



## EA Regional Transport , Trade and Development Facilitation Project (Second Phase of Program) (P148853)

AFRICA | Eastern Africa | Transport Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 8 | ARCHIVED on 10-Aug-2019 | ISR36507 |

Implementing Agencies: THE REPUBLIC OF KENYA, Ministry of Transport, Infrastructure, Housing and Urban Development

### Key Dates

#### Key Project Dates

Bank Approval Date: 11-Jun-2015

Effectiveness Date: 16-Nov-2015

Planned Mid Term Review Date: 27-May-2019

Actual Mid-Term Review Date: 14-May-2019

Original Closing Date: 31-Dec-2021

Revised Closing Date: 31-Dec-2021

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The objective of the Project is to improve the movement of goods and people along the Lokichar – Nadapal/Nakodok part of the Eldoret-Nadapal/Nakodok road in the north western part of Kenya, in particular, and to enhance connectivity between Kenya and South Sudan, in general.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Component 1: Upgrading Selected Critical Road Infrastructure:(Cost \$594.00 M)

Component 2: Facilitation of Regional Transport, Trade and Development:(Cost \$42.50 M)

Component 3: Institutional Development and Program Management:(Cost \$10.50 M)

Component 4: Enhancing Internet Connectivity:(Cost \$29.00 M)

### Overall Ratings

| Name                                 | Previous Rating             | Current Rating              |
|--------------------------------------|-----------------------------|-----------------------------|
| Progress towards achievement of PDO  | ● Moderately Satisfactory   | ● Moderately Satisfactory   |
| Overall Implementation Progress (IP) | ● Moderately Unsatisfactory | ● Moderately Unsatisfactory |
| Overall Risk Rating                  | ● Substantial               | ● Substantial               |

### Implementation Status and Key Decisions

The implementation is progressing well towards the achievement of these PDOs as positive results start to indicate. The progress so far has contributed to: (a) improving road conditions resulting in a reduction in travel time and costs; and (b) growth in the level of traffic along the road corridor. The emergency repairs on the 206km, namely Lesseru-Kitale (56km) and Morpus-Lokichar (110km) financed by GoK own funds has improved road conditions and reduced travel time along the corridor. Travel time has reduced by 50 percent (from two to one day) between Kitale to Lodwar (300km). These outcomes will continue to improve as the implementation of the project progresses.

#### Component 1. Upgrading of Critical Road Infrastructure



1. **Implementation progress:** The construction works of a 298km road stretch from Loichangamatak to Nadapal/Nakodok is progressing though slightly behind schedule. The completion rates as at May 30, 2019 are as follows: Loichangamatak – Lodwar (50km) at 24 percent; Lodwar – Lokitaung’ Junction (80km) at 41 percent; Lokitaung’ Junction – Kalobeiyei River (80km) at 18 percent; and Kalobeyei river – Nadapal/Nakodok at 19 percent. Also delayed is the construction of Kainuk bridge and stands at 45 percent completion rate.
  2. The contract for **reconstruction of Lokichar – Loichangamatak road section (40km) financed out of the savings** will be signed by July 31, 2019 paving the way for commencement of works.
  3. The Government has used its own resources as counterpart funding for emergency repairs on 206km (Lesseruor-Kitale and Morpus-Lokichar which has reduced travel time along the corridor and the level of traffic increased.
  4. **There are several challenges still affecting the work progress.** These include: (i) continued demand for royalties for borrow areas and quarry sites by the county government even after payment for such sites is made to the community who own such land which was not factored in the costs during at the bidding stage leading to impounding of contractors’ trucks by the Turkana county government; (ii) inadequate water for construction and contractors continue to explore possible source of adequate sources; (iii) unending unrest by the local workers demanding for increase in wages; and (iv) lack of skilled laborers in the locality and reluctance of the locals to allow workers outside Turkana to work on these contracts. KeNHA continue to engage with the leadership of Turkana county and instructed contractors and supervision consultants to engage sociologists to help in liaising with the host communities in addressing these challenges.
  5. **Land acquisition, and compensation, and relocation of utilities:** The process has begun though not yet completed. GoK is urged to provide adequate funds for compensation. Otherwise, this is likely result in delays and inordinate extension of time, and additional cost for both the works and supervision consultancy contracts.
  6. **Identification of Social infrastructure and services for implementation under the project.** The communities have been consulted and they presented their needs. The consultant has compiled the report and priorities awaiting validation by the leadership of Turkana county. The county Government of Turkana has been urged to expedite the validation process.
  7. **An NGO (faith based-organization) has been selected to enhance the capacity of KeNHA in managing any Gender Based Violence cases.** The NGO has extensive presence in the area and an elaborate infrastructure to handle any such cases and has commenced the assignment.
- Component 2. Facilitation of Regional Transport, Trade and Development**
8. **Support to KRA:** Implementation of activities is picking up after KRA management reconstituted the project implementation team. Also, KRA has funded through its own resources several activities originally identified for financing under the project. Thus, this sub-component requires restructuring. KRA is working on a proposal for review and adoption upon discussion with the Bank team. This will be formalized as part of restructuring of the project.
- Component 3. Institutional Development and Program Management**
9. **Data Security for the Transport Integrated Management System (TIMS):** NTSA has received bids and evaluation is underway.
  10. **Project Performance monitoring and impact evaluation:** State Department of Infrastructure is yet to award the contract to the winning public university to carry out the assignment. This is of concern to the Bank and the matter has been brought to the attention of the department.

**Component 4. Enhancing Internet Connectivity**

1. **Rehabilitation of existing fiber optic cable (NOFBI 1 FON) from Lesseru to Lokichioggo.** The works are now progressing well after a slow start.
2. **Installation of the fiber optic cable (600km) along Lesseru/Eldoret to Nadapal/Nakodok border town with South Sudan:** The civil works related activities such as trenching, construction of manholes and ducting will be carried out by KeNHA while the installation of the fiber optic cable by ICTA. The scope of works to be carried out by KeNHA as well as ICTA has been agreed upon and bidding documents are under preparation. Based on the cost estimates both activities will be subject to post review by the Bank.

**Risks**

**Systematic Operations Risk-rating Tool**

| Risk Category  | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|----------------|
| Political and Governance                                     | ● Substantial      | ● Substantial   | ● Substantial  |
| Macroeconomic  | ● Moderate         | ● Moderate      | ● Moderate     |
| Sector Strategies and Policies                               | ● Moderate         | ● Moderate      | ● Moderate     |
| Technical Design of Project or Program                       | ● Substantial      | ● Substantial   | ● Substantial  |
| Institutional Capacity for Implementation and Sustainability | ● Substantial      | ● Substantial   | ● Substantial  |



|                        |               |               |               |
|------------------------|---------------|---------------|---------------|
| Fiduciary              | ● Moderate    | ● Moderate    | ● Moderate    |
| Environment and Social | ● High        | ● High        | ● High        |
| Stakeholders           | ● Substantial | ● Substantial | ● Substantial |
| Other                  | ● Moderate    | ● Moderate    | ● Moderate    |
| Overall                | ● Substantial | ● Substantial | ● Substantial |

## Results

### PDO Indicators by Objectives / Outcomes

| Reduction in Travel Time between Lokichar-Nadapal                             |  |                   |                  |             |
|---|--|-------------------|------------------|-------------|
| ▶Reduction in travel time between Nadapal/Nakodok and Lokichar (Days, Custom) |  |                   |                  |             |
|   | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 2.00   | 2.00              | 2.00             | 1.00        |
| Date  | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:   | The current travel time is about 2 days and after second project completion this is expected to reduce to 1 day                  |                   |                  |             |
| ▶Reduction in transport cost to users (Percentage, Custom)                    |  |                   |                  |             |
|   | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 0.00   | 0.00              | 0.00             | 10.00       |
| Date  | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:   | Reduction of transport cost that the users of the corridor pay, expected from the improvement of the road and the transit regime |                   |                  |             |

| To enhance connectivity between Kenya and South Sudan                |  |                   |                  |             |
|--|--|-------------------|------------------|-------------|
| ▶Reduction in cost of ICT access in area served (Percentage, Custom) |  |                   |                  |             |
|  | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00   | 0.00              | 0.00             | 50.00       |
| Date   | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:  | Reduction in ICT access cost due to the installation of fiber optics |                   |                  |             |

| Data Collection  |  |  |  |  |
|--|--|--|--|--|
| ▶Survey reports on citizen engagement available (Yes/No, Custom) |  |  |  |  |



|           | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
|-----------|--|-------------------|------------------|-------------|
| Value     | No   | No                | No               | Yes         |
| Date      | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments: | Citizen engagement monitored by carrying out Social Monitoring and Evaluation Surveys before and after the implementation of contracts for the upgrading of the Nadapal/Nakodok – Lokichar section, the design of the OSBP, pastoralist road side markets, export processing zones, and fiber optic installation. The survey will use gender disaggregated data. |                   |                  |             |

### Intermediate Results Indicators by Components

| Component 1: Upgrading Selected Critical Road Infrastructure   |  |                   |                  |             |
|--|--|-------------------|------------------|-------------|
| <b>►Length of road rehabilitated - non rural (Kilometers, Custom)</b>                                      |  |                   |                  |             |
|  | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00   | 0.00              | 80.00            | 338.00      |
| Date   | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:  | Road to be rehabilitated during the second phase of the program - the second project                       |                   |                  |             |
| <b>►Number of vehicles crossing Nadapal/Nakodok border post (Number, Custom)</b>                           |  |                   |                  |             |
|  | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 5.00   | 5.00              | 5.00             | 36.00       |
| Date   | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:  | Number of vehicles crossing the border post at Nadapal/Nakodok border in both directions.                  |                   |                  |             |
| <b>►Reduction in the number of road accidents along the Lokichar-Nadapal/Nakodok road (Number, Custom)</b> |  |                   |                  |             |
|  | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00   | 0.00              | 0.00             | 0.00        |
| Date   | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:  | Reduction of the number of incidences of road accidents occurring along the Lokichar-Nadapal/Nakodok road. |                   |                  |             |

| Component 2: Facilitation of Regional Transport, Trade and Development                          |          |                   |                  |            |
|---|----------|-------------------|------------------|------------|
| <b>►Pastoralist road side markets established alongside the road upgrading (Number, Custom)</b> |          |                   |                  |            |
|   | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value   | 0.00     | 0.00              | 0.00             | 5.00       |



|  |   |                   |                  |             |
|--|---|-------------------|------------------|-------------|
| Date   | 12-Jun-2015   | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:  | Pastoralist road side markets to be established along the project corridor under the second phase.  |                   |                  |             |
| <b>► Increase in trade volume between Kenya and South Sudan (Percentage, Custom)</b> |   |                   |                  |             |
|  | Baseline  | Actual (Previous) | Actual (Current) | End Target  |
| Value  | 0.00  | 0.00              | 0.00             | 20.00       |
| Date   | 12-Jun-2015   | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:  | Increasing trade volume between Kenya and South Sudan as a result of improved road condition and trade facilitation measures as well as improving on road safety along the Lesseru-Nadapal/Nakodok road section |                   |                  |             |

|   |  |                   |                  |             |
|---|--|-------------------|------------------|-------------|
| <b>Component 4: Enhancing Internet Connectivity</b>               |  |                   |                  |             |
| <b>► Length of fiber link installed (km) (Kilometers, Custom)</b> |  |                   |                  |             |
|   | Baseline   | Actual (Previous) | Actual (Current) | End Target  |
| Value   | 0.00   | 0.00              | 1.90             | 601.00      |
| Date  | 12-Jun-2015  | 12-Feb-2019       | 14-May-2019      | 30-Jun-2021 |
| Comments:   | Length of the fiber link between Nadapal/Nakodok and Eldoret |                   |                  |             |

## Data on Financial Performance

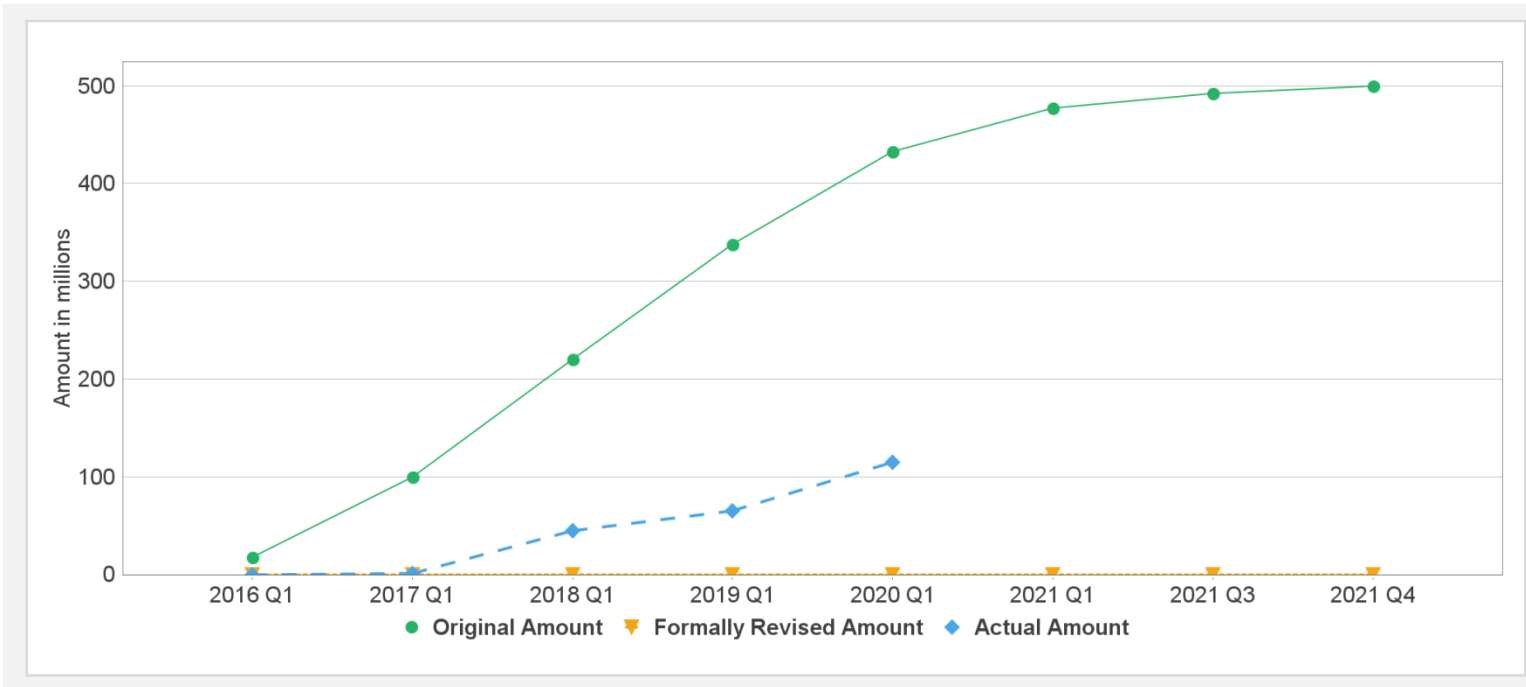
### Disbursements (by loan)

| Project | Loan/Credit/TF | Status    | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P148853 | IDA-56380      | Effective | USD      | 500.00   | 500.00  | 0.00      | 114.63    | 386.67      | 23%         |

### Key Dates (by loan)

| Project | Loan/Credit/TF | Status    | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P148853 | IDA-56380      | Effective | 11-Jun-2015   | 20-Jul-2015  | 16-Nov-2015        | 31-Dec-2021        | 31-Dec-2021       |

### Cumulative Disbursements



### Restructuring History

There has been no restructuring to date.

### Related Project(s)

There are no related projects.