



Kenya Watershed Services Improvement Program (PforR)



Kenya is a high-risk, low-readiness country with respect to climate change

Kenya ranks 148 out of 182 countries in the 2019 ND-GAIN Country Index of climate change vulnerability

35th among countries least prepared for climate change.

80 percent of Kenya's land area is Arid and Semi Arid Lands (ASALs)

36 percent of the population, households and businesses depend primarily on climate-sensitive activities.

Warming over **Kenya** and rest of continental Africa projected to be **greater** than global mean (2.8° C) over 21st century.

In Kenya **Drought cycles** are getting shorter! From 10 yrs to 5 yrs and **now it's every 2-3 yrs**



Each drought event affects **4.8 million people** on average



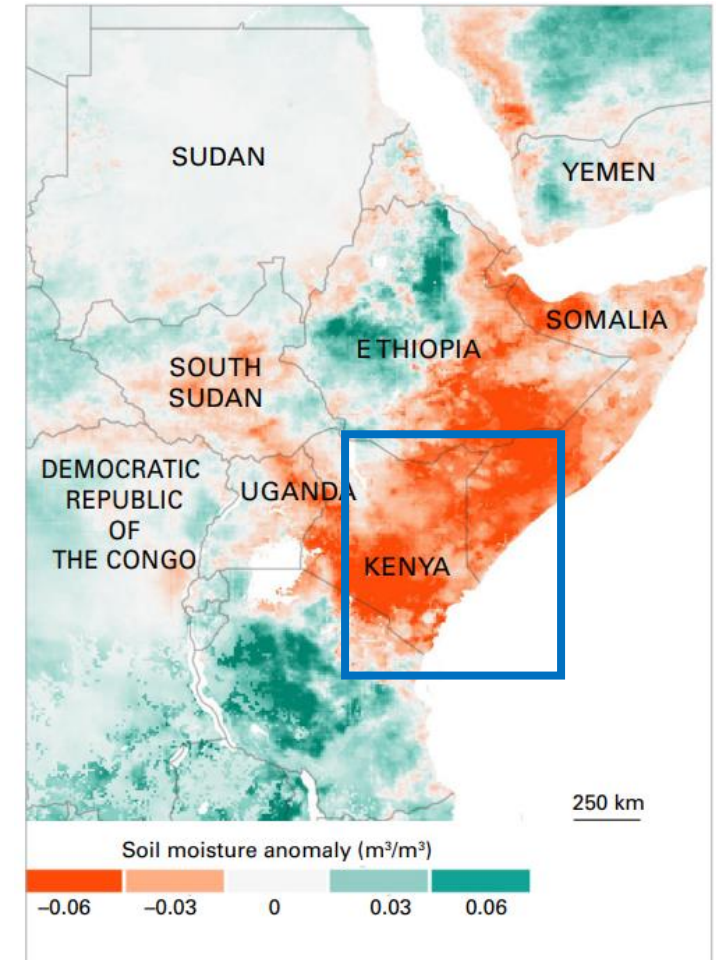
3.4 million Kenyan were rendered food insecure in 2017



Enormous impact on agricultural production and farmers. 98% of agriculture is rainfed.

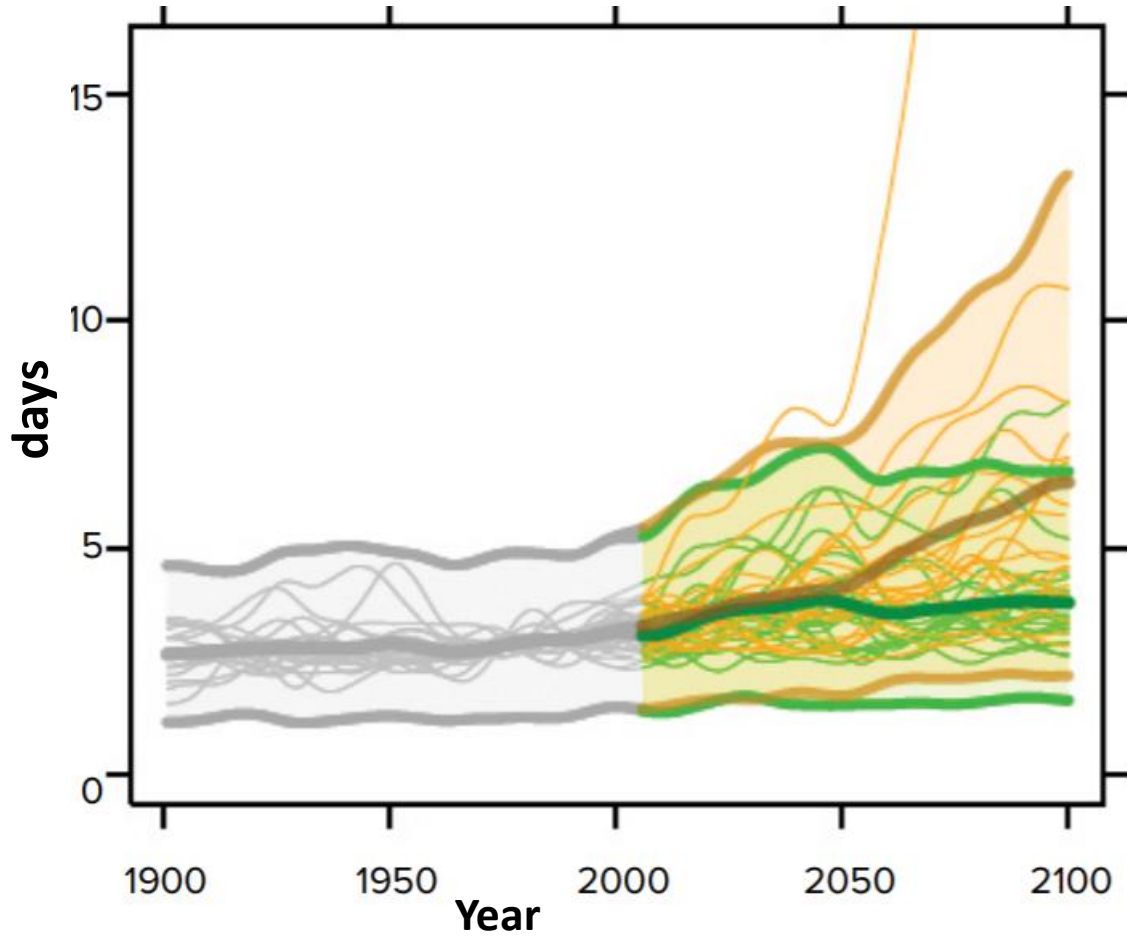


Kenya has lost 2.5 million head of livestock and that the remaining 10 million head in the drylands are suffering without pasture and water



Soil moisture anomaly map in April 2019. Areas in green had more moisture in the upper layers of soil than the average for April, while areas in red had less. Source: NASA Earth Observatory, United States

Projected increase in Rainfall in Kenya and rest of East Africa including intensity and variability



Days with extreme rainfall (**flood risk**)

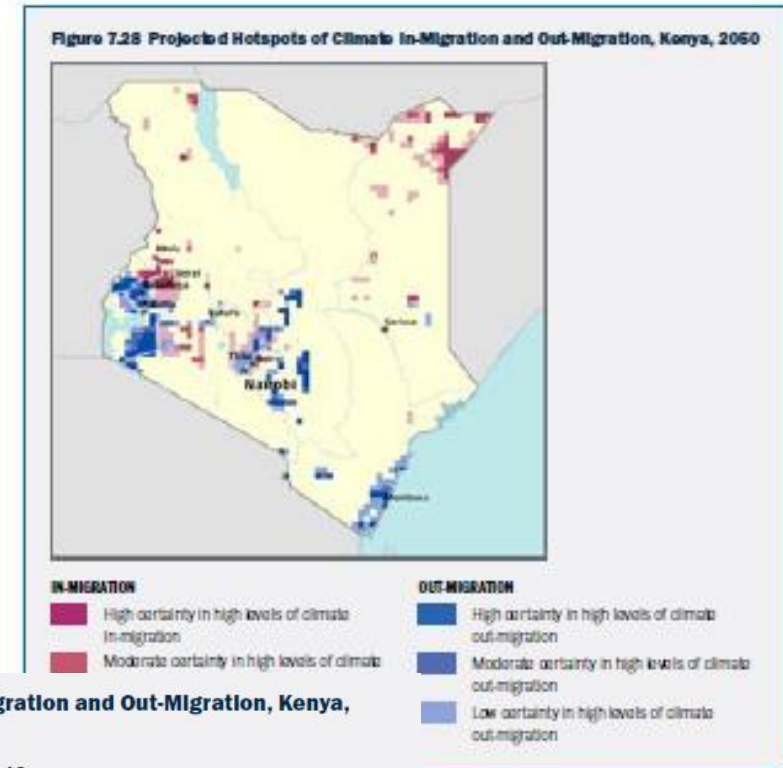
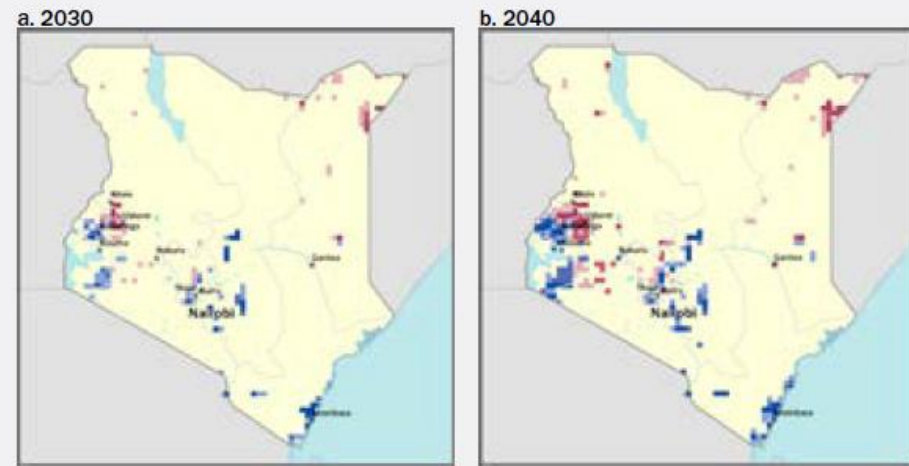


Figure 7.29 Projected Hotspots of Climate In-Migration and Out-Migration, Kenya, 2030 and 2040



Kenya needs buffering capacity to deal with the shock effects of too much rain: FLOODS

- **Flooding shocks undo** years of investments in infrastructure, socio-economic activities, and growth.
- **43 flood** disasters between **1990 and 2015: 68,000 people/event** affected with devastating effects.
- **Floods of 1997-98** caused **damages** in transport infrastructure of **US \$777 million** (World Bank 2004).
- Given the **projected increases in rainfall**, the **severity and frequency of floods** might **increase**.



The effects of climate change are being exacerbated by unsustainable land use practices in Kenya that further deforestation, land degradation, and biodiversity loss.



Natural resources base is under threat from unsustainable practices (poor land use, deforestation etc)



Three-quarters of Kenya's renewable surface water comes from forested land



critical watersheds are degrading rapidly due to poor land-use practices, deforestation, and encroachment on riparian land



Erosion hotspots now cover about half of the land area in river basins

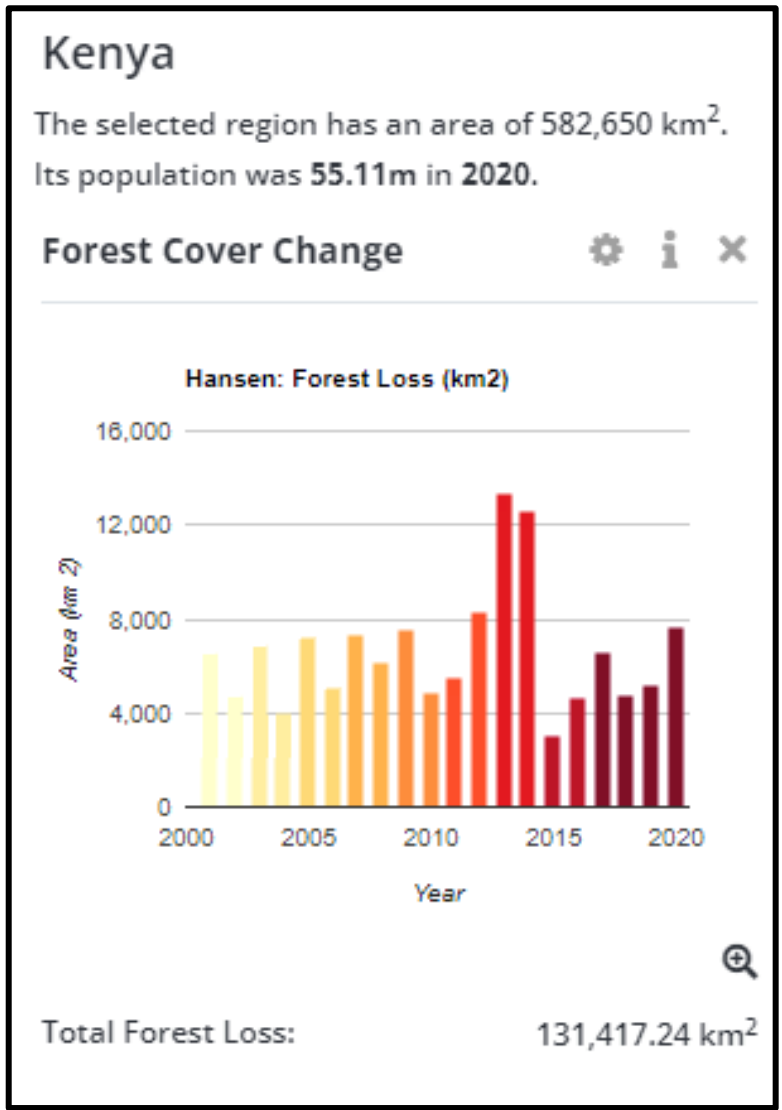
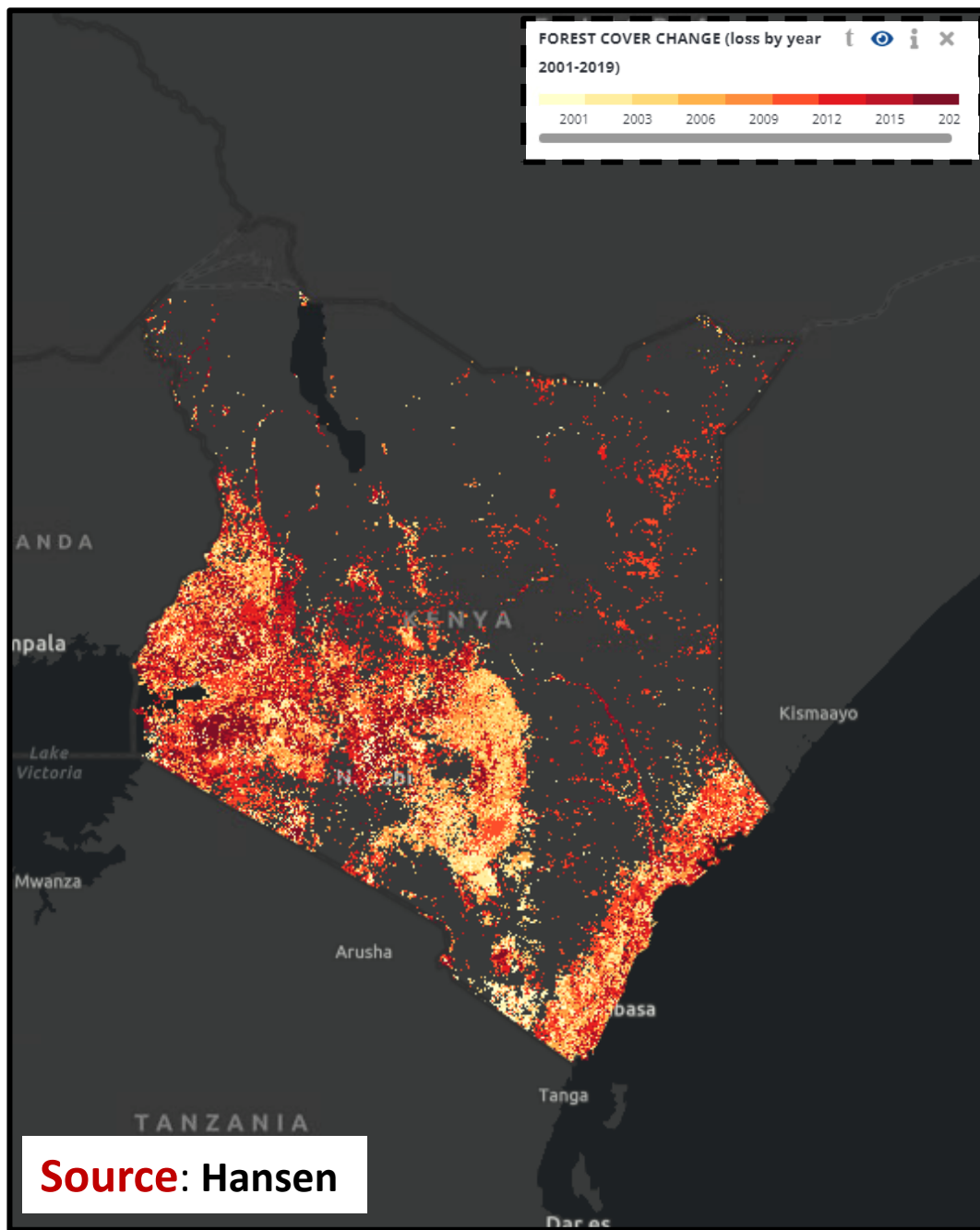


Productivity and livelihoods lost



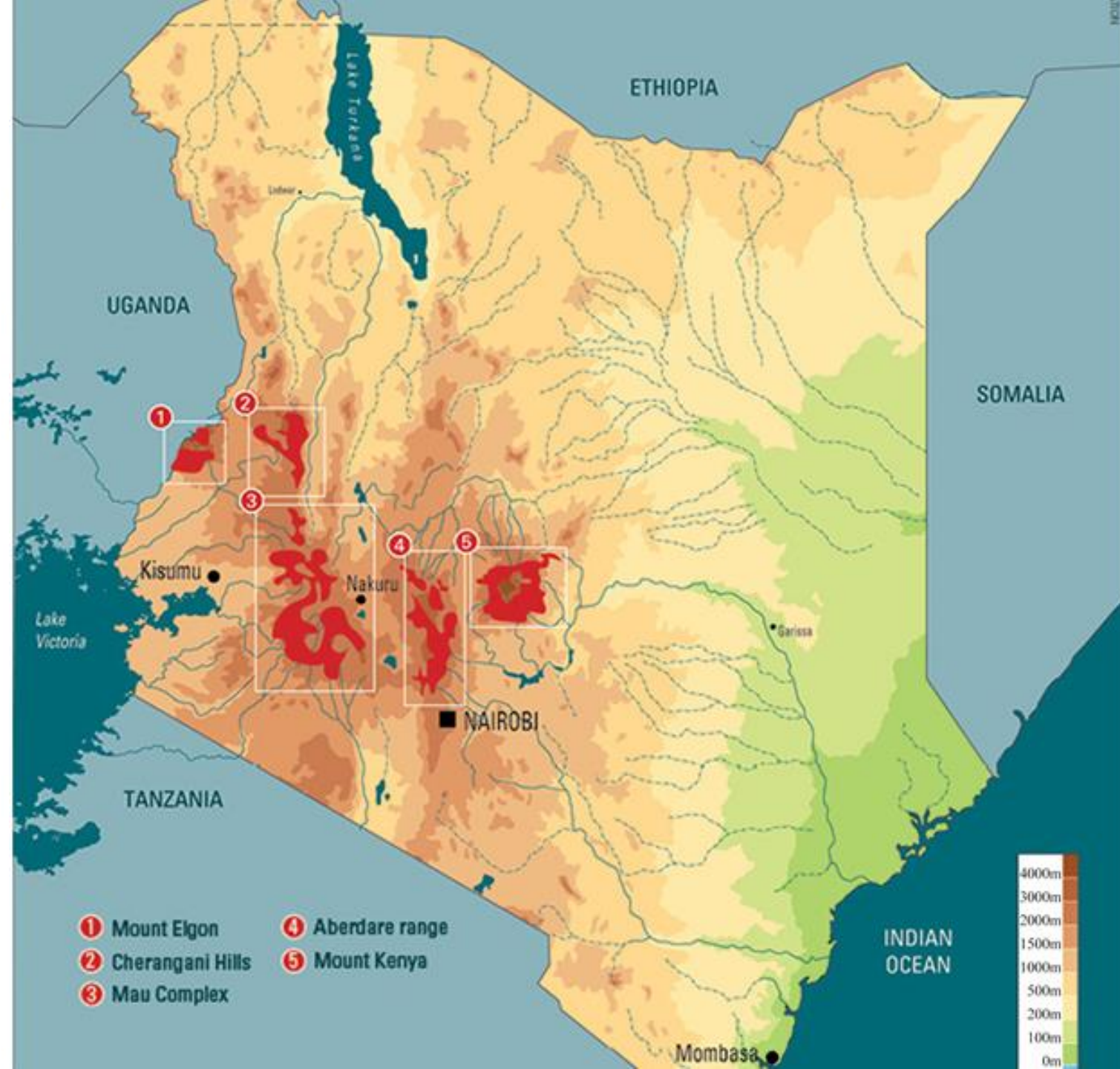
Climate change makes things worse

Forest Cover Change (loss by year 2001-2019)



Kenya's Water Towers

- Kenya's natural renewable water resources mainly rely on little and fragile catchments covered by the montane forests in the country's highland areas with a humid climate
- Provide critical ecosystem services
- Underpin major economic sectors



Many strategies
and commitments
on reforestation,
implementation
lacking

Constitution Article 69 (1)(b)

NDC (2020)

National Strategy for landscape and ecosystem restoration (2023)

Strategic Investment Framework for Sustainable Land Management 2017 – 2027 (2016)

National Forest Programme 2016–2030 (2016)

Fourth Draft National Forest Policy (2021)

ongoing REDD+ strategy process

international commitments under AFR100/Bonn Challenge

The opportunity for Kenya investing in watershed management



Natural resources underpin Kenya's productive sectors



Primary source of livelihoods for 80 percent of the population.



Restoring and maintaining a sustainable natural resources balance not only builds resilience but also puts money in people's pockets

WB Response: Kenya Watershed Services Improvement Program (KEWASIP)

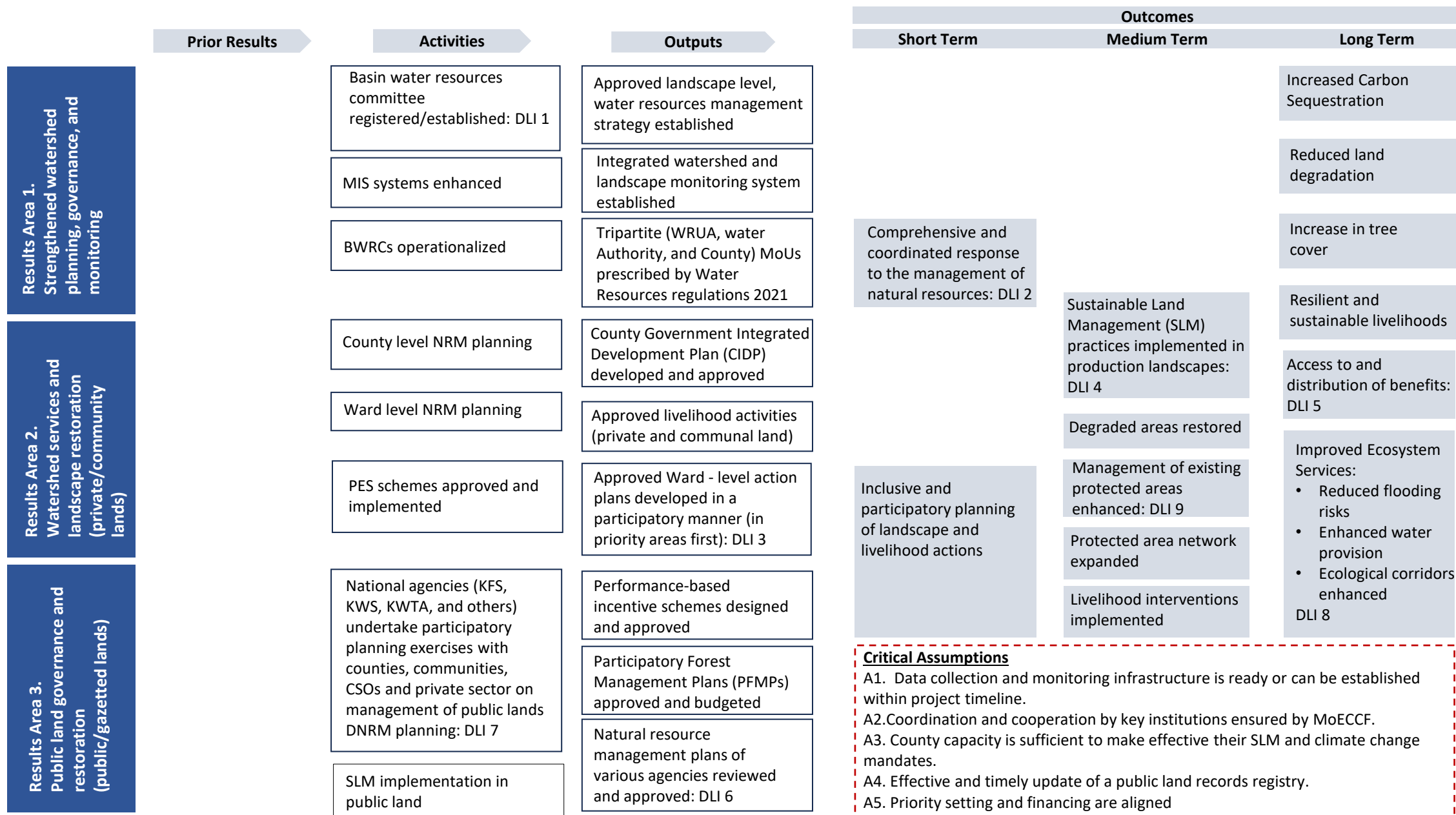
Building resilience by restoring landscapes, transforming agriculture, and augmenting water security.

A whole-of-government, large-scale, long-term engagement is sought to reverse degradation

Principles of the Program

- Maximize the livelihood benefits
- Watershed as the unit of management
- Strengthen the revenue streams of selected watershed institutions;
- Leverage private sector capital for restoration investments

The Program Development Objective (PDO) is to improve landscape management for livelihoods and conservation in the program areas.





Decision Meeting	Sep-24
Appraisal	Sep-24
Negotiation	Oct-24
Approval	Nov-24



Instruments Comparison

IPF

DPF

PforR

Purpose

Supports **projects** with defined set of ring-fenced activities, development objectives, and results.

Supports a set of **policy and institutional actions** with defined development objectives and results.

Supports a slice of a **government program** focusing on a range of results (institutional strengthening, outputs and outcomes).

Disbursement Mechanism

Disbursement is based on reimbursements of **eligible expenditures**.

Once all prior policy/ institutional actions are met, disbursement is to **the general budget**.

On achievement of DLIs.
 No tracing of Bank financing for specific activities as funds support **overall program of expenditures**.

Macroeconomic, Fiduciary, Environmental and Social

Macroeconomic framework not required.
 Bank procurement and environmental and social policies apply.

Requires adequate macroeconomic policy framework.
 Attention to fiduciary and environmental, forestry and other natural resources aspects and social and poverty impacts.

Consistency with sustainable fiscal framework.
 Integrated program fiduciary assessment (proc. & FM)
 Assessment of program's Environmental & Social systems.

Program-for-Results (PforR) Supports Programs

PforRs support **government program** of expenditures (sector/sub-sector, national/sub-national) with defined objectives and results that can be new or ongoing. Usually 4-5 years, leveraging a larger government program.

Disbursement Mechanism

- ❑ Against achievement of agreed and verified program results (Disbursement Linked Indicators; DLIs)
- ❑ No tracing of Bank financing for specific activities as resources intended for overall program of expenditures.

Macroeconomic, Fiduciary and Environment and Social

- ❑ Assessment of fiscal sustainability of program.
- ❑ Assessment of the Program in terms of technical, fiduciary, and Environmental & Social systems.
- ❑ Program Action Plan or DLIs may include actions to strengthen these areas.
- ❑ *PforR* excludes activities that are judged to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people.
- ❑ High-value contracts are normally not eligible for financing, and are excluded from the Program, but exemptions can be made.

Standard PforR

Institutional capacity strengthening and/or systems improvement activities are financed with PforR resources. *Vietnam* ([P127435](#))

PforR with IPF Technical Assistance

Institutional capacity strengthening and/or systems improvement activities are financed through IPF component. *Bihar-India* ([P132665](#))

PforR finances a program of expenditures

The Government program

PforR Program

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Overall sector strategy



Activities/expenditures needed to achieve the Project Development Objective



World Bank financing (avg. 50 percent of program)

Environment & Social Systems Assessment



Fiduciary Systems Assessment

Technical Assessment → Expenditure Framework

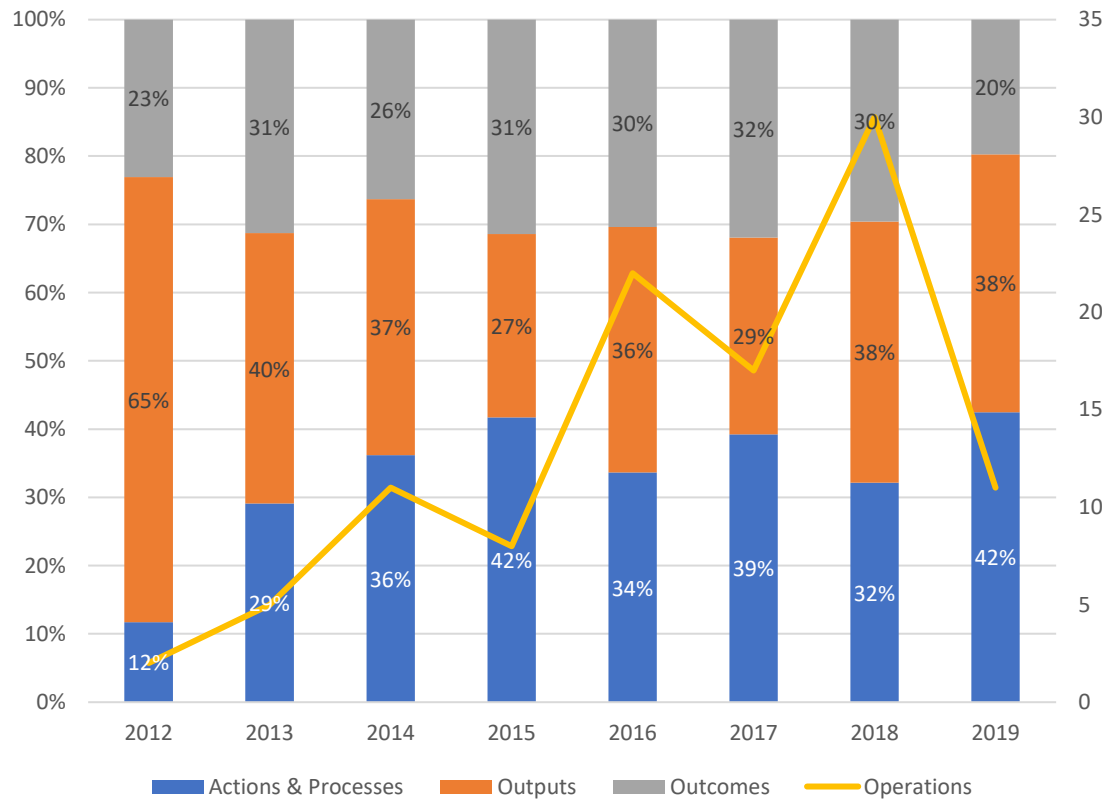


PforRs disburse against results and strengthen systems

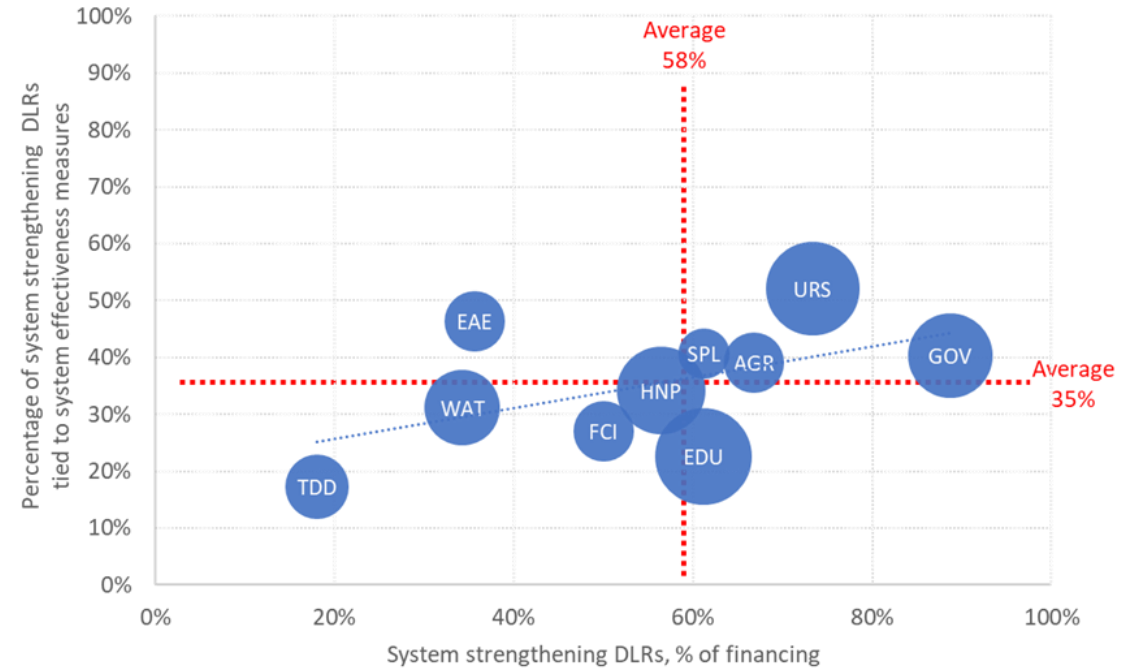
PforRs disburse against a blend of actions, outputs, and outcomes:

They also strengthen results-based, fiduciary and risk management systems:

Funding tied to results by results chain position



Financing tied to system strengthening DLRs



Note: All operations are weighted equally (independent of financial volume).
 Bubble size = number of closed operations per global practice.
 Operations from the POV (N=1) and ENV (N=2) global practices are excluded due their small number.