting, gender mainstreaming, and reporting; use some tools from the Gender Action Learning System (which is part of the household approaches championed by IFAD for enhanced gender equality); and capture data on key gender indicators such as women in leadership positions in various community structures.	CEO/M&EO	Immediate
35.	Introduce participatory learning and action at the level of beneficiary households. Create a KM plan which road map should be well stated in order to capture the good practices and innovations and record the lessons learnt.	KM&L	Immediate
36.	Record, through the programme KM system, the process of building such harmonized partnership between the communities, the KWS, KFS and Rhino Ark for possible replication.	KM&L	Immediate
Financial management			
37.	Regarding the salary review: <ul style="list-style-type: none"> i. refer to the US dollars cost tables for the programme which provides monthly salary rates inclusive of contingencies; ii. in order to calculate the Kenya shilling equivalent, apply the latest exchange rate issued by the Central Bank of Kenya; iii. submit future salary increment requests on an annual basis to ensure that it is aligned to the prevailing exchange rate; and iv. in view of the no objection request, re-submit a request for annual salary increment following the above mentioned guidelines. 	PC	immediate
38.	Add reference codes to activities outlined in the detailed activity schedules of the AWPB 2015/2016 (PY4) and arrange them in component/sub-component/activity form, and adhere to the minimum requirements for the detailed AWPB tables.	FC	30 December 2015
39.	Seek no-objection from IFAD for any significant programme deviations. If such activities are found not to be very urgent, they can be reviewed at the MTR, and allocated the relevant costs.	PC	continuous
40.	Charge the proper categories to avoid early requests for re-allocation of categories, and avoid replenishment of expenditure items inclusive of VAT, regardless of materiality, as it is tantamount to violation of loan covenants.	FC	Continuous
41.	Regarding the reconciliation of the special account: <ul style="list-style-type: none"> i. bank account balances should be supported by a bank statement for the WA period up to the cut-off date, ii. unrepresented cheques be supported by bank reconciliation statements, and iii. Counterpart funds be supported by a detailed schedule of cash inflows and outflows. 	FC	
42.	Follow up on the timely payment of counterpart contribution to match expectation.	PC	Immediate
43.	Hasten the process of recruiting a reliable internet service provider to facilitate update of the programme books of accounts and in turn be able to provide timely, accurate, actionable financial reports.	KM&LO	30 June 2015
44.	Keep in one file all procurement records for a specific tender, from pre-	PO	Immediate/

	tendering, tendering and contract administration phases and prepare a procurement plan progress reports.		continuous
Sustainability			
45.	To improve impact and sustainability: <ul style="list-style-type: none"> i. Sequence and integrate interventions for complementarity. Research, demonstrations, FFS and matching grants, should build on each other and not be standalone actions; ii. link agricultural interventions with good NRM and score higher grant applications which have viable NRM provisions; iii. intensify sustainable forest management to sustain ecosystem function while providing goods and services (water, fuelwood, honey etc.) that are rapidly lost through deforestation; iv. all supported interventions need to have reasonable market justification and a realistic business model indicating costs and profit; and v. Prepare guidelines for catchment management similar to those prepared recently in Ethiopia. 	PC in liaison with Heads of component	Immediate /continuous
Exit strategy			
46.	Continue to embed ownership and sustainability aspects in all programme interventions as a way of ensuring a reliable and sustainable exit.	PCT	Continuou s

H. Conclusion

123. UTaNRMP is in its third year of execution but its disbursement performance of 12.49% remains unsatisfactory. It experienced implementation start-up delays for almost two years and then the stalling of activities when the 2013/2014 budget was erroneously devolved. Significant progress has, however, been made in implementing programme activities and positive results are already showing in community empowerment, including the establishment and strengthening of community institutions, the rehabilitation of degraded forest reserves, and electric fencing to reduce human-wildlife conflict.

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 1: Summary of project status and ratings

Appendix 1: Summary of project status and ratings

Project 1544 [1100001544] Upper Tana Catchment Natural Resource Management Project - Draft

Basic Facts

Country	Kenya	Project ID	1544 [1100001544]	Loan/DSF/Grant/ASAP FI No.	1000004235, 1000004237
Project	Upper Tana Catchment Natural Resource Management Project			Top-up Loan/DSF/Grant/ASAP FI No.	
Date of Update	16-Jun-2015				
Supervising Inst.	IFAD				
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	0		
Last Supervision	28-Feb-2015 14 to 16 April and 8 to 12 June 2015	Last Implementation Support/Follow-up mission	0		

					USD million	Disb. rate %
Approval	03-Apr-2012			Total financing	68.85	
Agreement	23-May-2012	Effectiveness lag	1.7	IFAD Total	33.00	
Entry into force	23-May-2012	PAR value	-----	IFAD loan	33.00	16
First disbursement	12-Apr-2013			DSF grant		
MTR		Last amendment		IFAD grant		
Original completion	30-Jun-2020	Last audit	21-Dec-2014	ASAP grant		
Current completion	30-Jun-2020			Domestic Total	18.84	
Current closing	31-Dec-2020			Beneficiaries	7.50	0
No. of extensions	31-Dec-2020			National Govern	11.34	12
	0			External Cofinancing Total	17.00	
				Spanish Fund	17.00	17

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	5	4
2. Acceptable disbursement rate	2	3	2. Performance of M&E	3	3
3. Counterpart funds	2	3	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	4	4	4. Gender focus	4	4
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	3	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Component 1: Community Empowerment	4	5	1. Institution building (organizations, etc.)	4	5
2. Component 2: Sustainable Rural Livelihoods	3	4	2. Empowerment	4	4
3. Component 3: Sustainable Mgt of Water Resources	3	3	3. Quality of beneficiary participation	4	4
4. Sustainable Mgt of Forests and Agric Ecosystems	4	5	4. Responsiveness of service providers	4	4
5. Prog Coordination and Management	4	4	5. Exit strategy (readiness and quality)	4	3
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

B.5 Justification of ratings. B.5 Justification of ratings. The project has put in place a number of measures that has seen fast-tracking of programme activities in a number of components. The level of counterpart financing has not been mobilized to expected levels due to delays in implementation resulting from the devolution process. The programmes M&E system should be fully set up to assist capturing of some of the positive results arising from certain interventions like the electric fence. This has led to reduced rating. The coherence of the AWPB should be made more aligned to the PDR to avoid incidences of revision and undertaking of activities not previously foreseen. On components, good practices were identified in community empowerment with all preparatory activities having been undertaken through PRAs and follow up trainings having been conducted. This has led to increase in rating from 4-5 while a reduction has occurred in natural water resource component since very little has been achieved despite having a total of 18 months of continuous implementation and funds flow. A lot of partnerships have been entered into especially in the natural resource management component during the construction of the electric fence. This has proven very successful with good results being reported. The rating hence has risen from 4-5. Though implementation was at an early stage, ownership of certain facilities like the water laboratories and other community institutions required further development. This will be important for sustainability and it requires enhancing right from the beginning. This rating hence has dropped from 4-3. The programme however even at these early stages gave indications of some activities like the fence having potential for scaling up if properly documented.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	3	NR
C.2 Food security	3	NR
C.3 Quality of natural asset improvement and climate resilience	5	4
C.4 Overall implementation progress (Sections B1 and B2)	3	4

Rationale for implementation progress rating

The rating of this activity has improved from 3-4 due to the active implementation progress shown by the programme in the various areas as a result of fast-tracking implementation. There was steady improvement in many of the component areas and pro-activity in terms of undertaking all preparatory work in readiness for implementation. Physical assets and food security will be assessed once activity implementation will adequately commence on the ground.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	3	4
--	---	---

KENYA**Upper Tana Catchment Natural Resource Management Programme**

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 1: Summary of project status and ratings**Rationale for development objectives rating**

Already we are seeing positive results in the area of natural resource management and the community empowerment components even at these early stages of implementation. This is encouraging and hence influenced rating change from 3-4. It is hoped that as the other components get into the rhythm, better results will be attained. Chances of the project achieving its development objectives are still there.

C.6 Risks *Short description of major risks for each section and their impact on achievement of development objectives and sustainability*

Fiduciary aspects	If some of the components do not improve expenditure e.g. the water resource component which has a huge % of the loan funds, then, then the project risks not spending any loan funds.
Project implementation progress	The project implementation needs improvement to catch up with the time lost as a result of the misunderstanding of devolution. Any other delay of that nature will eat into project completion period and life span.
Outputs and outcomes	As above, this will be affected if activities are not implemented on time and as per scheduled project design.
Sustainability	Hurried implementation might lead to lack of sustainability in the long run.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Project lead agency to urgently support PCT get on track especially in aligning with the devolved systems of government.	PSC/Lead Agency/PCT	Before 31 December 2015	Immediate and Urgency
Ensure that counterpart contribution is received on time	Lead Agency	Immediate	Continuous
Finalise the FM, Procurement and Grant manuals Incorporating all mission recommendations.	PCT	31 July 2015	On-going

Additional observations

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Results Hierarchy	Indicators	Means of Verification	Assumptions
Goal: Contribute to reduction of rural poverty in the Upper Tana river catchment.	<ul style="list-style-type: none"> • 10% reduction of poverty prevalence rate among 205,000 households participating in the project by Year 8 (Baseline to be determined after survey) • 5% increase in inventory of household assets among 205,000 participating households in project area by Year 8 (Baseline to be determined) 	<ul style="list-style-type: none"> • Household income and expenditure surveys. • RIMS impact survey questionnaire (baseline and final) • Demographic and health surveys conducted by Kenya National Bureau of Statistics • Annual household asset surveys by M&E 	<p>There is political stability in Kenya</p> <p>Economic environment in Kenya is favourable</p> <p>Favourable weather conditions prevail</p> <p>Relevant legislation framework on devolution enacted and enforced</p> <p>High uptake of grants by communities</p>
Development Objectives: Increased sustainable food production and incomes for poor rural households in the project area; and sustainable management of natural resources for provision of environmental services.	<ul style="list-style-type: none"> • 15% increase in average real incomes for 205,000 households engaged in sustainable NRM enterprises by Year 8 (Baseline to be determined). • 20% reduction in sediment load in rivers and water reservoirs in Upper Tana Catchment by Year 8 (Baseline to be determined). • 5% increase in base flow in rivers by Year 8 (Baseline to be determined). • 5% increase in ha of forest reserve protected/rehabilitated by Year 8 (Baseline to be determined). 	<ul style="list-style-type: none"> • Baseline and annual production and income surveys in Project area by M&E and during impact survey in Year 8. • Biannual river gauging surveys by WRMA. • Periodic sampling and analysis of river water. • Remote sensing data to monitor forest conditions. 	<ul style="list-style-type: none"> • Potential conflicts between conservation and livelihood pillars of the Project are resolved. • Farmers and entrepreneurs in the project area have improved market access.
Outcome 1: Rural communities empowered for sustainable management of natural resources.	<ul style="list-style-type: none"> • Increase in number of community-led initiatives to improve the management of natural resources. 	<ul style="list-style-type: none"> • Annual Project reports. • Media articles on community-led initiatives. 	<ul style="list-style-type: none"> • Counties have a robust conflict resolution mechanism for community investments in NRM
Output 1.1: Communities with increased awareness of sustainable NRM.	<ul style="list-style-type: none"> • Increasing level of awareness on NRM issues within 273 participating communities. 	<ul style="list-style-type: none"> • Baseline and annual surveys on awareness about NRM issues by M&E • Media reports on NRM issues 	<ul style="list-style-type: none"> • Communities will participate in the awareness campaigns and positively apply the knowledge acquired.
Output 1.2: Key community organisations with increased capacity to manage natural resources sustainably.	<ul style="list-style-type: none"> • Increasing capacity of 273 community organizations for sustainable NRM planning and implementation 	<ul style="list-style-type: none"> • Baseline and annual organisational capacity assessment tools. 	<ul style="list-style-type: none"> • Communities have access to resources to invest in sustainable NRM.
Output 1.3: Community action	<ul style="list-style-type: none"> • Increasing number of community action plans prepared and 	<ul style="list-style-type: none"> • Documented action plans. 	<ul style="list-style-type: none"> • Action plans will address the

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Results Hierarchy	Indicators	Means of Verification	Assumptions
plans for livelihood improvement and sustainable NRM.	implemented (target 240 FDAs and 33 CFAs).		causes of un-sustainable natural resource utilisation.
Outcome 2: Natural resource-based rural livelihoods sustainably improved.	<ul style="list-style-type: none"> • Increase in level of income generated and assets acquired by participating households. 	<ul style="list-style-type: none"> • Household income and asset surveys: baseline and follow-up by M&E. 	<ul style="list-style-type: none"> • Market opportunities for agricultural products will continue to expand.
Output 2.1: Agricultural packages adapted to agro-ecological and socio-economic contexts.	<ul style="list-style-type: none"> • Increasing number of sustainable agricultural packages tested and demonstrated (target of 240 by Year 8). • Increasing quantity of seed produced and distributed (target of 200 contract seed growers producing 720 tonnes of seed by Year 8) 	<ul style="list-style-type: none"> • Reports on trials, demonstrations and research results. 	<ul style="list-style-type: none"> • Tested packages are adopted appropriately by farming communities
Output 2.2: CIGs successfully adopt or improve farm and/or non-farm IGAs	<ul style="list-style-type: none"> • Increasing adoption by CIG members (target 40,000 members and 3,210 matching grants by Year 8). 	<ul style="list-style-type: none"> • Project reports on CIG income-generating activities by M&E. • Farmer field school records. 	<ul style="list-style-type: none"> • Continued access to financial services and inputs, including through PROFIT.
Outcome 3: Land, water and forest resources sustainably managed for the benefit of local people and the wider community.	<ul style="list-style-type: none"> • Reduction in level and severity of land degradation, improved water flows, water quality and forest condition. 	<ul style="list-style-type: none"> • Baseline and follow-up measurements of these key environmental parameters through biannual river gauging surveys by WRMA, periodic sampling and analysis of river water, and remote sensing data to monitor forest conditions. 	<ul style="list-style-type: none"> • Potential conflicts related to resource utilisation will be resolved.
Output 3.1: Sustainably managed water resources.	<ul style="list-style-type: none"> • Increasing access to safe water (target 60,000 households by Year 8). • Increasing area under irrigation using water-efficient methods (target 2,000 ha by Year 8). • Decreasing levels of chemical and microbial pollution in waterways (Baseline to be determined). • Increase in number of functional WRUAs (target of 24, Baseline is 17 WRUAs formed by MKEPP and NRMP). 	<ul style="list-style-type: none"> • Household surveys (baseline and follow-up). • Records kept by Irrigation Water User Associations. • Bathymetric surveys in reservoirs. • Water quality monitoring surveys. 	<ul style="list-style-type: none"> • There is adequate community capacity to maintain the water investments for continued sustainability
Output 3.2: Sustainably managed forest and agricultural ecosystems.	<ul style="list-style-type: none"> • Increasing area of forests rehabilitated and/or protected (target of 1,300 ha by Year 8) • Decrease in number of human-wildlife conflicts reported (target of 60 km of wildlife fence by Year 8). • X% decrease in rates of soil loss from farmlands by Year 8 (Baseline to be determined) • Use of 1,450 matching grants for SWC by Year 8. 	<ul style="list-style-type: none"> • Reports on activities undertaken by CFAs. • Soil loss measurements at representative sites covering the main farming systems. • Reports on matching grants for SWC activities 	<ul style="list-style-type: none"> • CFAs are effective in controlling illegal uses of forest resources and maintaining wildlife fences. • Beneficiaries of grants for SWC activities continue after the matching grants.
Outcome 4: Project effectively and efficiently managed.	<ul style="list-style-type: none"> • Project activities fully integrated in mainstream GoK systems and institutions with functional management, monitoring and reporting. 	<ul style="list-style-type: none"> • NIMES, M&E reports 	<ul style="list-style-type: none"> • New constitutional arrangements remain conducive to project

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Results Hierarchy	Indicators	Means of Verification	Assumptions
			implementation.
Output 4.1: Fully functional governance, management, monitoring and reporting systems.	<ul style="list-style-type: none"> • Project implemented on schedule with performance ratings of satisfactory or better. • Increasing measures of institutional capacity. 	<ul style="list-style-type: none"> • Supervision and implementation support mission reports, and audit reports. 	<ul style="list-style-type: none"> • It will be possible to recruit and retain suitably qualified project staff.
Output 4.2: Knowledge about NRM effectively managed and disseminated to stakeholders.	<ul style="list-style-type: none"> • Increasing dissemination and use by stakeholders of knowledge generated by project. • Regional knowledge centres effectively networked. 	<ul style="list-style-type: none"> • Number of information materials produced and distributed project-wide as monitored by M&E. • Reports of regional knowledge networks. • Surveys on awareness of sustainable NRM. 	<ul style="list-style-type: none"> • Other partners will cooperate and use the knowledge management systems.

Appendix 3: Summary of key actions to be taken within agreed timeframes

Agreed Action	Responsibility	Action Taken
Training of county facilitation teams on the PRA tools as a priority in order to support the PRA exercise.	PCT	PRA training was carried out by a consultant where 441 (294 M and 147 F) officers were trained in October 2014.
FDA delineation exercise to be conducted as a matter of priority as it is a pre-requisite for implementation of most of the project activities.	PCT	The project was able to delineate 185 catchment blocks (FDAs). Covering all the 12 high priority river basins and tributaries of MKEPP river basins.
Conducting PRA to develop CAPs in the FDAs	PCT	The project facilitated conducting of 157 PRAs culminating to 157 CAPs. A remainder of 38 PRAs will be carried out in the 2 nd half of 2014-15 FY.
The recruitment of the independent oversight agency for assessing grants applications and the call for proposals should be fast tracked once funds are made available to the project.	PCT	The independent oversight agent has been recruited.
Signing of MoU with WSTF for disbursement of level II and III of the grants.	PCT	The MoU with WSTF has been signed and WSTF is in the process of recruiting independent oversight Agent.
The Gender baseline survey should be fast tracked to support gender mainstreaming in the community structures.	PCT	The survey was carried and a report submitted.
Fast tracking of conducting the soil and Water Conservation survey.	PCT	The survey was carried and a report submitted.
Finalise the Project Implementation and Grants manuals.	PCT	The project prepared PIM, Grants manual, Financial and procurement manuals which have been approved by PSC and IFAD.
Carry out baseline study	PCT	The survey was carried and a report submitted.
Preparation of a standard transport refund rate format based on kilometres and travel to be used for transport reimbursement during project field activities.	PCT	The PCT prepared a proposal of transport refund rates which has been approved by PSC and IFAD.
Procurement and grant manuals should be revised to ensure they capture the needs of women, youth and the vulnerable as proposed.	PCT	The manuals were revised and have been approved by PSC and IFAD
In order to be able to draw summary tables to	PCT	This has been captured in the

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 3: Summary of key actions to be taken within agreed timeframes

<p>the annual work plan and budget, reflecting the financing percentages by component and category, the detailed tables for every component should show the percentage of financing for every activity (as per the project cost tables)</p>		<p>project financial management system and is continuous</p>
<p>PCT should ensure that the financial management software is purchased and accounting data captured into the system before the end of the current financial year.</p>	<p>PCT</p>	<p>The software has been designed and installed. Capturing of data is on-going and continuous</p>
<p>PCT revises the draft procurement manual to include contract monitoring procedures and logistics' management guidelines.</p>	<p>PCT</p>	<p>The manual has been prepared and approved by PSC and IFAD.</p>

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
COMPONENT 1: COMMUNITY MPOWERMENT COMPONENT													
Output 1.1: Communities with increased awareness of sustainable NRM													
Public meetings to raise awareness along the river basins before the PRAs	No	20	87	50	87	157	435	100	314	70	157	224	PDR envisioned 1 public meeting per sub county per year but for maximum outreach the project decided to carry out public meetings along the river basins.
Printing of leaflets and posters	No	10,500	10,500	31,500	10,500	21,000	100	100	67	31500	21,000	67	project had printed 10500 during FY 2
Sensitization of County and sub county officers	No	0	0	720	0	699	-	-	97	1,320	1249	95	560 county and sub county staff during launch workshops and 699 chiefs were sensitized (579M and 120F), This was done

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													during 2013-14 FY
Launch Workshops	No	0	0	7	0	7	-	-	100	7	7	100	Held at National level and each county to sensitize the technical officers on the goal, objectives and the scope of the project (2012-13 FY)
Public address systems	No	0	0	6	0	6	-	-	100	6	6	100	Helped in community awareness creation and sensitization and are being used during PRA mobilization campaigns
School Greening Programmes	Schools	500	400	1500	425	425	85	106	28	3500	425	12	There are two planting seasons each year when this activity takes place. More schools have

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													ben identified in the new FDAs where more planting will be done
Output 1.2: Key community organisations with increased capacity to manage Natural Resources Sustainably													
Capacity building of FDACs	No	93	93	203	0	70	-	-	34	273	70	26	The FDACs are trained on their roles in the project implementation. FDACs for FDAs delineated during 2014-15 FY have not yet been trained.
Capacity building of WRUAs	No	12	6	17	0	0	-	-	-			-	
Capacity building of CFAs	No	25					-	-	-			-	
Output 1.3: Community Action Plans for livelihood improvement and sustainable NRM													
Delineation of FDAs	No	93	115	203	115	185	124	100	91	273	185	68	The project decided to delineate all FDAs in the high priority river basins and tributaries

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													of the MKEPP rivers in order to fastrack the exercise of conducting PRAs
Conducting of PRAs and development of CAPs	No	93	115	203	87	157	94	76	77	273	157	58	PRAs will be conducted up to FY 6. PRA results in CAPs which are the bases for preparation of AWPB
COMPONENT 2: SUSTAINABLE RURAL LIVELIHOOD													
Output 2.1: Agricultural packages adapted to various agro-ecological and socio- Economic Contexts													
On farm trials and demonstrations	No	170	210	270	60	60	35	29	22	1,230	60	5	The demos are done at FDA level with support from KARLO. The remaining demos are scheduled for the 2nd Half of 2014-15FY
Soil fertility demonstrations / Multi treatment trials	No	10	15	15	6	6	60	40	40	63	6	10	The demos are done at selected sites by KARLO. The remaining

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													demos are scheduled for the 2nd Half of 2014-15FY
Seed multiplication-Basic seeds	Kgs	4,000	7,000	6,000	0	0	-	-	-	22,000	0	-	the 1st batch of crops will be harvested between January-March 2015
Seed multiplication-Breeder seeds	Kgs	100	50	150	0	0	-	-	-	550	0	-	This is scheduled to start during 2015-16 FY
Purchase of certified seed from contract growers	Tonnes	80	50	80	0	0	-	-	-	720	0	0	This is scheduled for the 2nd half of 2014-15 FY
Training for contract seed growers	No	400	300	600	0	0	-	-	-	2200	0	0	PDR targets 50 seed growers per workshop. The workshops are scheduled for 2nd half of 2014-15 FY
Training for seed field officers	No	0	12	8	0	0	-	-	-	8	0	0	the project intends to train 2 officers per county in the 2nd half of 2014-15FY. This is above PDR target but

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													will ensure enough capacity in the counties
Tools and Equipment	No	3	3	6	0	0	-	-	-	6	0	0	The tools are used by KARLO while carrying out the on-farm demo to be procured in the 2nd half of 2014-15FY
Seed Store	No	0	1	1	0	0	-	-	-	1	0	0	Procurement process in progress
Procurement of soil testing equipment	Set	0	1	1	0	0	-	-	-	1	0	0	The equipments will be used for soil laboratory at KARLO Embu. To be procured in the 2nd half of 2014-15 FY
Procurement of Vehicles	No	0	10	10	0	0	-	-	-	10	0	0	The contracts with suppliers have been signed. Waiting delivery

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
Procurement of Motor cycles	No	36	40	74	0	0	-	-	-	74	0	0	The project has signed contracts for 40 motorcycles to be delivered within 2014-15 FY. The others will be procured in future based on needs
Output 2.2: CIGs Successfully adopt or improve farm and/or non-farm IGAs													
Matching grants to CIGs involved in Grants	CIGs	390	175	760	175	175	45	100	23	3210	175	5	The project is in the process of disbursing funds to 175 CIGs. More CIGs will be funded during the 2nd call for proposals
Independent oversight agent	No	3	1	3	1	1	33	100	33	7	1	14	The PDR envisaged an agent for each CIG. In order to minimize costs, the project hired agent to appraise and recommend for award of the CIGs.

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
Establishment and support to FFS	No	130	140	254	40	40	31	29	16	880	40	5	Each FDA was planned to have 2 FFS. More FFS will be established and supported during the second half of 2014-15FY
FDA/CFA-level meetings with financial service-providers	No	195	70	380	0	0	0	0	0	0	0	-	-
SUBCOMPONENT 1: SUSTAINBLE MANAGEMENT OF WATER RESOURCES													
Output 3.1: Water Resources of the Upper Tana catchment sustainably managed													
Grants to level 2 WRUAs	Grants	0	6	0	0	0	-	-	-	0	0	#DIV/0!	This activity is being implemented by WSTF. The PDR did not provide for level 2 WRUAs but because most of the WRUAs in project area are in their early stages, the project decided to start giving grants to

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													them
Grants to level 3 WRUAs	Grants	0	2	12	0	0	#DIV/0!	0	0	19	0	0	Being implemented by WSTF. Funds already disbursed to WSTF for onwards disbursement to WRUAs who had submitted proposals
Grants to Level 4 WRUAs	Grants	6	0	17	0	0	0	-	0	24	0	0	There are no WRUAs in level 4 but the funds allocated for this category were planned to fund WRUA in category 2 in the project area which had no allocation in the PDR. It is expected the WRUAs will gradually grow

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													to level 4 as project implementation continues.
Grants to Level 5 WRUAs	Grants	11	0	16	0	0	-	-	0	88	0	0	There are no WRUAs in level 5 but the funds allocated for this category were planned to fund WRUA in category 2 in the project area which had no allocation in the PDR. It is expected the WRUAs will gradually grow to level 4 as project implementation continues.
Barazas for awareness raising	Meeting	18	17	33	6	6	33	35	18	33	6	18	More sensitization meetings will be held during 2015-16 FY

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
Radio broadcasts on water and sanitation	sessions	200	90	330	0	0	0	0	0	730	0	0	The radio broadcasts have been designed. The announcements will be done during the 2nd half of 2014-15 FY
Printing of leaflets	No of leaflets	10,000	10,000	30,000	0	0	0	0	0	60000	0	0	the leaflets for 2014-15 will be procured during 2nd half
Printing of posters	No of posters	500	500	1500	0	0	0	0	0	3000	0	0	The posters for 2014-15 will be procured during 2nd half
Rehabilitation of small-scale dams	Dams	2	0	4	0	0	0	-	-	10	0	0	The project was waiting for proposals from communities to fund irrigation schemes. The proposals sent were incomplete, some without designs, NEMA approvals. The project has taken up these proposals and

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													they are at design stage.
Rehabilitation of springs	springs	10	10	20	0	0	0	0	0	100	0	0	The springs are at design stage. To be implemented in the second half
Rehabilitation of boreholes	Boreholes	5	0	10	0	0	-	-	-	55	0	0	They have been planned for 2014-15 FY. The project received proposals from communities and are being designed for implementation
Rehabilitation of shallow wells	wells	5	5	10	0	0	0	0	0	55	0	0	The project received proposals from communities and are being designed for implementation
Intake devices	No	2	2	4	0	0	0	0	0	12	0	0	The project received proposals from communities

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													and are being designed for implementation
Rainwater tanks	no of tanks	20	20	30	0	0	0	0	0	110	0	0	The implementation of Tanks was awaiting delineation of FDAs. Procurement in process and will be implemented during 2nd half of 2014-15 FY. These are for demos only. Schools have been identified within the FDAs
Upgrading of small-scale irrigation schemes	Ha	200	40	400	0	0	0	0	0	2000	0	0	This was dependent on proposals received from CIGs. The proposals have been received, schemes identified, they are at design stage some to be

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													implemented in 2014-15 FY and others 2015-16 FY
Building for Embu water laboratory	Labs	0	1	1	0	0	-	-	-	1	0	0	Construction of the lab is underway
Building for Aberdares water laboratory	Labs	0	1	1	0	0	-	-	-	1	0	0	Construction of the lab is underway
SUBCOMPONENT 2: SUSTAINABLE MANAGEMENT OF FOREST AND AGRICULTURAL ECOSYSTEMS													
Output 3.2: Sustainably Managed forest and Agricultural Ecosystems													
Capacity building grants to CFAs	Grants	18	5	33	3	6	17	60	18	33	6	18	These grants are given to CFAs to develop PFMP where there are none. The other will be implemented during 2014-15 and 2015-16 FY
Fuel efficient stoves	Stoves	25	25	50	26	62	104	104	124	165	62	38	The stoves are used as demos and are given to institutions. More planned during 2016-16

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
Efficient charcoal kilns	Kilns	10	10	20	6	8	60	60	40	33	8	24	More demos are planned during 2015-16FY
Electric fencing of forest borders	Km	10	40	20	16	16	160	40	80	60	16	27	the construction is ongoing and the project would complete 40Km during 2014-15 FY
Matching grants to CIGs for S&WC	Grants	170	60	340	61	61	36	102	18	1350	61	5	This was during the first call for proposals. The project has delineated more FDAs from where the proposals will be received from.
Rehabilitation of Degraded areas	Ha	400	400	500	390	540	98	98	108	1300	540	42	Mt. Kenya and Aberdares have been rehabilitated. More rehabilitation planned during 2015-16 FY

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
procurement of motor vehicles	No	0	15	15	0	0	#DIV/0!	0	0	15	0	0	Procurement process on going. Contracts have been signed with suppliers. To be delivered within 2014-15 FY
procurement of motor cycles	No	0	33	33	0	0	#DIV/0!	0	0	33	0	0	Procurement process on going. Contracts have been signed with suppliers. To be delivered within 2014-15 FY
Training KFS staff	No	60	50	120	0	0	0	0	0	360	0	0	Trainings are currently on going.
COMPONENT 4: PROJECT MANAGEMENT AND COORDINATION													
Opout 4.1: Fully functional Governance, Management, Monitoring and Reporting Systems:													
Baseline survey	Studies	0	0	1	0	1	-	-	100	1	1	100	Study done during 2013-14 FY
Monitoring, Evaluation, Learning and Reporting	No	0	0	1	0	1	-	-	100	1	1	100	System designed, installed, users trained during

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumulative PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumulative PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
System													2013-14 FY. It is already in use.
Financial Management System	No	0	0	1	0	1	-	-	100	1	1	100	System designed, installed, users trained during 2013-14 FY. It is already in use.
Mid-term review survey	No	0	0	0	0	0	-	-	-	-	0	0	This is scheduled during 2016-17 FY after completion of FY4
Project completion survey	No	0	0	0	0	0	-	-	-	-	0	0	Scheduled during 2019-20 FY
Impact Assessment	no	0	0	0	0	0	-	-	-	-	0	0	To be implemented during 2017-18 FY to capture project impacts
PSC meetings	No	4	4	12	3	9	75	75	75	32	9	28	PSC meetings are held on quarterly basis
Audits by KENAO	No	1	1	3	1	1	100	100	33	8	1	12.5	the first audit was 16 months covering 2 FY (2012-13 & 2013-14). The audits are held

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
													after closure of each financial year
Preparation of AWPBs	No	1	1	3	1	4	100	100	133	8	4	50	Draft AWPB for 2015-16 FY has been prepared.
Preparation of Annual Reports	No	1	1	3	1	2	100	100	67	8	2	25	2012-13, 2013-14 FY annual reports prepared
Output 4.2: Knowledge about NRM effectively managed and disseminated to Stakeholders													
Launch Workshops	No	0	0	7	0	7	-	-	100	7	7	100	The project held 7 launch workshops (1 at the PCT level and 6 others in the counties. This was aimed at creating awareness on the goal and objectives of the project, its implementation arrangement.

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
Annual stakeholder consultation workshops	No	7	0	0	0	0	0	-	-	42	0	0	This activity forms part of MTEF budgeting cycle and aims at reviewing project performance during the previous year and inform next year's AWPB. Since no substantial activities in the field and there was no substantial participation of communities in project implementation , the project has scheduled the activity to 2015-16 FY. the ARW will be county based .i.e. 1 per county per year with input and technical backstopping from PCT

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

ACTIVITIES	UNIT	PDR Target for FY3	AWP B Target for FY 3	Cumul . PDR Target up to FY3	Achieved in FY3	Achieved up to FY3	% Achieved of PDR Target FY 3	% Achieved of AWPB Target for FY 3	% achieved of Cumul PDR up to FY3	Total Project Target (PDR)	Cumulative achievement	% Achieved	REMARKS
Website Development	No	0	0	1	0	1	-	-	100	1	1	100	The website was developed during 2013-14 FY. It is a tool for information sharing.
Studies and publications on lessons learned	No	1	1	1	0	0	0	0	0	22	0	0	Due to the slow start up of the project, this has not been implemented. The grants are being disbursed to communities which will be an opportunity for the project to capture lessons learnt.
Electronic newsletters	No	3	1	6	0	0	0	0	0	6	0	0	The project e-magazine is at design stage and the project will produce one during 2014-15 FY.

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Financier	Appraisal (USD 000)	Disbursements (USD 000)	Percent Disbursed
IFAD Loan	33,000	4,241.56	13
SPANISH LOAN	17,000	2,617.91	16
Beneficiaries	7,501	0	-
Government	11,344	1,324.00	12
Total	68,850	8,183.47	12

Table 5B: Financial performance by financier by component (USD '000) as at 17 February 2015

Component	Total	Disbursement					Commitments	% (Actual+Commit) against Budget
	AWPB Allocation	IFAD Loan	SPANISH	GOK	TOTAL	Disb. Rate (%)		
Community empowerment	1,087.97	235.88	146.42	7.29	389.58	36%	277.78	61.34
Sustainable rural livelihood	2,399.71	209.93	138.20	11.80	359.93	15%	1,176.15	64.01
Sustainable Water & NRM	4,069.74	171.84	44.12	12.78	228.74	6%	2,127.78	57.90

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Component	Total	Disbursement					Commitments	% (Actual+Commit) against Budget
	AWPB Allocation	IFAD Loan	SPANISH	GOK	TOTAL	Disb. Rate (%)		
Comp								
Coordination and management	1,755.28	203.03	272.89	3.89	479.81	27%	611.11	62.15
Total	9,312.69	820.68	601.63	35.76	1,458.06	16%	4,192.82	60.68

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5C: IFAD loan disbursements (SDR, as at 17 February 2015)

Category	Total	Disbursement					Commitments	% (Actual+Commit) against Budget	Remarks
	AWPB Allocation	IFAD Loan	SPANISH	GOK	TOTAL	Disb. Rate (%)			
Vehicles, equipment and materials	2,845.53	77.85	-	0.54	78.38	0.03	2,402.31	87.18	Procurement of motor vehicles
Sensitization, training workshops and studies	1,222.95	376.00	177.24	7.29	560.52	0.46	317.08	71.76	County commitments
Grants and awards	1,887.28	193.30	51.83	11.80	256.93	0.14	120.41	19.99	Grants to counties
Technical assistance	255.56	-	80.88	5.58	86.45	0.34	92.27	69.93	Biomass, Hydrological surveys
Civil works	1,561.51	41.61	-	7.20	48.81	0.03	1,143.90	76.38	Electric fence and other civil works
Salaries, allowances, operations and maintenance	1,539.86	131.92	291.68	3.36	426.96	0.28	116.86	35.32	Other procurement and county commitments
Total	9,312.69	820.68	601.63	35.76	1,458.06	0.16	4,192.82	60.68	

Appendix 6: Compliance with legal covenants: Status of implementation

	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 4.02	PCT to opened and maintained a Project Account (in USD/EURO/KSH); GoK to make deposit equivalent to its AWPB amount	After entry into force which was 23rd May 2012	yes the Accounts were opened - Feb 2013 and March 2013 for USD/EURO and KSH RESPECTIVELY	Done
Section 4.02	Replenish Project Account quarterly in advance	Quarterly	Quarterly	Done
Section 4.03	Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3	Continuous	Always in compliance	Done
Section 4.04	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.			Done in accordance with regulations in force
Section 4.05, section 11,10(b)	Audit report submitted to IFAD.	By the end of sixth month after financial year end		Done
Section 4.06	Progress reports to be submitted to IFAD on a quarterly basis.	Bi-annually	Always in compliance	Done

KENYA

Upper Tana Catchment Natural Resource Management Programme

Supervision report - Mission dates: From 16 February to 6 March, 14 to 30 April and 8 to 12 June 2015

Appendix 6: Compliance with legal covenants: Status of implementation

	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Schedule 4, para 7	AWPB to be submitted to the Fund, for its review and comments	At least 60 days to beginning of the next financial year		Done
Schedule 4, para8(a)	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.	As it fall due		To be done as it falls due
Schedule 4, para16	Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures	Continuous	Always in compliance	Done

Appendix 7: Knowledge management: Learning and Innovation

KM&L Workshop: The sub component conducted 1 No. workshop on KM&L for the project coordination staff and county project coordinators.

Regional Workshops: The project supported three (3) officers to participate in the International Symposium on Rainwater Harvesting and Resilience in Ethiopia.

The project also supported one county officer to a learning route themed “Innovative tools and approaches to enhance gender equality in value chain development” in Ethiopia.

Internet Connectivity: The project managed to acquire reliable internet connectivity service (Fibre Optic Cable). This will provide a stable platform for optimal utilization of the project’s M&E system and accounting information system.

Project publicity: As part of the project’s publicity campaign, the subcomponent oversaw the development and production of 1500 No. project calendars. These were distributed to select recipients for optimal publicity.

Management Information System: The project developed and set up the necessary infrastructure to host 2No. Management information systems namely the M&E system and the Accounting information system. User training for the two systems has been successfully carried out.

Project Website and Intranet: The project acquired an interactive website and intranet for use as a communication and sharing platform, document repository, conducting surveys and an engagement fora for community of practice.