



PROJECT EXECUTIVE SUMMARY REQUEST FOR WORK PROGRAM ENTRY

GEFSEC PROJECT ID: 3249
IA/ExA PROJECT ID: P091979
COUNTRY: Kenya
PROJECT TITLE: Adaptation to Climate Change in Arid Lands (KACCAL)
GEF IA/ExA: World Bank
OTHER PROJECT EXECUTING AGENCY(IES):
DURATION: 4 years
GEF FOCAL AREA: Climate Change
GEF STRATEGIC OBJECTIVES: CC-8
GEF OPERATIONAL PROGRAM: SCCF
PIPELINE ENTRY DATE: 10/26/06
ESTIMATED STARTING DATE: JULY 2007
IA/ExA FEE:

* FINANCING PLAN (\$)		PDF	Project*
GEF (SCCF)	A		
	B	290,000	6,000,000
	C		
SCCF Total		290,000	6,000,000
Co-financing		(provide details in Section b: Co-financing)	
IDA		100,00	40,000,000
Government and Communities		20,000	4,000,000
Co-financing Total		100,000	44,000,000
Total		410,000	50,000,000

CONTRIBUTION TO KEY INDICATORS IDENTIFIED IN THE FOCAL AREA STRATEGIES: The proposed project contributes to the Climate Change Focal Area. It specifically focuses on the implementation of key adaptation measures to reduce vulnerability to climate change (higher temperature and increased frequency and scope of droughts and floods) in the arid and semi arid lands of Kenya"

Approved on behalf of the (*Enter accountable GEF Agency*). This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for work program inclusion.

Steve Gorman

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Date: October 31, 2006

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PROJECT SUMMARY

a) PROJECT RATIONALE, OBJECTIVES, OUTCOMES/OUTPUTS, AND ACTIVITIES.

1. Livelihoods and economic activities in Kenya are highly vulnerable to climatic fluctuations in space and time. About 80 percent of the country is arid or semi-arid, where the main sources of sustenance are pastoral and subsistence agriculture. The growing population puts additional pressure on the already weak natural resource base, further reducing its resilience to climate shocks. Climate variability has significant impacts on the economy particularly in the agriculture, food security, and human health, as well as, infrastructure related transport, power and water sectors. The recent severe and longer than usual droughts (2001, 2004-06) has prompted speculation that this is an early signal of climate change.
2. Given the dramatic impacts of climate variability on Kenya's economic performance and the livelihoods of the poor, the superimposed effects of climate change pose severe threats to sustainable economic development and poverty reduction¹ by introducing another layer of uncertainty in the sustainability of livelihoods. Climate change projections as outlined in Annex 1 of the Project brief suggest an increase in the average annual temperature, by at least 2-3 degrees Celsius, and in the extreme by up to 5 degrees Celsius by the end of the century. There is greater uncertainty regarding changes in average rainfall, but projections indicate a growing risk of both dry spells and intense precipitation events with floods, both reflecting an increase in the scope and the frequency of climate variability. These changes will have significant implications for the viability of agriculture and livestock production, disease control, water, land and natural resources management, exacerbating the already existing challenges to rural livelihoods in the semi-arid and arid lands of Kenya. The Arid and Semi Arid Lands (ASAL) region and its poor are the most vulnerable to the impacts of climate change, which places an additional strain on human health and food security, threaten water resources, and therefore the viability of these rural livelihoods. The economic costs are high: for example, livestock production, which accounts for 26 percent of total national agricultural production and small-scale agriculture are central to livelihoods in the ASALs.
3. The Government acknowledges in its Economic Recovery Plan the special attention the ASALs areas need in order to achieve poverty reduction noting that in relation to the smallholder livestock sector there was a need to address problems of insecurity, degradation of rangelands and poor access to water. Both the Poverty Reduction Strategy Paper (PRSP) and the Kenya Rural Development Strategy discuss the importance of reducing risk and vulnerability for those Kenyans who rely on the natural resource base for their livelihood. The Government's key document on climate risk² prioritizes the need for appropriate agricultural and livestock policies and action programs that will reduce vulnerability in the ASALs, specifically laying out adaptation options in agriculture, water and rangeland management towards mitigating the potential adverse impacts of climate change.

¹ As identified, e.g., in an ongoing inter-agency project "Linking Climate Change Adaptation and Disaster Risk Management for Sustainable Poverty Reduction", which was supported by the European Commission on behalf the inter-agency Vulnerability and Adaptation Resource Group (VARG). In the context of the project three country case studies were carried out, including Kenya (Osbahr and Viner, 2006, forthcoming publication). A general overview of climate change impacts in Africa is given by the IPCC (2001), WG II. Fischer et al. (2002) highlight in their global assessment the vulnerability of agriculture and food security in Africa to climate change.

² National Communications to the COP of the UNFCCC

4. The World Bank has a well established dialogue with the government of Kenya which assists in meeting development priorities and responding to drought related emergency support in the ASALs through a key government planning and investment program called the Arid Lands Resource Management Program (ALRMP). The ALRMP is highly successful and well embedded institutionally, with a home in the Office of the President and effective linkages to the district and community level. However, climate change related risks will significantly impact activities in support of poverty reduction and development of the area. The ALRMP is, on the one hand clearly addressing short term impact of climate variability, and on the other hand provides a very effective delivery mechanism for mainstreaming additional longer term adaptation measures.

5. Adaptation activities are designed to strengthen local adaptive capacity, reduce risks and contribute to the adoption of more sustainable practices within current programs. SCCF additional financing for Kenya will operationalize and mainstream climate risk management through the ALRMP by embedding a longer-term perspective in planning and in on-the-ground interventions, improving the information chain between scientific climate related knowledge at one end and anticipatory responses at the local level at the other end, translating into a strategic adaptive response to climate change risk. This project will demonstrate and test the effectiveness of this approach. In addition to regular project performance monitoring, this includes the establishment of an experimental design structure. The results from the district and community level activities under KACCAL will be compared in their effect on vulnerability reduction to climate risks over time to districts and communities included in the ALRMP, which were not part of the KACCAL focus and hence function as a control. By establishing such a monitoring framework and identifying appropriate indicators, this will help provide a framework for evaluating adaptation measures and provide a practical foundation for future adaptation work in the dry lands of Africa.

6. The overall objective of the KACCAL is to assist Kenya in adapting to expected changes in climatic conditions that otherwise threaten the sustainability of rural livelihoods in its arid and semi-arid lands. The project will focus on i) improving the ability to reduce the near-term vulnerability to current climate variability and trends in conjunction with the ALRMP, and on ii) strengthening the medium to long-term ability to address climate change impacts related to increased climatic variability and higher temperature, associated with changes of magnitude and frequency of extremes.

7. The project will achieve this by strengthening institutional and technical ability to manage current and future climate risks across scales, specifically including the risks of climate change into local and national strategies and activities that affect livelihood in ASALs such as supporting innovative initiatives to diversify and improve long-term livelihoods by engaging local communities and the private sector. The project activities will take the following differentiated approach:

8. At the local level, the project will place an emphasis on strengthening the adaptive capacity to current climate variability and extremes, but connect such efforts with a forward looking perspective on the superimposed effects of climate change. Efforts include increasing the accessibility of early warning and seasonal climate forecasts to vulnerable stakeholders in

ASALs, training communities to act upon this information through improved land-use and natural resource management and economic development strategies, and building local level capacities to detect and address local climatic and environmental changes.

9. The project will seek to strengthen the link between disaster management and climate change to ensure that short term responses that may be maladaptive in the medium to long-term are avoided. Support will be provided for development of partnerships and information sharing mechanisms that bring together technical, development and policy perspectives relevant to sound decision-making for the longer term.

10. Long-term sustainability and resilience will require inclusion of the private sector to create additional opportunities for those whose livelihoods may no longer be sustainable due to climate change. The project also focuses on opportunities for economic diversification in support of alternative livelihoods. The CDD component will finance investments at the community level that can mitigate climate risks.

11. The four project components focus on building a comprehensive climate risk management approach by connecting activities at the local, sub-national and national level and engaging a broad range of stakeholder groups. With this in mind, the specific project components of KACCAL include:

Component 1: Improve national coordination of information and action for management of climatic risk (Total cost: USD 8.1 million; SCCF Increment: USD 0.8 million; IDA baseline: USD 6.5 million; Local: USD 0.8 million)

Institutional efforts focused on disaster risk management and climate change are still largely fragmented. This component will strengthen the ability of the institutions jointly to understand and respond to current and future climate risks.

Subcomponent 1. 1: Improve national and regional coordination for climate risk management.

12. The ALRMP is working to strengthen and institutionalize the drought monitoring system at the national and district level. At the national level, the Kenya Food Security Meeting (KFSM) is being strengthened and legally recognized as the national steering group for food security and drought management. At the district level, the district steering groups in the ALRMP districts are being formalized as the subcommittee of the DDC responsible for natural resource and drought management. The district steering groups harmonize the planning of NRM and drought related activities of all line ministries, CBOs and NGOs in the district.

13. Currently the existing structures largely work separately from each other. The Office of the President (OP) coordinates the national disaster management structures and the support for sectoral Ministries in this area. The OP is also the implementing agency for the ALRMP. A National Disaster Management Authority (NADIMA) is being established, which would oversee sectoral decisions in research and response, form an overarching structure for special programs, and oversee the Disaster Trust Fund. The Ministry of Environment (MENR) and the National Environmental Management Agency (NEMA), hold the national mandate for coordination with

respect to issues related to the United Nations Framework Convention on Climate Change (UNFCCC).

14. KACCAL will enhance the coordination of the activities of these institutional structures in order better to focus on risks associated with climate change. Efforts will be undertaken to share what is known about long term climatic change, identify appropriate responses to it, and address gaps in the present mechanisms of response.

Subcomponent 1.2: Enhance institutional capacity for provision and operationalization of scientific information related to climate risk.

15. KACCAL will improve the integration of climate information into ALRMP activities; e.g., the capacity of extension systems to provide guidance on addressing current and future climate risks in relation to land-use and natural resource management issues in arid and semi-arid lands.

16. Building on the existing scientific capacities as well as the ongoing initiatives, this subcomponent will strengthen the application of information on climate risks in decision-making processes at the national level. Activities will include evaluation of information needs for decision-making processes, as well as of available information sources and gaps. Based on this analysis, relevant institutions will work together to develop and refine information formats and dissemination strategies. Professional staff in existing institutions will be trained to function as “translators” of scientific concepts on climate variability and change into operational activities. At the community level, KACCAL will strengthen current early warning systems currently supported under the ALRMP by coupling the surveys at the household level with the weather and climate forecasts generated separately and at a more aggregated level. Mobile extension systems will be enhanced and staff trained on the communication of climate information in connection with advice on land-use and natural resource management. Extension agents will also be trained to record information received from communities on local climate indicators and environmental change. This feed-back mechanism to scientific institutions will be used to examine the relationship between external information and local knowledge systems and gain early clues in possible changing environmental conditions.

Component 2 : Integrate a long-term climate-risk perspective into local/district planning and investments and support to engage private sector for climate risk reduction (Total cost: USD 14.8 million; SCCF Increment: USD 1.5 million; IDA baseline: USD 12.2 million; Local: USD 1.1 million)

17. This component focuses on incorporating a long-term perspective into local/district level planning processes, identifying implications for public and private sector investments, and assessing opportunities for economic diversification to reduce vulnerabilities to climate risks over time. The goal is to provide local and district level governments with the tools and knowledge to facilitate a shift from unsustainable activities towards those that are less vulnerable to climate risks.

Subcomponent 2 .1: Integrate a long-term climate-risk perspective into district level (planning, processes and capacity).

18. Focusing on 4-5 selected districts in the ALRMP operational area, this subcomponent will strengthen the ability of district level officials and actors to access relevant information at the national level.

19. The additional activities under SCCF financing will include i) increased awareness of the manifestations of climate change, specifically in these districts, and ii) consultation and technical support for identifying and ranking options for adaptation. Climate change will lead to the marginalization of some areas and activities, and communities so affected will need opportunities to diversify their income sources and find new ones, better adapted to the expected directions of change in climate. The subcomponent will give specific attention to identifying livelihoods at risk, assessing opportunities, and identifying ways to bring the private sector into constructive responses.

Subcomponent 2.2: Promoting related public and private investments

20. KACCAL will support the implementation of selected interventions identified in the enhanced district plans. The modalities of these additional investments will follow the ALRMP implementation structures as closely as possible; specific arrangements will be detailed in the project implementation plan.

21. Public interventions could include activities to better manage the increased risk of conflict inherent in climate change. Under the ALRMP, conflict management in the arid lands is being strengthened by fostering dialogue between parties and supporting local initiatives to manage conflicts between different pastoral groups, as well as between pastoralists and other local stakeholders, such as sedentarized farmers. KACCAL will provide a climate-overlay to these efforts, which will point at potential migration patterns and hotspots for conflicts, both in terms of long-term climate projections and on shorter timescales. The subcomponent will support innovative initiatives to engage the private sector in providing new livelihood opportunities in the ASALs. The project will explore incentive structures to enable the private sector and communities in the commercialization of dryland products (for example, aloe, sisal etc.) that have high value in external markets and are expected to be viable under projected climatic conditions. KACCAL will also support an analysis of the potential benefits of private-public partnership arrangements to supply weather index insurance schemes, the prerequisites for such arrangements (e.g. data needs, institutional structures) and how such schemes can be tied to incentives that reduce vulnerabilities to climate risks.

Component 3 : Support Community Driven Initiatives to enhance Long-term Livelihoods strategies (Total cost: USD 20.9 million; SCCF Increment: USD 2.3 million; IDA baseline: USD 17.3 million; Local: USD 1.3 million)

22. KACCAL will enhance the ALRMP's CDD approach to foster appropriate climate risk management strategies and investments at the community level. These will focus on activities that address impacts related to expected higher temperature and increased frequency and intensity of droughts and precipitation. The component activities will be concentrated in the 4-5 pilot districts.

Subcomponent 3.1: Community capacity building

23. ALRMP includes a substantial training program designed to increase the ability of communities in identifying, implementing and monitoring priority community investments. The ALRMP also includes a continuous Participatory Rural Appraisal (PRA) process that ensures a process of community driven priority setting and review. SCCF additional funding will enhance the ALRMP community capacity building program by integrating a long-term perspective towards reducing climate risk in strategies and investment choices at the community level. It will help communities identify activities that can mitigate the negative impacts of these risks through the development and application of specific methodologies under the PRA, appropriate training and awareness raising activities on climate change related risks and impacts, potential opportunities for increasing welfare. The resulting priorities will be reflected in updated Community Action Plans (CAPs) that the communities formulate with assistance from Mobile Extension teams (METs).

Subcomponent 3.2: Capacity Building for Backstopping Services

24. The ALRMP structure provides communities with technical support and backstopping through a number of Mobile Extension Teams (METs). The additional SCCF funding will allow to train the trainers and develop the ability of the frontline technical support providers working with the communities of the 4-5 pilot districts to carry activities that will: improve the use of climate related information tools, enhance PRA processes, upgrade participatory M&E regarding long-term sustainability and climate risk related impacts, expand the menu of options for diversification of livelihoods, strengthen responses to changing climatic and associated environmental conditions etc.

Subcomponent 3.3: Micro-projects

25. The ALRMP has put in place a Community Driven Development (CDD) financing mechanism for an ‘open menu’ of community based micro-projects. These micro-projects are developed from the PRA-based Community Action Plans (CAPs). Under the CDD mechanism, the community priorities, in general, have emphasized the provision of basic services over activities that may have more medium to longer term impacts.

26. This subcomponent with SCCF financing will facilitate additional community based micro-projects by creating a special CDD window with a ‘restricted menu’ specifically targeted at activities with a direct impact on preventing and mitigating the consequences of climate change in the selected districts. The priorities for these investments will arise from the enhanced CAPs supported under sub-component 3.1 and 3.2. Micro-projects will also support diversification of livelihoods. These could be both non-pastoral in-farm and/or non-farm enterprises or involve educational and vocational opportunities that may help smooth out-migration over time from truly marginal areas. To incentivize lower discounting of the future, the community contribution would be lower (sliding scale with a minimum of 10 percent). The target is to reach at least 60 communities distributed over the pilot districts.

Component 4: Program management, technical assistance, project and impact monitoring and evaluation, and regional knowledge sharing (Total cost: USD 6.2 million; SCCF Increment: USD 1.4 million; IDA baseline: USD 4.0 million; Local: USD 0.8 million)

27. This component will provide support to enhance the ALRMP secretariat to support the implementation of the additional KACCAL mandate and activities. It will involve building capacity at the secretariat level on climate risk related issues enabling it to develop project management processes that capture the information flows and allow targeted responses. Given, the weaknesses in capacity in climate change related technical issues, the secretariat will act as a hub through which technical assistance can be channeled appropriately. It will also be responsible for the monitoring of KACCAL project processes and performance (i.e. both project outputs and impact monitoring) and evaluation of implementation. The ARLMP-KACCAL secretariat will be responsible for ensuring appropriate documentation and reporting of lessons learned to facilitate replicability and scaling-up, within the ASALs as well as in other climate-affected areas in the region and beyond. It will also contribute to regional knowledge learning and sharing activities that build on a base of adaptation related experiences.

28. The project will include several measures to assess and monitor the success of activities aimed at increasing the long-term resilience to climatic risks. This includes for example an evaluation of the uptake of climate information in decision-making processes. At the policy level this will be determined by the recognition of current and future climate risks and adaptation measures in policies and planning processes. At the local level, this includes the monitoring of the uptake and application of climate information in livelihood activities over the life-time of the project.

29. Furthermore, the project will follow an experimental design structure to enable an evaluation of the effectiveness of adaptation interventions. Under this approach the vulnerability of districts and communities, where adaptation activities were carried out under Components 2 &3, will be compared with the level of vulnerability of districts and communities, which have similar characteristics and are part of the ALRMP, but not of KACCAL's focus. At the end of the project, some preliminary conclusions can be drawn with respect to whether or not the experimental districts have benefited from the additional activities. By establishing such a monitoring structure, it will generally be possible to assess over time whether interventions will increase resilience to climatic shocks, as witnessed by improved monetary and non-monetary assets, economic diversification and climate sensitive income activities and generally improved living standards. The output of this development experiment will therefore help improve the overall understanding of climate change adaptation on the ground in arid lands and build a foundation for future adaptation work in the dry lands of Africa.

KEY INDICATORS, ASSUMPTIONS, AND RISKS (FROM LOGFRAME)

30. Of the following, selected expected outcome and output indicators will be monitored:

Outcomes

- Adaptation to climate variability and change is mainstreamed as demonstrated by reflection in district management and community action plans, and national strategies and policies
- Increased diversity of household income sources/livelihood options using a modified version of the Core Welfare Indicators Questionnaire (CWIQ) methodology
- Decreasing number and percentage of people of targeted communities in each ASALs district seeking/receiving free food aid
- Reduced time lapsed between reported drought stress and response

Outputs

- Impacts of climate change and associated vulnerabilities are recognized in the Vision and Strategy for the Arid and Semi-Arid Lands and other new national policy documents related to disaster and drought management and food security
- District Annual Work Plans that explicitly address climate related vulnerabilities across time-scales, evaluating short and long-term risks in their effect on sustainability of development processes
- Adaptation community micro-projects are implemented
- Relevant climate information supporting decisions are reflected in district level Annual Work Plans, EWS, and Drought Preparedness Plans
- Local climate change scenarios are developed for pilot areas
- Number of key stakeholders trained
- Policy statement reflecting coordinated approach
- Plan for rapid response in place
- Cumulative number of CAPs in the pilot districts that reflect changing climate risks
- Number of ALRMP districts beyond the pilot districts that have adopted long-term climate risk planning
- Number of references to KACCAL experiences in other programs
- New initiatives contributing to income diversification by communities and private sector are started

31. The key risks and potential mitigation measures include:

- *Political instability or disruption to government operations:* The project will follow such proposals closely and participate actively in the debate on local development support and service delivery. The project management and implementation strategy will be flexible and will be adjusted to any changes in government structures or procedures which have an impact on ALRMP/KACCAL implementation.
- *Continued and growing conflict, especially in the arid districts:* The project will mitigate the risk of conflict by facilitating the solution of conflicts between communities, and supporting participatory resource management strategies, which should help to reduce conflict over resource access and use.
- *Legal and regulatory framework not conducive to improving sustainable livelihoods:* The project will play an advocacy role on behalf of the population in the project area in proposed legal and regulatory reform proposals.
- *Alternative sustainable livelihood strategies to livestock do not exist in the arid lands:* the project will provide support to creating a more conducive environment for diversified sustainable livelihoods, through the support to financial service delivery in remote areas, through CDD grants and by providing specific technical support.
- *Technical capacity and services available are inadequate to support KACCAL objectives:* The project has built in first-rate technical assistance provision in the project understanding that the country/region may have the requisite technical capacity.
- *Recurrent droughts during the implementation period of the project keep diverting attention away from the long-term planning that the project envisages to accomplish:* This risk is being mitigated partly by the fact that the baseline project has already created substantial capacity

to effectively respond to these short-term emergencies, and partly by building capacity among the key agencies to be mentally and physically prepared to respond promptly to deal with immediate catastrophes, even while developing and proving longer-term solutions—using appropriate planning procedures in the immediate response that enable integration of the necessary short-term solutions into the longer-term planning context. In addition, it should be noted that recurrent extremes can also provide an additional motivation to address the underlying long-term vulnerabilities that might have remained hidden or tolerable under normal climate conditions

- *The project fails to enhance the capacity and motivation of district and local stakeholders to address the long-term challenges associated with climate change:* This is an important risk, given that much of the planning and implementation of the project will need to happen within the pilot districts under the ALRMP. This risk will be mitigated by selecting districts that have expressed a clear interest in addressing these long-term challenges and by finding local champions to promote the case and show the benefits and opportunities associated with the additional efforts to address the long-term challenges. Furthermore, the community development modalities under the ALRMP will be enhanced with an additional funding window that will provide specific incentives for activities related to long-term vulnerability reduction.

COUNTRY OWNERSHIP

b) COUNTRY ELIGIBILITY

32. Kenya signed the United Nation Framework Convention on Climate Change on June 12th, 1992 and ratified it on August 30th, 1994. As a non-Annex-I party, Kenya is therefore eligible to access Special Climate Change Fund resources.

c) COUNTRY DRIVENNESS

33. Kenya has been playing a prominent role in the climate change debate in Africa, starting with the 1990 Nairobi Conference on Global Warming and Climate Change, which resulted in the first significant declaration on climate change in Africa, and continuing to this year, during which Kenya will host the Conference of the Parties (COP) to the UNFCCC as well as the Second Meeting of the Parties to the Kyoto Protocol. In the meantime, Kenya has submitted its Initial Communication to the UNFCCC and is currently working on the second. The First National Communication of Kenya to the COP of the UNFCCC emphasizes the critical importance of incorporating climate variability in the country's policies for various ecosystems. It highlights the need for "making use of and improving existing technologies, and developing policies that make climate sensitive sectors resilient to current climate variability". It notes that livestock and small-holder agriculture sectors are the most important areas as they are the dominant livelihood source in the most vulnerable regions to climate change i.e. the ASALs and are almost entirely dependent on rainfall. The report places significance on the need for appropriate agricultural and livestock policies and action programs that will reduce vulnerability in the ASALs, specifically laying out adaptation options in agriculture, water and rangeland management towards mitigating the potential adverse impacts of climate change.

34. In recent years, public and political concern about climate change has also been rising, partly due to concerns about the recurrent droughts and flooding, and their severe socio-economic consequences in almost all sectors, but also due to the rising international importance placed on

improving awareness of climate change, development and disasters (including among others the G8 Gleneagles process and its follow-up World Bank's Framework on Clean Energy and Development, and efforts by UNISDR and other UN agencies).

I. Program and Policy Conformity

d) FIT TO GEF FOCAL AREA STRATEGIC OBJECTIVES AND OPERATIONAL PROGRAM

35. This mainstreaming approach, which is a key cornerstone of the proposed project, fits into both the Bank's strategy on these issues, as well as the emerging international approach to adaptation to climate change (e.g. UNFCCC, 2005). The proposed project also fits the World Bank's global commitment to scale up its efforts to address new risks to development being posed by climate change, as expressed, for instance, in the Investment Framework for Clean Energy and Sustainable Development (World Bank, 2006), following the G8 Gleneagles Action Plan. The project responds to the guidelines of the Special Climate Change Fund (SCCF), a separate Global Environment Facility (GEF) – funding mechanism for adaptation measures, made available to support the implementation of specific adaptation measures, clearly identified as national priorities, to address impacts from climate change.

36. The project will also build on experiences in other regions of the World Bank, in particular LAC, where some important work has been done, but also EAP. The proposed SCCF project in Kenya builds on that experience in mainstreaming climate risk management, directly contributing to poverty reduction and sustainable development, as well as to the Bank's broader agenda of mainstreaming climate risk management.

e) SUSTAINABILITY (INCLUDING FINANCIAL SUSTAINABILITY)

37. The core activities of the SCCF financing will be fully integrated with the baseline project, which has a successful institutional structure that was developed under its first phase and has been retained for the current second phase. The policy and advocacy work will increase the exposure of national policy and decision makers to the arid lands. This is expected to generate some change in mindset well beyond the closure of the ALRMP.

38. The activities in the pilot districts will primarily result in capacity of local institutions and stakeholders for integrating a longer time horizon into their planning, which should be sustainable beyond the implementation of the project's investments. The project will also provide extension services with the tools and means to actually address the changes in exposure to climatic extremes, building capacity for climate risk management that will be integrated into their regular way of operating. Furthermore, the enhancements in the overall coordination mechanisms for climate risk management, with coordination by the Office of the President, will increase the sustainability of risk management efforts in individual agencies.

Social

39. Participation is the key to project impact and sustainability. For example, ALRMP has already developed and introduced an effective participatory approach to service delivery based on a good understanding of pastoralist communities. The design of the project participatory approach will then fully benefit from the extensive experience of the baseline project. The project will involve consultation and collaboration at many levels, during preparation and

implementation. It will take advantage of the partnerships and linkages that have already been established by ALRMP in the districts and also seek other ways of improving these partnerships so that they insure project's sustainability. Conflicts have the potential for undermining the gains from the project if not addressed sufficiently. For this reason the project will assist those utilizing traditional methods of conflict resolution as well as looking for innovative ways such as supporting the activities of women who now in most communities are being respected as peace makers. Lessons from ALRMP will be drawn where in particular the approaches used are sustainable.

Financial

40. Adaptation will be a long-term process, and the activities initiated under the proposed project will require sustained efforts and resources. However, the main results will be to make plans and approaches in the ASALs more climate resilient and to build experience and institutional capacity for systematic climate risk management in broader contexts. Regardless of subsequent external financing for adaptation, such systematic problem diagnosis and options analysis would autonomously result in sustained enhancements in climate risk management, simply because, even without outside assistance, stakeholders would realize that the cost of not including climate risk management would be higher than the cost of the additional investment.

f) REPLICABILITY

41. Climate change adaptation in Kenya will be a long-term process. The lessons learned under the current project, both in terms of planning enhancements, specific adaptation options, and improvements in institutional coordination, will help to create a basis for a much broader program of climate risk management, both scaling up the climate risk management efforts in rural livelihood enhancements in the ASALs (including by expanding from the four pilot districts to other districts covered by the current ALRMP2), as well as in other regions and sectors. There is, therefore, considerable scope for replication and scaling-up of successful experiences under this project. The strengthening of institutional coordination and the explicit attention for monitoring, evaluation and documentation of lessons learned will facilitate this replicability and scaling-up. In addition, the proposed project also includes provisions for periodic evaluations to inform other climate-affected investments in Kenya, as well as other adaptation initiatives in the region and beyond.

g) STAKEHOLDER INVOLVEMENT

42. The key beneficiaries are the people of Kenya, particularly the poor and vulnerable communities in the ASALs. The project will also target specific interventions at the most vulnerable groups within these communities, especially through the promotion of community-based safety nets as part of the CDD component and particular support to vulnerable communities in emergencies. Key risk management activities to target these groups are being undertaken at district and community level, and the proposed SCCF project will deliver its enhanced long-term planning perspective and investments through these same mechanisms.

43. Another set of stakeholders include the national and regional institutions that can provide information to the project and its stakeholders, including the Kenya Meteorological Department (KMD), the intergovernmental Climate Prediction and Applications Centre (ICPAC), the Department of Meteorology at the University of Nairobi, the Drought Monitoring Centre and

CGIAR institutes; as well as a number of national and international research initiatives on development and adaptation to climate change.

44. At the central government level, stakeholders include Office of the President (OP) and its mechanisms for arid lands management, food security and disaster management; as well as the Ministry for Environment, its Climate Change Secretariat, as well as the Inter-Ministerial Committee on Environment and its National Climate Change Activities Coordination Committee, chaired by NEMA. National governmental stakeholders also include central and sectoral ministries that are affected by disaster management and climate change, including Planning, Water, Livestock, Environment, Agriculture and Rural Development, Health, Education etc. Furthermore, they include the newly established National Disaster Management Authority (NADIMA) which would oversee sectoral decisions in research, planning and response, and form an overarching structure that includes the KFSS and special programs, and would administer the Disaster Trust Fund.

45. Additional stakeholders to be involved include a number of national NGOs operating in the disaster risk, food security and climate change nexus, including the Kenya Red Cross and various local, national and international NGOs operating at district and community level; as well as international organizations and bilateral aid agencies, including USAID, WFP, various UN agencies; and regional organizations such as NEPAD, the African Union, and the African Development Bank. Finally, the private sector is an important stakeholder, particularly for the innovative livelihoods diversification strategies. Full stakeholder consultations will be completed prior to appraisal.

II. F financing

a) PROJECT COSTS

Project Cost By Component and/or Activity (USD Million)	Governme nt and communities	IDA ALRMP Baseline	GEF SCCF Increment	Total
<i>Improve coordination of information and action for management of climatic risk.</i>	800,000	6,500,000	800,000	8,100,000
<i>Integrate a long-term climate-risk perspective into local/district planning and investments and support to engage private sector for climate risk reduction</i>	1,100,000	12,200,000	1,500,000	14,800,000
<i>Support Community Driven initiatives to enhance long-term livelihoods strategies</i>	1,300,000	17,300,000	2,300,000	20,900,000
<i>Program management, technical assistance, project and impact monitoring and evaluation, and regional knowledge sharing</i>	800,000	4,000,000	1,400,000	6,200,000

Total Project Costs	4,000,000	40,000,000	6,000,000	50,000,000
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b) PROJECT MANAGEMENT BUDGET/COST³

Component	Estimated staff weeks	GEF (\$)	Other sources (\$)	Project total (\$)
Locally recruited personnel*	1008	336,000	672,000	1,008,000
Internationally recruited consultants*	0	0	0	0
Office facilities, equipment, vehicles and communications		120	800	920
Travel		50	450	500
Miscellaneous		50	200	250
Total	1008	556,000	2,122,000	2,678,000

* Local and international consultants in this table are those who are hired for functions related to the management of project. For those consultants who are hired to do a special task, they would be referred to as consultants providing technical assistance. For these consultants, please provide details of their services in c) below:

c) CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Estimated staffweeks	GEF(\$)	Other sources (\$)	Project total (\$)
Personnel				
Local consultants	2450	650,000	1,800,000	2,450,000
International consultants	400	250,000	750,000	1,000,000
Total	2850	900,000	2,550,000	2,450,000

III. Institutional Coordination and Support

A) CORE COMMITMENTS AND LINKAGES

46. The proposed project is fully in line with the government's strategy. Both the PRSP and the KRDS discuss the importance of reducing risk and vulnerability for those Kenyans who rely on the natural resource base for their livelihood. The need for development aimed at reducing this risk is emphasized, through effective service delivery, drought early warning systems, an improved natural resource and land use management system, and assistance in the creation of more effective conflict resolution mechanisms. The first national communication of Kenya to the COP of the UNFCCC states highlights the critical importance of incorporating climate variability in the country's policies for various ecosystems. It notes that livestock and small-holder agriculture sectors are the most important areas as they are the dominant livelihood source in the most vulnerable regions to climate change i.e. the ASALs. The report places significance on the need for appropriate agricultural and livestock policies and action programs that will reduce vulnerability in the ASALs, specifically laying out adaptation options in agriculture, water and rangeland management towards mitigating the potential adverse impacts of climate change. The proposed project is also consistent with the Bank's overall strategy to incorporate climate change adaptation into development plans and projects, as expressed, e.g., in the Investment

³ For all consultants hired to manage project or provide technical assistance, please attach a description in terms of their staff weeks, roles and functions in the project, and their position titles in the organization, such as project officer, supervisor, assistants or secretaries.

Framework on Clean Energy and Development and the recent publication *Managing Climate Risk* (World Bank, 2006, issued at the GEF General Assembly).

B) CONSULTATION, COORDINATION AND COLLABORATION BETWEEN IAs, AND IAs AND ExAs, IF APPROPRIATE.

47. The project team will further liaise with UNDP and UNEP during the next steps of project development. It brings the insurance that its design will benefit from useful information and elements acquired by UNDP on the same problematic. It will also insure adequate coordination with the new UNEP-GEF local adaptation project.

C) PROJECT IMPLEMENTATION ARRANGEMENT

48. The project will be implemented over a period of 4 years, using a similar, but enhanced management structure which is used by the ALRMP. Being a multi-sectoral, decentralized project, the role of the Office of the President, with its strong ties to provincial administration, has been an effective position for the coordination of drought management and community development nationally and in the districts. At the national level, the project fits with OP's mandate for food security and famine relief. During ALRMP1, an effective mechanism emerged, supported by the project, which has improved the inter-government and donor government coordination mechanisms for drought and food security: The Kenya Food Security Meeting, consisting of key sectoral ministries concerned and external partners, will continue to play a key role in overall drought management and will become more formally linked with government drought and disaster coordination mechanisms. The mechanisms for the coordination of the KACCAL policy and national capacity building activities will be finalized prior to appraisal.

49. The government will continue to foster collaboration and co-funding of activities with other partner agencies through local and national dialogue using the project and government management structures.

50. At district level, the project will continue to be coordinated through the District Coordination Unit (DCU), situated within the district level Provincial Administration, and headed by a Drought Management Officer (DMO), who will also act as the district ALRMP Coordinator. He or she will be supported by a Community Development Officer (CDO) to manage the CDD component, a training officer (to coordinate the support to local development component), a data analyst, and three MET team leaders. In the semi-arid districts where only the natural resource and drought management component will be implemented, the DMO will work with a data analyst and a finance and supplies and procurement officer.

51. One of the strengths of the design of the project is the level of multisectoral and inter-agency coordination at the district level, which has resulted from an effective coordination mechanism in ALRMP1. Planning, approval and coordination of all district and community level interventions is carried out by the District Steering Group (DSG), a sub-committee of the DDC, which is composed of local leaders, technical staff of the district and partner agencies. Local service delivery operations will also be coordinated by the DSG, who will ensure that all resources coming into the district are well coordinated and working towards the same purpose. One of the principles of the project is to provide various windows of support through which districts and communities can decide their priority activities, including the drought contingency fund, funding

for drought preparedness, for various CDD activities, and for enhanced local service delivery through the use of the district services allocation. For each of these funding mechanisms, guidelines and rules are under development, which will be used to improve the planning and implementation of development activities at the district level.

52. Communities will bear institutional responsibility in the operation of the CDD component. “Communities” will be defined loosely to allow a variety of community groups in different socio-cultural settings to participate in the CDD process. Thus far, communities have defined themselves as groups sharing common resources. Community institutions taking on decision-making and fund-managing responsibilities will be strengthened to ensure representativeness of their respective communities and appropriate management capacity. Community PRA and CAPS, which will be updated on a regular basis, will provide the basis for interventions in CDD. Procurement for items required for the implementation of specific community micro-projects, which in the first phase was carried out by the district officials, will be the responsibility of the communities in KACCAL using the WB guidelines for community procurement.

53. Detailed institutional and implementation mechanisms are defined in the project implementation plan prior to appraisal.

ANNEX A: ADDITIONAL COSTS

The project requests US\$6 million of SCCF funding. Consistent with SCCF guidelines, the SCCF will finance less than one-third of the total costs of the project.

The US\$40 million IDA for the Arid Land Resource Management Program meets the proportional scale financing requirements to be considered for funding under the Special Climate Change Fund. In addition, the GoK has made very clear commitment to reducing climate risk vulnerability in the arid and semi arid lands of Kenya.

The World Bank has a well established dialogue with the government of Kenya which assists to meet development priorities and responding to drought related emergency support in the ASALs through a key government planning and investment program called the Arid Lands Resource Management Program (ALRMP). The ALRMP is highly successful and well embedded institutionally, with a home in the Office of the President and effective linkages to the district and community level. However, climate change related risks will significantly impact activities in support of poverty reduction and development of the area. The ALRMP is, on the one hand clearly addressing short term impact of climate variability, and on the other hand provides a very effective delivery mechanism for mainstreaming additional longer term adaptation measures.

Adaptation activities are designed to strengthen local adaptive capacity, reduce risks and contribute to the adoption of more sustainable practices within current programs. SCCF additional financing under KACCAL targets actions that are clearly part of the priority areas for adaptation activities under the SCCF. They will operationalize and mainstream climate risk management through the ALRMP by embedding a longer-term perspective in planning and in on-the-ground interventions, improving the information chain between scientific climate related knowledge at one end and anticipatory responses at the local level at the other end, translating into a strategic adaptive response to climate change risk.

The objective of the KACCAL is to assist Kenya in adapting to expected changes in climatic conditions that otherwise threaten the sustainability of rural livelihoods in its arid and semi-arid lands. The project will focus on i) improving the ability to reduce the near-term vulnerability to current climate variability and trends in conjunction with the ALRMP, and on ii) strengthening the medium to long-term ability to address climate change impacts related to increased climatic variability and higher temperature, associated with changes of magnitude and frequency of extremes.

ANNEX B: PROJECT RESULTS FRAMEWORK

PDO	Project Outcome Indicators	Use of Project Outcome Information
Build the capacity of communities and governance structures to continuously reduce vulnerabilities to current and future climate risks in at least 4 ASAL districts	<p>Long-term climate risk and adaptation to it is mainstreamed as demonstrated by reflection in district management and community action plans, and national strategies and policies</p> <p>Increased diversity of household income sources/livelihood options using a modified version of the Core Welfare Indicators Questionnaire (CWIQ) methodology</p> <p>Decreasing annual trend in the number and percentage of people of targeted communities in each ASALs district seeking/receiving free food aid</p> <p>Reduced time lapsed between reported drought stress and response</p> <p>Improved nutritional status of children below 5 years of age affected by severity of drought over time</p>	The project outcome indicators will test the effectiveness of the adaptation interventions promoted by KACCAL and will help guide future adaptation efforts in the ASALs, the rest of Kenya, and beyond.
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
Climate change perspectives integrated in system of natural resource and drought management, at national level and in the pilot districts and its communities, where sustainable development processes would otherwise be threatened.	<p>Impacts of climate change and associated vulnerabilities are recognized in the Vision and Strategy for the Arid and Semi-Arid Lands and other new national policy documents related to disaster and drought management and food security</p> <p>District Annual Work Plans that explicitly address climate related vulnerabilities across time-scales, evaluating short and long-term risks in their effect on sustainability of development processes</p> <p>Adaptation community micro-projects are implemented</p>	<p>If new national policy documents do not reflect integrated climate risk management perspective, increase attention for national policy dialogue</p> <p>If District Annual Work Plans do not reflect long-term climate risk management perspective, review capacity building and incentives</p> <p>If PPPs do not materialize, review incentive structure</p>

	New initiatives contributing to income diversification by communities and private sector are started	
Stakeholders in the pilot districts have access climate risk information which addresses sector and activity specific information needs across different temporal and spatial scales	<p>Relevant climate information supporting decisions are reflected in district level Annual Work Plans, EWS, and Drought Preparedness Plans</p> <p>Local climate change scenarios are developed for pilot areas</p> <p>Number of key stakeholders trained</p>	If state of the art climate information is not put to use at the district level, review outreach and packaging of climate risk information by national and regional institutes; look for additional “champions”/“translators” at district level
Close coordination between national and sub-national institutional mechanisms for food security, disaster management and climate change adaptation	<p>Policy statement reflecting coordinated approach</p> <p>Plan for rapid response in place</p>	If coordination is not progressing, advocate for stronger efforts towards integration at Office of the President
Community planning in pilot districts take a comprehensive climate risk management perspective, which addresses changing degrees of exposure to climate hazards and changing conditions of vulnerability	Cumulative number of CAPs in the pilot districts that reflect changing climate risks	If climate risks are not appropriately addressed, review capacity building and outreach to communities, and review incentives
Lessons learned are applied beyond immediate scope of the project	<p>Number of ALRMP districts beyond the pilot districts that have adopted long-term climate risk planning</p> <p>Number of references to KACCAL experiences in other programs</p> <ul style="list-style-type: none"> (i) within Kenya (ii) beyond Kenya 	If targets are not met: scale up documentation and distribution of lessons learned

Arrangements for results monitoring

Project Outcome Indicators	Baseline	Target Values (cumulative)				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Long-term climate risk and adaptation to it is mainstreamed as demonstrated by reflection in district management and community action plans, and national strategies and policies (percent of total targeted plans)	0%	15%	40%	75%	100 %	Biennial	Baseline: ALRMP midterm evaluation report; YR2: ALRMP terminal evaluation report; YR4: KACCAL terminal evaluation report	ALRMP/KACCAL Secretariat
Increased diversity of household income sources/livelihood options using a modified version of the Core Welfare Indicators Questionnaire (CWIQ) methodology (percentage of targeted households)	0%	20%	45%	70%	100%	Biennial	As above	As above
Decreasing annual trend in the number and percentage of people of targeted communities in each ASALs district seeking/receiving free food aid (percentage of total decrease in number of people getting food aid)	0%	25%	50%	75%	100%	Annual	Relief & Rehabilitation Department District records on relief distribution	Relief & Rehabilitation Department
Reduced time lapsed between reported drought stress and response (Percentage change in decrease of time)	0%	25%	50%	75%	100%	Annual	Baseline survey based on enhanced EWS sub-locations samples for reference months of March & September, repeated yearly	ALRMP/KACCAL Secretariat
Improved nutritional status of children below 5 years of age affected by severity of drought over time (percentage increase in children with improved status)	0%	30%	60%	85%	100%	Annual	As above	As above
Intermediate Outcome Indicators								
Long-term climate risk perspective integrated into the Vision and Strategy for the Arid and Semi-Arid Lands and other new national policy documents related to disaster and	-	-	Yes	Yes	Yes	Annual	Vision and Strategy for the Arid and Semi-Arid Lands, and other national policy documents related to disaster and drought management	ALRMP/KACCAL Secretariat

drought management and food security	-							and food security	
District Annual Work Plans that explicitly reflect long-term climate risk management perspective	-	1/4	2/4	4/4	4/4	Annual		District Annual Work Plans for the four pilot districts	ALRMP/KACCAL Secretariat
Adaptation community micro-projects are implemented	-	-	-	xx	xx	Annual		Chamber of commerce registrations of PPPs	ALRMP/KACCAL Secretariat
New initiatives contributing to income diversification by communities and private sector are started									
Relevant climate information supporting decisions are reflected in district level Annual Work Plans, EWS, and Drought Preparedness Plans	-	-	3/12	8/12	11/12	Annual		District Annual Work Plans, EWS documents, and Drought Preparedness Plans for the four pilot districts	ALRMP/KACCAL Secretariat
Local climate change scenarios are developed for pilot areas	-	1/5	3/5	4/5	5/5				
Number of key stakeholders trained									
Policy statement reflecting coordinated approach	-	-	-	Yes	Yes	Annual		Policy statement on coordination	ALRMP/KACCAL Secretariat
Plan for rapid response in place									
Cumulative number of CAPs in the pilot districts that reflect changing climate risks	-	-	5/20	30/60	60/100				ALRMP/KACCAL Secretariat
Number of ALRMP districts beyond the four pilot districts that have adopted long-term climate risk planning	-	-	-	1	3	Annual		District Annual Work Plans, EWS documents, and Drought Preparedness Plans for all ALRMP districts	ALRMP/KACCAL Secretariat
Number of references to KACCAL experiences in other programs									
(iii) within Kenya	-	1	2	5	8	Annual		Government and donor program documents	ALRMP/KACCAL Secretariat
(iv) beyond Kenya	-	-	1	3	10	Annual			

ANNEX B: RESPONSE TO PROJECT REVIEWS

a) Convention Secretariat comments and IA/ExA response
- No comment received.

b) STAP expert review and IA/ExA response:
- Comments and response to comments attached below.

STAP Review of GEFSEC Project ID: 3249

Country: Kenya.

Project Title: Adaptation to Climate Change in Arid Lands (KACCAL)

Review by STAP Roster Member, Ian Burton.

1. Overall Assessment of the Project.

This is a well and thoughtfully designed project which is also most timely. In principle the World Bank's approach to adaptation through "mainstreaming" of climate risks into development has now been widely accepted among the regional banks, the bilateral donors and the developing countries themselves. It is one thing to agree to a principle however and quite another to apply it. This is one of the early projects to attempt such an application, and there is little by way of past experience to draw upon. The project may be viewed therefore as something of an experiment. The hypothesis may be specified as follows: "It is possible to incorporate climate risks into major development programs and projects in such a way that practical and "no-regrets" measures are developed and applied, and make a real difference to the projects, and result in safer investments and better returns on investments than would otherwise have been realized".

This project is well designed to test this hypothesis. An important implication of this is that the project should be very carefully monitored and assessed, not simply in the usual post-audit fashion, but from start to finish and on a continuous basis. Such an ongoing assessment should be as arms-length and independent as possible. This would enhance the probability of its success by facilitating course corrections during the execution of the project, and also drawing systematic lessons that could be applied as the work is followed up and extended both in Kenya and elsewhere.

2. Scientific and Technical Soundness of the Project.

In conceptual terms the project is scientifically and technically sound. There is at least one big unknown that is likely to affect the outcome of the project. Will it be possible to design and specify adaptation measures and see them adopted at the local and community level, given the remaining large uncertainties about the magnitude and rate of warming, and the even greater uncertainties about future precipitation? To put the question another way – do the farmers and pastoralists in the arid and semi-arid lands of Kenya have the capacity to adopt adaptive measures, given their poverty, the likely costs of the measures, the uncertainty about future climate, and the multiple other stresses that are impacting on the system? The framers of this project are well aware of this concern but I wonder if enough attention has been given to it, and what strategies the project proponents have in mind to employ if they encounter difficulties in gaining the credibility and confidence and trust of the stakeholders and communities?

Another feature of the science of climate change which has to be recognized is that climate change is not a shift from one climate equilibrium to another. We are moving into a new situation in which the climate will continue to change into the indefinite future. Much of the past management of climate impacts such as drought, has been based on the idea that it is necessary to cope with the drought for a limited period of time until it is over and “normal” conditions return. Henceforth there will be no normal climate, only a continually changing climate. This is quite a different mind-set and while the experts can usually grasp it, the task of communication such an idea to the local communities and stakeholders will not be easy or straightforward. As the project develops more attention to this problem is likely to be required.

3. Integration between the KACCAL and the baseline ALRMP.

Integration between KACCAL and the existing ALRMP is crucial to the success of KACCAL. The whole raison d'etre of the KACCAL is to add climate change risks into the ALRMP. At the present time the Project Appraisal Document is a bit short on how the integration will in fact occur at the ground and local operational levels. Presumably this and related issues can be sorted out in the PDF stage. At present however the PAD gives the impression of a rather “top-down” design, and not enough evidence to be completely reassuring that integration will be fully achieved. Component 1 refers to national coordination and the use of climate risk information. Component 2 refers to local/district planning, and Component 4 refers to program management and monitoring and evaluation. These words, “coordination”, “planning”, “program management” and “monitoring and evaluation” given the reader an impression of top-down thinking from the President’s Office. The strongest bottom-up part of the project

is Component 3 where some US. \$2.3 million or over one third of the funds will be spent on community driven initiatives to enhance long-term livelihood strategies.

It seems likely from the PAD that all or most of this money will be spent in only 4 or the 28 districts in the ALRMP. A full integration between KACCAL and ALRMP would seem to be difficult if KACCAL works mainly in only 4 districts. Surely some aspects of the KACCAL should be carried out in all the ALRMP districts? Selection of 4 districts out of 28 for the most integrating and community driven part of the project seems a bit restrictive, especially if the selection is made in a top-down manner as seems inevitable.

4. Fit with the goals of the SCCF.

The KACCAL project seems to fit perfectly within the SCCF goals, and is an early and important test case of how to mainstream climate risks into other ongoing development projects.

5. Replicability of the project.

To the extent that the project is successful it should be capable of being replicated elsewhere. To begin with this might be in the ALRMP districts not included. It seems likely that there will be a demand for “scaling up investments” in those districts not included in the first stage.

The decision to focus the scaling up of investments in only four districts seems to offer a potential tool for assessing the value of the project. If the KACCAL investments are focussed in about 4 districts out of 21 or 28 it should be possible to compare at a later date the success of the ALRMP program in those 4 districts with results in the non-scaled up districts! Presumably this was not the reason for limiting the KACCAL to 4 districts, but some explanation might be helpful.

If the project is successful in practical and methodological ways there are likely to be many demands for this sort “add-on” in other projects by no means limited to arid lands. A question that might arise in this context therefore is - will mainstreaming of climate risks always be regarded as an add-on? Or can a stage be reached where all ODA type investments automatically include climate risks? Will the incorporation of climate risks by Task Managers be limited to those projects where additional funds are available from the GEF?

6. Linkage to other focal areas.

The project is a multi-sectoral project and as such includes other focal areas in addition to its focus upon farming and pastoralism in arid and semi arid lands. How the project will actually link with other ongoing work in water management, health, and fragile ecosystems is not yet spelled out in detail. But the PAD gives every indication that the project will involve partners and stakeholders from other focal areas and that the multiple objectives of the project will serve their interests and not have any unintended impacts, and will contribute to global environmental benefits.

7. Linkage to other programmes and action plans at the national or regional level.

The KACCAL is closely linked and integrated with the ALRMP and through it to other development activities in the arid lands of Kenya, and other ongoing initiatives.

8. Other beneficial or damaging environmental effects.

It is difficult without a full environmental impact assessment to be sure that there can be no adverse effects. It is clear that in taking pressure off land resources the project might have substantial environmental benefits including the improved management of water resources and the preservation or enhancement of ecosystems. On the other hand the project will explore the creation of alternative livelihoods through small scale investments and could also contribute to rural-urban migration. In advance of those choices it is impossible to state categorically that there could be no adverse environmental consequences. It is clear however from the PAD that the project is designed to the extent possible to avoid any such consequences and that in any case choices will be made on the basis of careful assessments of consequences including community led development.

9. Stakeholder involvement.

Stakeholder involvement is a key component of this project. At the moment the precise mechanisms of stakeholder involvement are not specified in the PAD, but it seems clear that they will follow the practices already well established in the baseline project – ALRMP. An important component of the project is work on the resolution of conflict among diverse stakeholders. This conflict resolution work will necessarily involve close cooperation with stakeholders and the development of trust.

10. Capacity Building.

A considerable part of the project is devoted to capacity building. As presently formulated the capacities to be strengthened are concentrated in the provision of services and the administration of advice and assistance from government agencies to local communities. There is a certain flavour of “top-down” in the PAD. Perhaps this is because the project has been formulated as an integral part (or add-on) to a large and on-going successful project. The modalities of the ALRMP seem likely to be used as an approach to capacity building, although the capacities themselves (how to incorporate climate risks into arid land management) are different and additional.

It is difficult to know at this stage if there is sufficient human capacity to tackle the issues addressed in the project. The wide array of topics to be addressed in the project (including the operationalization of scientific information related to climate risk, the promotion of public and private investments, community capacity building, facilitating community based micro-projects, and the examination of insurance possibilities), is truly formidable. It seems to this reviewer that the project might be in danger of promising too much.

11. Further Suggestions.

A number of other suggestions relating to the project will be sent separately. The suggestions are keyed in to specific points in the text.

Ian Burton.
October 2006.

Response to the STAP Review

The response follows the structure of the STAP review:

1. Overall assessment.

Response: Overall the review of the project is positive. In order to evaluate the success of adaptation measures, the team agrees with the importance of monitoring and re-evaluating the effectiveness of adaptation measures over the project time-frame. For example, a continuous monitoring of assets on the household level over time is suggested in the project proposal. Given

comparable exposure to risks over time, adaptation measures should contribute to the general ability to households to maintain or increase their asset base.

The project actually takes an experimental design approach, which will be monitored under component 4, by selecting 4-5 districts and by comparing them to 4-5 other districts included in the ALRMP (but not part of the KACCAL's focus) which will serve as control cases. At the end of the project, it will be possible to get an indication as to whether or not the additional "adaptation" activities have improved resilience, created more alternative livelihoods, increased incomes, helped responsiveness to climate fluctuations, and helped local communities respond in these beyond what happened in the control group. This information will help increase the overall understanding of adaptation and its needs.

One general problem of any climate change adaptation project is the discrepancy between the long-term dimension of climate change and relative short duration of the project (in this case 4 years). Hence, while a monitoring process can be started with this project it is important that the monitoring need to be continued beyond the life-time of the project. This implies also limitations in the ability of gauging the success within this short time-frame.

2. Scientific and Technical Soundness

Response: In the review it is questioned whether adaptation measures to climate change can be incorporated, given other immediate pressing development needs.

This dilemma is explicitly recognized in project design by taking a differentiated approach at various levels (national, district, local). At the local level, emphasis is placed first and foremost on addressing the vulnerability to present climatic risks and already visible changes. This represents the first step in preparing for the longer-term challenges of climate change.

By working across scales, the project, however, aims to ensure that current risks are addressed in policy frameworks and incentive structures in such a way that they do not lead to mal-adaptive development paths in the medium to long-term. Especially at the district and national governance level attention is paid to integrate awareness of climate change impacts into decision-making processes.

Furthermore, while the project recognizes that existing adaptation deficit to current climate variability and trends has to be addressed first at the local level, it is also fully acknowledge in the design of the project components that current

livelihood practices may become unsustainable in the long-run. Hence, the identification of economic diversification and alternative livelihood options, which are less vulnerable to climatic changes, represent an important aspect of the project. At the local level, climate change will hence be addressed in a variety of ways:

- *Near term: Improve access to climate information, improve land-use and natural resource management, strengthen extension systems*
- *Near to medium term: Improve buffering against climatic shocks coupled with incentives for vulnerability reduction, e.g. insurance mechanisms are being investigated for this purpose.*

Medium to long-term: Preparation begins now with the goal to identify and help initiate processes that lead to economic diversification and livelihood activities that are more resilient to climatic variability and change in the medium to long-term. Hence the project aims to identify market opportunities for more climate resilient produce, identify opportunities for private sector engagement etc.

Another important point in the review under section 2 is that climate is likely to continue to change. The project team is aware of this. This is part of the reason why extension systems should be strengthened with an increased emphasis on educating communities on understanding climate variability and change and also improving their capability of monitoring the climate and relating it to their livelihood activities. The Asian Disaster Preparedness Center (ADPC) has successfully carried out projects in Asia, where communities were trained to monitor climatic parameters over time and incorporate the additional knowledge into their planning processes. The project would aim to draw on such initiatives with the goal of adjusting it to the African context.

3. Integration between the KACCAL and the baseline ALRMP

Response: In conjunction with the above comments, it should be evident that the project is not top-down driven, but rather combines top-down and bottom-up approaches. Given that the project is closely linked to CDD activities and includes micro-projects that are identified by the communities themselves, this combined approach is further emphasized.

4. Fit with the goals of the SCCF

No response required.

5. Replicability

Response: The reviewer poses the question whether the activities conducted in the KACCAL should always be an add-on to project activities or whether this should become an integral part of ODA type investments. This is somewhat related to ongoing debate, which is beyond the scope of the project itself. However, it could be argued that under current circumstances and given that adaptation to climate change is a new concern, early project activities will require an add-on in order to address such concerns in project activities. And this is the mandate of the SCCF. Over time, as more knowledge and experience is available, it can be envisioned that the reduction of vulnerabilities to climate change should become a standard consideration of project planning and implementation. However, answering where the funding would come from and how this is being achieved are academic and political questions and cannot be answered here.

6. Linkage to other focal areas

Response: The project is multi-sectoral in its scope. As the reviewer points out himself the PAD recognizes that links need to be established with water management, health, fragile ecosystem management etc and this is indicated in the PAD. How this links will be addressed in detail and which stakeholders will be involved will be further described in project implementation manual. Component 1 and 2 will be instrumental to foster this integrated approach.

7. Linkage to other programs and action plans.

No response required.

8. Other beneficial or damaging environmental effects.

Response: It is a central objective of the project to improve land-use and natural resource management in ASAL areas to reduce the vulnerability to climatic impacts. The effect of the project on the environment has to be monitored. Reducing environmental degradation and other harmful local effects is however clearly central in reducing the vulnerability to climate change. In addition, and as indicated in the Project brief, a full environmental and social management framework will be finalized and disclosed by the time of appraisal.

9. Stakeholder involvement

Response: Stakeholder involvement is a key feature of this project and crucial to its success. As explained in the PAD (see for example sections on “lessons learned” and “sustainability”), the project builds on and expands on the

detailed and proven mechanisms of the ALRMP which include a focus on gender, conflict resolution and involvement of disadvantage groups. This aspect will be further developed by the time of project appraisal.

10. Capacity building

Response: Capacity building at all levels is required to address climate change successfully. This is fully recognized in the project approach. Concerning the comments on top down approach, please refer to earlier feed-back under points two and three.

Regarding the breadth of the project activities, the reviewer wonders whether the project is trying to achieve too much. The project indeed has taken on a complex challenge. However, it should be noted that the SCCF support is in connection with substantial IDA funding and links to structures and activities which are already established under the ALRMP and proven to be successful. The project team therefore feel that the stated objectives can be achieved. The high vulnerability of the region to climatic changes requires a broad and integrative effort that links adaptation activities at different levels.

c) GEF Secretariat and other Agencies' comments and IA/ExA response

- Suggestions from the review sheet of the GEF secretariat have been incorporated in the project design.