

Evaluation Summary

Kisumu Urban Project (KUP)

Country: **Kenya**

Sector: **Urban Development**

Evaluator: **Espelia**

Date of the evaluation: **May 2023 – January 2024**

Key data on AFD's support

Project numbers: CKE 1035

Amount: 40 M EUR

Disbursement rate: 100%

Signature of financing agreement: 05/07/2010

Completion date: 31/01/2022

Total duration: 10 years

Context

The Kisumu Urban Project (KUP) is an integrated urban development project which was financed by the Agence Française de Développement (AFD) and implemented by the City of Kisumu from 2012 to 2022. It was adopted following the 2007-2008 riots which shed the light on the city's strong socio-spatial inequalities and infrastructure backlog, and aimed at improving the living conditions of the residents of Kisumu by strengthening the capacities of the local authorities, improving urban planning and upgrading the infrastructures of the city.

It was the first project of that scale managed directly by the city of Kisumu, and the first integrated urban development project conducted by AFD in a sub-Saharan intermediary city, and was considered as particularly innovative.

Actors and operating method

AFD financed the KUP through a €40 million concessional loan to the Government of Kenya. An on-granting agreement was then signed between the GoK, represented by the National Treasury, and the Municipal Council of Kisumu, who was directly in charge of managing the project, with the support of a technical assistance, and benefited from the entire financing.

The project was structured around five components (technical assistance and institutional strengthening, solid Waste Management, comprehensive slum upgrading, commercial infrastructure rehabilitation, and public infrastructure rehabilitation) and five cross-cutting issues reflecting key city concerns (enhanced financial management, environment preservation, enhanced consultation and citizen participation, employment and HIV Aids awareness).



Objectives

The project aimed at structurally improving both the management and the quality of life in the city, through soft (ex: capacity building, urban planning...) and hard investments (ex: infrastructure improvement), in a multi-sectoral approach.

Expected outputs

Its specific objectives were thus formulated as follows:

- Improve public service delivery and modernize public policies by improving municipal management,
- Improve the spatial development of the city by improving urban planning and upgrading under-equipped estates (slums),
- Promote socio-economic development through the rehabilitation and creation of public facilities and urban infrastructures.

Relevance

The Kisumu Urban Project was in line with national priorities and local needs at the time, as the city suffered from strong socio-spatial inequalities and lack of infrastructure investments. It was elaborated based on existing strategies and pre-identified investment needs, through a pre-feasibility study which involved strong consultation of local stakeholders, including final beneficiaries. However the final selection of the investments was conducted in a more top-down approach, mostly based on political and sectoral priorities, leading to a fragmentation of support spread out in more than 10 settlements and 6 sectors.

Coherence

Although the structuring of the project into five components reflected the project's integrated approach and specific objectives, the project lacked of internal coherence from the very beginning. Indeed, the objectives pursued were overly ambitious for both the duration of the project and the capacities of the city staff at the time, and lacked of coherence between one another.

In terms of external coherence, the KUP was coherent with the priorities identified at city level as well as with previous projects carried out in the city. Some overlapping was however identified with the KISIP, which was appraised more or less at the same time, and generated some confusion in the minds of the final beneficiaries.

Effectiveness & Impact

The KUP mostly contributed to enhance the capacities of key city staff in the management of urban projects, especially donor funded, open up and increase the quality of life in certain neighbourhoods, increase the performance of several public facilities (schools, health center, social center, market...), and provide the city with an Integrated Strategic Urban Development Plan (the ISUD) which is now used by the city to communicate on its ambitions, align sectoral strategies and leverage financing.

The project was however less transformative than expected, due to the fact that many investments were dropped along the way, mostly for financial, social or technical feasibility issues. The investments were also selected prior to the elaboration of the ISUD and scattered in different sectors and neighborhoods, which limited their impact on spatial balance development and public service performance.

Despite these limited achievements, the project played an important role in the city's development over the past ten years, since it enabled it to invest in key areas and to capacitate several of its key staff. It also contributed to renew the image of Kisumu at national level, and created an impetus for future investment.

Efficiency

The KUP encountered many difficulties in its implementation, which explain the limited achievements, despite the strong delays (the project lasted 10 years instead of 4). These difficulties can be mostly explained by a lack of project preparation. Indeed, no feasibility assessment of the pre-identified investments was conducted during the appraisal process. This led to a lack of coherence in the overall project design and investments selection process. The implementation arrangements were also defined without carrying out a proper capacity needs assessment, and weren't sufficiently shared with the city's political and technical staff, which led to some difficulties in the implementation process. Finally, the project was impacted by the devolution process, which hadn't been anticipated. Indeed, the devolution process generated delays and weakened the governance framework, as well as the city's capacity to operate & maintain the infrastructures.

Sustainability

The capacities built within the city staff can be considered as sustainable. The design of the infrastructures was discussed with facility managers and end-users to ensure that facilities are fit for its purpose but most infrastructures suffer from significant operation & maintenance issues (lack of staffing, inadequate maintenance budget...), which hinder their sustainability on the long run.

Added value of AFD's contribution

The project's unique features, including direct engagement with the city, emphasis on spatial planning, multi-sectoral investments and implementation process, have contributed to its distinctiveness and value. However, certain challenges and trade-offs need to be addressed to ensure stronger efficiency in project implementation, and enable such integrated urban development projects to reach their objectives.

Lessons learnt and recommendations

The KUP enabled to upgrade facilities in several sectors, improve the quality of life in several neighborhoods, build the capacities of key municipal staff, and develop important urban planning tools that should guide the future development of the city. It also contributed to increase the visibility of Kisumu and gave an impetus for future investments.

The integrated approach however led to pursue different objectives and approaches at once, which made it particularly complex to implement and limited the impact of the project on the city's spatial balanced development. The conclusions of the evaluation eventually led to the following recommendations :

In terms of project structuring and selection of investments

- Prioritize objectives and ensure greater coherence between the objectives and the investments selected,
- Prioritize investments based on a comprehensive study of their technical, environmental & social, operational and financial feasibility,
- Assess the capacity of local stakeholders to operate & maintain the investments during the preparation phase of the project,
- Choose between large scale investments and economic opportunities for local contractors, as they are barely compatible,
- Define a monitoring & evaluation framework and make sure it is closely followed-up by the Steering Committee.

In terms of implementation arrangements:

- Define the project implementation strategy depending on the complexity of the investments, also taking into consideration the capacity of the counterpart,
- Plan for adequate project staffing on both donor and counterpart side,
- Size the TA adequately, in close consultation with the local counterpart, and clearly define its role and positioning in the governance framework.
- Clearly specify the project implementation arrangements (including procurement modalities) in the financial agreement, and detail them in a project operations manual before the start of the project,
- Define a clear public participation and communication strategy.

In terms of operation and maintenance:

- Sign a multipartite contract at the start of the project to clarify the roles and responsibilities of all the parties involved in the operation & maintenance of the infrastructures,
- Involve maintenance stakeholders in the steering of the project,
- Condition the disbursements to the development of O&M plans and to policy adjustments when necessary to ensure effective infrastructure maintenance,
- Design the facilities based on their O&M plans.