

## PCR EVALUATION NOTE FOR PUBLIC SECTOR OPERATIONS

### 1. BASIC INFORMATION

<b>a. Basic project data</b>			
<b>Project title: : MOMBASA - NAIROBI TRANSMISSION PROJECT</b>			
<b>Project code: P-KE-FAO-003</b>	<b>Instrument number(s): 2100150019893</b>		
Project type: Project Operation	Sector: Energy and Power		
Country: Kenya	Environmental categorization (1-3) : 1		
Processing Milestones	Key Events	Disbursement and Closing date	
<b>Date approved: 06/05/2009</b>	Cancelled amount: 19,613,034.58 UA	<b>Original disbursement deadline: 31/12/2013</b>	
<b>Date signed: 04/06/2009</b>	Supplementary financing:	<b>Original closing date: 31/12/2013</b>	
<b>Date of entry into force : 22/01/2010</b>	Restructuring:	<b>Revised disbursement deadline: 30/06/2015</b>	
<b>Date effective for 1st disbursement: 23/01/2010</b>	Extensions (specify dates): 30/6/2015	<b>Revised closing date: 31/12/2015</b>	
<b>Date of actual 1st : 15/12/2010</b>			
<b>b. Financing sources</b>			
<b>Financing source/ instrument (MUA)</b>	<b>Approved amount (MUA) :</b>	<b>Disbursed amount (MUA) :</b>	<b>Percentage disbursed (%) :</b>
Loan:	50.00	30.39	60.8
Grant:			
Government:	31.21	31.32	100
Other (ex. Co-financiers):	102.62	86.30	84.1
<b>TOTAL :</b>	<b>183.83</b>	<b>148.00</b>	
<b>Co-financiers and other external partners: AFD, EIB</b>			
<b>Execution and implementation agencies: KETRACO Procurement Agent: KETRACO; Implementing Agent: KETRACO</b>			
<b>c. Responsible Bank staff</b>			
<b>Position</b>	<b>At approval</b>	<b>At completion</b>	
Regional Director	Mr. A. ORDU	Gabriel NEGATU	
Sector Director	Mr. G. MBESHERUBUSA	Mr. HUMPHREY NDWIGA RICHARD	
Sector Manager	Mr. A.T. DIALLO	Mr. HUMPHREY NDWIGA RICHARD	
Task Manager	Mr. E. B. NZABANITA	Mr. SOLOMON ABEBE ASFAW	
Alternate Task Manager			
PCR Team Leader		KAMU R. KAREKAHO	
PCR Team Members		JASON SEUNG-SOO JIN	

<b>d. Report data</b>		
PCR Date :22 December 2017		
PCR Mission Date:	From: 6th December 2017	To: <b>8th December 2017</b>
PCR-EN Date:		
Evaluator/consultant : Ananda Covindassamy	Peer Reviewer/Task Manager:	

## 2. PROJECT DESCRIPTION

Summary from Appraisal Report including addendum/corrigendum or loan agreement, and taking into account any modification that occurred during the implementation phase.

### a. Rationale and expected impacts:

Provide a brief and precise description on the project/programme rationale (concerns/questions raised), expected impacts and the intended beneficiaries (directly or indirectly impacted by the project/programme). Highlight any change that occurred during the execution phase.

Domestic access to electricity remains low in Kenya and firms report erratic power supply as being one of the most important impediments to their competitiveness. As a result, the government was putting strong emphasis on increasing the number of connections nationally, particularly in rural areas and for industrial sectors. However, Kenya was suffering from energy shortfalls and had to resort to using expensive ‘emergency generation’. The country was heavily reliant on hydro-power (approximately 60% of the power generated), but this source has now been almost fully exploited and the generation of existing hydro-plants has been adversely affected by recurrent draughts. As a result, it was important for Kenya to diversify its generation mix in order to sustain domestic energy security.

The Mombasa-Nairobi Transmission Line Project was considered central to the country’s power infrastructure development plan. Indeed, all future thermal plants were expected to be installed in the Mombasa area near the port facilities in order to avoid the high road transportation costs of thermal fuels as well as the associated environmental, road usage and congestion externalities. The installed transmission capacity at appraisal time was only sufficient for the first of three generation plants that had already been committed around Mombasa. The first plant (90MW) was scheduled to come on line by 2010 and in order to meet forecast demand by 2012, it was considered necessary to fast track the other two committed plants (120MW and 80MW). Furthermore, the country was required to use emergency thermal generation capacity around Nairobi (100 MW) at considerable cost, which was subsidized by GoK. The timely implementation of the project was therefore presented as a priority by the Ministry of Energy (MoE).

The Bank considers the support of infrastructure development, especially within the power sector, as a pillar of its strategy in the country. Indeed, erratic electricity supply was identified as one of the most important impediments to the competitiveness of Kenyan firms. Moreover, the government was looking to grow connection rates for households and social institutions in order to improve livelihoods and promote local development. This project was expected to provide the backbone for the development of generation capacity around the port of Mombasa and distribution infrastructure nationally to meet the increasing demand for electricity and thereby contribute to economic growth, employment creation, improved social service delivery and quality of life. As such, this project was included in the CSP as part of the strategy to increase access to electricity and meet demand for power nationally.

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From the beginning, the GoK focused exclusively on the development of generation in the Mombasa area, ignoring the country's potential for diversification of energy sources and the development of geothermal generation which was already on-going at the time, as well as the wind potential. During project implementation, the focus changed drastically with the abandonment of the development of generation in Mombasa and a shift in favor of the development of domestic energy resources. The shift was justified, but raises the question why the Bank did not see the GoK focus at the time of appraisal was erroneous. Fortunately, the ultimate rationale of the project to permit the acceleration of connections, and improving the quality and reliability of power remained.

Missing expected impacts

**b. Objectives/Expected Outcomes:**

Provide a clear and concise description of the project objectives, expected outcomes, and intended beneficiaries. In so doing, highlight any revision/amendment.

The objective of the project was to build a high capacity transmission line to transport electricity from Mombasa to Nairobi region and the rest of the network. This objective was completely changed with the abandon of the development of capacity in Mombasa and the operation of the line in the opposite direction to serve the Mombasa area. The complete shift in the vision and objectives raises fundamental questions concerning the quality of sector planning and strategy of GoK and the capacity of the Bank to assess GoK's plans and strategy objectively, based on technical and economic criteria.

The expected outcomes were:

**1 Improved electricity supply for Nairobi and the entire country, measured through increased supply of electricity nationally. This outcome was achieved at the national level, but the contribution of the project was at best limited due to the change of strategy of the GoK.**

**2 Increased availability of reliable and affordable electricity to consumers measured through additional power transmitted from Mombasa area to Nairobi and the rest of the country. This outcome did not materialize as no additional power was transmitted from Mombassa to Nairobi, the line being partly used in the opposite direction.**

**c. Outputs and intended beneficiaries:**

Provide a clear and concise description the expected outputs and intended beneficiaries. In so doing, highlight any revision/amendment.

The project involved the construction of a 450 km 400 kV double-circuit transmission line from Rabai (Mombasa) to Isinya (located 60 km from Nairobi), the construction of new transmission lines from Isinya to Embakasi substation in Nairobi, the expansion of the Rabai and Embakasi substations, and the installation of shunt reactors at Rabai.

The beneficiaries were economic actors and the population connected to the national power grid into which the project was expected to feed as well as people living along the line route who will be employed or provide services during construction. The project was to foster an increase in economic activity (industrial, services, agricultural, commercial) and social wellbeing (households and social institutions) nationally.

The categories of beneficiaries remained the same, but their location was reversed, with the beneficiaries being located in the Mombasa area, rather than the rest of the grid. In addition, the project did not include any provision to supply electricity to the population along the line, a common practice for transmission lines.

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**d. Principal activities/Components:**

Provide a clear and concise description of the principal activities/components. In so doing, highlight any revision/amendment.

The project involves the construction of a 450 km 400 kV double-circuit transmission line from Rabai (Mombasa) to Isinya (located 60 kms from Nairobi), the construction of new transmission lines from Isinya to Embakasi substation in Nairobi, the expansion of the Rabai and Embakasi substations, and the installation of shunt reactors at Rabai.

The technical specifications of the project were substantially revised after approval, as serious weaknesses were detected in the preparatory work. It has to be pointed out that these weaknesses were not detected by the Bank team, which took GoK's decisions concerning technical design without verification. To the credit of the Bank, the other donors did not spot the weaknesses either.

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**3. PROJECT PERFORMANCE ASSESSMENT**

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**RELEVANCE****a. Relevance of the project development objective:**

Evaluation of the relevance ex-ante and ex-post (including during the implementation phase). The relevance of the project objective (during the evaluation ex-ante and the post-evaluation) in terms of alignment with country's development priorities and strategies, the beneficiary needs (including any changes that may have occurred during the implementation), applicable Bank sector strategies, the Bank country/ regional strategy, and general strategic priorities of the Bank. This criterion equally assesses the extent to which the project's development objective was clearly stated and focused on outcomes and the realism of the intended outcomes in the project setting.

The overall development objective of enhancing system's capacity to increase energy access was relevant, but the immediate objective to increase transmission between Mombassa and Nairobi was proven to be erroneous. The project is therefore rated only Satisfactory, because ultimately, some usefulness for the line was fortunately found.

The development objective of the Project was to increase the transmission capacity between Mombasa and Nairobi to boost the power supply in the interconnected system thereby enhancing the system's capacity to support industrial growth and increased energy access.

This is coherent with the Country Strategy Paper for Kenya (2008-2012) that seeks to support two strategic pillars; namely: (I) Infrastructure development for enhanced growth (II) Creation of employment opportunities for poverty reduction. Under pillar I, the country will, among others seek to address the problems of erratic electricity supply. The CSP is also in line with the country's long-term development strategy, Vision 2030, and its five-year Medium Term Plan (2008-2012), in which the expansion of electricity infrastructure is among the top priorities.

As part of its expansion plan for power infrastructure, Kenya had decided to locate all thermal plants around the port of Mombasa in order to bring transport costs to minimum as well as associated economic costs, mainly relating to road usage/congestion and pollution from road transport hence the need for additional transmission capacity. This has been overtaken by the geothermal developments and instead the line will be used to evacuate about 150MW from the geothermal plants in Olkaria to the Coast region as this will minimize consumption of thermal power in the region and in turn impact positively on customer bills through a reduction in the monthly fuel cost surcharge; the peak load in the Coast Region has grown to about 330MW in 2006/17.

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The project development objectives remained valid, but the strategy to achieve these objectives was completely changed after project approval.

**b. Relevance of project design (from approval to completion):**

The evaluator should provide an assessment of the relevance of the project design regardless of the one provided in the PCR. The evaluator will also comment on the PCR conclusion for this section, and will provide an evaluation of the relevance of the project design. The latter assesses the soundness and the timing of eventual adjustments, or technical solutions to ensure the achievement of the intended results (outcomes and outputs), the adequacy of the risk assessment, environmental and social protection measures, as well as the implementation arrangements. For Programme Based Operations (PBO), an assessment will be made on the relevance of the prior actions, the policy dialogue and the extent to which the operation could have been more pro-poor in its design.

The project design suffered several problems with some items missing initially and ROW poorly planned. It is therefore rated Unsatisfactory.

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The project technical design suffered several weaknesses due to initially overlooked components and failure to secure ROW before finalizing design, which required substantial changes in design. Moreover, the line after completion is clearly over-sized, being operated with difficulties at 220 kV instead of 400 kV. It is not known for how long the line may be under-utilized.

The Project institutional design incorporated lessons learnt from the Bank's past interventions in Kenya and other neighbouring countries, where similar projects have been implemented. The specific measures included precedent action to ensure adequate local counterpart funds through ensuring that that funds are put into an Escrow Account from which they will be drawn to compensate the affected persons; project execution through recently established autonomous KETRACO, appointment of a Project Implementation Unit; technical assistance components including supervision consultant and technical audit services to support the project management capacity and improve auditing and reporting and a knowledge transfer towards KPLC engineers through training by the contractors and consultant for supervision and control.

## **EFFECTIVENESS**

**c. Effectiveness in delivering outputs:**

Evaluation of the extent to which the project achieved its stated results (obtained from the logical framework) based on the last Implementation Progress and Results Report (IPR) and by considering accurate reporting of direct or indirect evidence on intended and unanticipated outputs. In the absence of sufficient data (as direct evidence), indirect evidence (such as project outcomes and other pertinent processes/elements of the causal chain) should be used particularly in the evaluation of the extent to which the project is expected to achieve its stated results/ objectives. The absence of sufficient data to assess the effectiveness should be indicated (and clearly detailed in the PCR quality evaluation section). The PCR score should equally be indicated in this section.

The project delivered the expected outputs, but changes in design were needed during implementation. The project is therefore rated only Satisfactory, same rating than in the PCR.

The outputs as stated in the PAD were achieved in terms of physical construction of the lines:

- 450 km of 400 kV transmission line constructed.
  - 5 km underground cable laid.
  - 19 km of 2x220 kV line constructed.
  - Four line bays for 2x220 kV established.
  - Compensation of PAPs per RAP.
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- Project reports produced quarterly and Project audit reports produced annually.

**d. Effectiveness in delivering outcomes:**

Evaluation of the extent to which the project achieved its intended set of outcomes (including for Program Based Operations (PBOs) where complementary measures are necessary for their implementation, namely public awareness, policy dialogue and institutional arrangements for instance). The evaluator should make an assessment based on the results of the last project Implementation Progress and Results (IPR). The evaluator shall indicate the degree to which project outcomes (intended and unanticipated) as well as reasons for any eventual gap were discussed in the PCR.

The effectiveness in delivering outcomes is rated Satisfactory, because the line ultimately contributed to unintended positive outcomes. The rating is the same as the PCR.

The outcomes were

- Increased supply of electricity nationally by 2,333 MW
- Additional power transmitted from Mombasa area to Nairobi and the rest of the country, with the following indicators:
  - Increase the generation capacity of the interconnected system by 290 MW by 2013 using new plants located around Mombasa.
  - Electricity transmitted from Mombasa to Nairobi to be increased by 1,400 GWh per annum by 2013.

The indicators of the second outcome were not achieved, not only because the line was commissioned with a two-year delay, but because the electricity in the line is not flowing in the intended direction, nor in the expected volume. Fortunately, part of the capacity of the line is used in the reverse direction to serve the Mombasa area, although this is the opposite of the initially intended outcome. The project effectiveness in delivering one of the outcomes is not satisfactory, as the operation of the line raises technical problems. But the delivery of the first outcome is satisfactory.

**e. Project development outcome:**

The ratings derived for outcomes and output are combined to assess the progress the project has made towards realizing its development objectives, based on the rating methodology recommended in the Staff Guidance Note on project completion reporting and rating (see IPR Guidance Note for further instruction on development objective rating).

Progress toward project development outcomes is satisfactory for the first outcome, but less than satisfactory for the second outcome. The project is therefore rated only Satisfactory, similarly to the PCR.

The project purpose was to increase the transmission capacity between Mombasa and Nairobi in order to boost the power supply in the interconnected system. As the use of the line is in the opposite direction, to supply Mombasa from the main grid, it demonstrated that the project purpose was erroneous. The underutilization below design capacity indicate that the line as designed is not needed at present, and that the GoK is just making use to the extent possible of an existing line which would have been designed differently, if at all, if the project would be to re designed at the present time.

The construction of this new transmission line and the financing of all new transmission infrastructure by the government (through KETRACO) were expected to increase demand for electricity as a result of the following factors: (i) *Lower tariffs*: investment costs for new transmission infrastructure will not be passed on to customers (ii) *Growth in the number of connections*: KPLC would be able to dedicate its financial

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resources to develop the country's distribution infrastructure (iii) *Improved system reliability and performance*: The Mombasa-Nairobi line was supposed to contribute to alleviating problems associated generation shortfalls. In reality, the option of supplying the main grid from Mombasa is no longer the least cost option and the main purpose of the construction of the line was no longer valid, making the line partly redundant.

**f. Beneficiaries:**

Using evidence, the evaluator should provide an assessment of the relevance of the total number of beneficiaries by categories and disaggregated by sex.

The project was expected to benefit beneficiaries in the entire country by wheeling large quantities of electricity from Mombassa to Nairobi and the rest of the country. In fact, the only beneficiaries are people and businesses with access in the Mombassa region. The project delivery of benefits is therefore Unsatisfactory.

The direct beneficiaries of the project output were to be economic actors and the population connected to the national power grid into which the project will feed as well as people living along the line route who will be employed or provide services during construction. Increased availability of reliable and affordable electricity to rural consumers was expected to foster an increase in economic activity (industrial, services, agricultural, commercial) and social wellbeing (households and social institutions) nationally. As the use and purpose of the line have been drastically changes, the beneficiaries are no longer the population connected to the grid in general, but consumers of the Mombasa area. The extent to which these consumer benefit from the line is difficult to assess, as alternative technical solutions might have been preferred at a lower cost, if the line would not have been constructed. Assuming they still benefit from the project, the number of beneficiaries compared to the initial estimate is difficult to estimate. The number of consumer in Mombasa area being less than the number of consumers in the rest of the national system, the number of beneficiaries is significantly lower than expected. The number of persons who benefited as workers for the construction of the line was as expected, except that the number of women employed was lower than the expected proportion of 20%, which was overestimated from the beginning, based on experience with construction activities.

**g. Unanticipated additional outcomes (positive or negative, not taken into consideration in the project logical framework):**

This includes gender, climate change, as well as social and socio-economic- related issues. Provide an assessment of the extent to which intended or unanticipated additional and important outcomes have been taken into consideration by the PCR. The assessment should also look at the manner the PCR accounted for these outcomes.

Unanticipated positive and negative benefits are:

The support to the development of IPP for renewable energy (geothermal, wind) in the vicinity to the line, which were not considered at project design but can be considered positive.

The original purpose of the line was to evacuate power from the Coast that would be made available due to increased thermal generation facilities; instead more developments have taken place in geothermal generation and the transfer of power now is in the opposite direction. Either way the line serves as a link, but it is being operated at 220kV. Due to the length of the line voltage control is a big challenge, the establishment of Mariakani substation and subsequent operation of the line at 400kV is therefore urgently required. The change in the purpose of the line and the challenge of keeping it in operation is a negative

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benefit.

There were substantial savings on the loan amount for Lot 1 – the construction of the 400kV and 220kV lines; attributed to an over-estimation of costs in preparatory studies. The impact is beneficial from the stand point of GoK.

## EFFICIENCY

### **h. Timeliness:**

The timeliness of project implementation is based on a comparison between the planned and actual period of implementation from the date of effectiveness for first disbursement. For Programme Based Operations (PBOs), the timely release of the tranche(s) are assessed through this same criterion.

The timeliness ratio is 0.66 (72 months instead of 47 months). The project timeliness is therefore Highly Unsatisfactory.

The implementation period exceeded the planned implementation schedule by two years mainly due to wayleaves acquisition and delayed start. Some delay is frequent in the implementation of transmission lines, but a delay of two years is not highly unsatisfactory.

### **i. Resource use efficiency:**

Provide and assessment of physical implementation (based on outputs delivered) against resources used (based on cumulative commitments) at completion for all contributors to the project (the Bank, Government, and others). This criterion would normally not apply to PBOs, as there is often no direct link between the outputs and the amount of contribution (in which case the rater would indicate N/A).

The overestimation of project costs led to the inefficient use of Bank resources. The project rating is therefore rated only Satisfactory. The PCR considered that completion below budget is positive and rated the project Highly Satisfactory. This position is questionable, particularly in this case, as there were weaknesses in design requiring revisions of design during implementation so project cost estimates were equally flawed.

Resources use was inefficient both from the stand point of GoK and the Bank, as the funds allocated to the project and frozen for its duration were 40% above the necessary level for project implementation. Hence, scarce resources were kept idle for years, which could have been used efficiently both by GoK and the Bank in other priority investment projects.

### **j. Cost-benefit analysis:**

Provide an assessment of the timeliness of the development outputs, and the extent to which costs of the costs have been effective and have been provided in the most efficient manner. The PCR rating should be discussed. The evaluator should verify whether the benefits of the project (achieved or expected) exceed its actual costs. To achieve this, evidences will mainly be based on a comparison between Economic Rates of Return (ERR) calculated at appraisal, the mid-term review and completion. When commenting PCR ratings, the degree of utilization of valid sources for evidence justifying the rating assigned should be taken into consideration. The evaluator should ensure of the validity of assumptions and that the same model was used for the calculation of others ERRs. For PBOs for which this calculation model does not apply, an assessment could be done with regards to the contribution of policy reforms to economic growth. In the absence of sufficient evidence, an appropriate rating should be assigned.

There is no clear indication in the PAD and in the PCR concerning how the economic analysis was conducted. The cost analysis is therefore rated Unsatisfactory. The evaluator differs with the Highly Satisfactory rating of the PCR, which is not substantiated.

At the approval in 2009, the economic analysis was conducted by comparing “with” and “without” the project. The “without project” scenario assumed a higher cost of energy to end users. In the “with project” scenario, the analysis assumed lower energy costs as a result of implementing the project. The economic

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benefits represented the costs saving that arose from implementing the project. At time of review of the project, the electronic version of the model was not available, together with the assumptions that were not presented in the PAR.

No details are given concerning how the rates of return have been calculated in the PCN, the assumptions or the methodology, but considering the significant under-utilization of the line, it is not likely the rate of returns of a line being used at 220 kV instead of the design 400 kV are similar or higher than evaluated at appraisal.

**k. Implementation progress:**

The assessment of the Implementation Progress (IP) on the PCR is derived from the updated IPR and takes into account the all applicable IP criteria assessed under the three categories : i) Compliance with covenants (project covenants, environmental and social safeguards and audit compliance), ii) project systems and procedures (procurement, financial management and monitoring and evaluation), and iii) project execution and financing (disbursement, budget commitments, counterpart funding and co-financing).

Implementation progress was Satisfactory in terms of compliance with covenants, environmental safeguards, project procedures and execution.

All project covenants have been relatively complied with. However there were a number of challenges during project implementation – notably, delayed project start-up due to the substations’ design changes, and delay in land acquisition, as well as vandalism issue. In particular, regarding way leave, KETRACO has tried to solve the outstanding issues through a long court process. In addition vandalism at the Nairobi National Park has led to delay of the completion of Nairobi-Mombasa electricity line. These mainly led to the construction completion taking longer than originally planned during appraisal. The performance of consultant services including project management was unsatisfactory at times. The consultants had an overall good capacity of managing the engineering aspects such as reviewing technical design and elements. However, they did not closely deliver on project management including progress review and monitoring on the agreed corrective measures. Finally the Audit reports were not submitted to the Bank on time.

## **SUSTAINABILITY**

**l. Financial sustainability:**

Provide an assessment of the extent to which funding mechanisms and modalities (eg. Tariffs, user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place to ensure the continued flow of benefits after completion, with particular emphasis on financial sustainability. For PBOs, the assessment should focus on financial sustainability of reforms, as well as the Bank’s policy dialogue to promote financial sustainability of the reforms.

Financial sustainability is rates Unsatisfactory because the financial performance of the sector which relies on gGoK subsidies and its capacity to maintain the line are weak, and because the financial sustainability of the line itself is also weak due to much lower than projected utilization of the line. The assessment of the reviewer differs from the PCR which rated financial sustainability as “highly Satisfactory”.

KETRACO received an annual budget from GoK for the financing of new transmission assets; so loans raised from DFIs for the financing of new transmission infrastructure are paid back out of GoK’s central budget. This subsidy may facilitate the development of the country’s transmission infrastructure without passing on the investment costs to consumers through increased tariffs; so tariffs are expected to remain at affordable levels to encourage new connections in the future, but this mode of financing is unsustainable and does not ensure the financial sustainability of the project nor KETRACO in the longer term, nor does it encourage tariffs which cover the cost of supply of electricity.

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**m. Institutional sustainability and strengthening of capacities:**

Provide an assessment of the extent to which the project has contributed to the strengthening of institutional capacities – including for instance through the use of country systems – that will continue to facilitate the continued flow of benefits associated with the project. An appreciation should be made with regards to whether or not improved governance practices or improved skills, procedures, incentives, structures, or institutional mechanisms came into effect as a result of the operation. For PBOs, this should include an assessment on the contributions made to building the capacity to lead and manage the policy reform process; the extent to which the political economy of decision making was conducive to reform; the Government’s commitment to reform; and how the design reinforced national ownership.

The institutional sustainability of the project is rated Satisfactory, as KETRACO is a strong institution and it received TA support for the operation of the new line. Same rating as the PCR.

KETRACO was the executing Agency for the Project and has already entered into a management contract signed on April 30, 2010 with KPLC for the implementation and operation of new transmission projects. The institutional sustainability of KETRACO is well established, but the institutional sustainability of the line is not, as no medium- or long-term contracts have been signed for an adequate utilization of the line.

To enhance sustainability, the Contract for contractors and consultant responsible for the construction of the transmission line included specific provisions to ensure the training of KPLC engineers. This is for critical importance especially that it was the first time that a 400kV double circuit transmission line was constructed in Kenya and that similar technologies are likely to be used for other projects in the near future, such as for the interconnections with Ethiopia and Tanzania.

**n. Ownership and sustainability of partnerships:**

Provide an assessment of whether the project has effectively involved relevant stakeholders, promoted a sense of ownership amongst the beneficiaries (both men and women) and put in place effective partnerships with relevant stakeholders (eg. local authorities, civil society organizations, private sector, donors) as required for the continued maintenance of the project outputs. For PBOs, the assessment should measure the extent to which the Government’s capacity to conduct consultations during policy dialogue and the extent to which the Bank supported the Government in deepening the consultation processes.

All key partners were involved to varying degrees in the implementation of the Project; these included KETRACO, Ministry of Energy and Mineral Development, cofinanciers, and contractors. However, the level of project ownership with the Ministry of Energy is unclear, as it initially accepted the project to support a strategy it changed radically shortly thereafter.

The project benefited from insights of various stakeholders during project preparation and design; especially during the Environmental and Social Impact Assessment study. The approach used in the public consultations involved interviews with local administration (including local leaders), consultations with local communities along the planned transmission line as well as stakeholder consultations with the management of Kenya Civil Aviation Authority (KCAA), Kenya Agricultural Research Institute (KARI) and the Kenya Wildlife Services (KWS) (both in Nairobi and in the project area), Tsavo East National Park, NGOs and other interested parties. Six public consultation meetings (barazas) were held along the route of the planned power line, and additional information was obtained from officials and key persons in the areas visited.

**o. Environmental and social sustainability:**

Provide an assessment of the objectivity of the PCR rating on the project’s implementation of environmental and social mitigation/enhancement measures with regard to the Environmental and Social Management Plan (ESMP), the capacity of country institutions and systems, as well as the availability of funding to ensure the environmental and social sustainability of the operation. This criterion would normally only apply to Environmental Category I and II projects.

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The project environmental and social sustainability is rated Satisfactory, like in the PCN, as environmental

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guidelines were complied with during construction and for operation.

The project being a transmission line, its environmental and social impacts were mainly during project construction. Hence, after completion of construction, the project is socially and environmentally sustainable.

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#### **4. PERFORMANCE OF STAKEHOLDERS**

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##### **a. Bank performance:**

(Preparation/approval, ensure of Quality at Entry (QAE) : quality of the supervision, completion) : Provide observations on the objectivity of the PCR ratings and feedback provided by the Borrower, and if necessary, re-assess the Bank's performance throughout the project cycle (design, implementation, completion) by focusing on evidence from the PCR in relation to 7 criteria defined in the PCR Guidance Note.

The Bank performance is rated Unsatisfactory because of weaknesses in preparation (support of a non-optimal generation strategy, weaknesses in design and cost estimates), uncorrected implementation delay and persistence in project design even after the GoK strategy for increasing power supply was revised. The PCR rating is Highly Satisfactory because the Bank wages numerous missions and put great effort in supervision. However, in the end, the Bank supported the financing and implementation of a line which was a strategic error (as it should have been spotted from the beginning) and is functioning poorly because of unsuitable design for its present use, so Bank performance cannot be rated Highly Satisfactory.

The Bank performance at entry is considered Unsatisfactory for three reasons:

- The project design had to be revised shortly after appraisal because of flaws or errors in project technical design. The Bank as lender should have carried out more in-depth due diligence on the project design;
- The cost estimates were significantly over-estimated. Cost estimates are expected to take into account the market condition at project appraisal time, hence, it cannot be argued that the overestimation was due to competition or cost of inputs, all factors which should have been factored-in within a reasonable error margin, which cannot be as much as 40%. The reason for the discrepancy may be due to errors by the consultant in charge of the preparation of the project feasibility study, but the Bank, building on its experience with transmission lines in the region, should have spotted the issue, or, in doubt, requested a review of the costs and design by independent experts.
- The Bank accepted and supported the project rationale of transporting electricity from Mombasa to the Nairobi, although it was established shortly after appraisal that the rationale was erroneous, and the optimal strategy was not to develop new thermal capacity at Mombasa, but to develop national resources in renewable energy, which were already identified at appraisal time.
- The Bank should have reviewed project outcomes and beneficiaries subsequently to project design changes since these are not valid anymore. This would have changed the current project evaluation ratings.

The Bank participated in 3 joint field supervision missions with the other funding Agencies AFD and EIB and made relevant recommendations to the Borrower for timely action only for physical implementation. Bank performance during project implementation was satisfactory.

##### **b. Borrower performance:**

Provide observations on the objectivity of the PCR ratings, and if necessary, re-assess the Borrower's performance throughout the project cycle (design, implementation, completion) by focusing on evidence from the PCR in relation to questions defined in the PCR Guidance Note.

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The Borrower's performance is Unsatisfactory, as it failed to take action to revise the scope of the project or even stop it after it changed its overall power generation strategy for good reasons. The Satisfactory PCR rating is based on the narrow analysis of physical implementation and fails to consider the broader picture of the limited relevance of the project under the present circumstances.

The performance of the Government, through the Ministry of Energy and KETRACO as the implementing Agency has been satisfactory in ensuring the overall project physical implementation and achievement of the results as indicated in this Report. To a large extent, the Government met and complied with covenants, agreements and safeguards in line with the Bank's regulations. However, while the Loan Agreement approved on May 6, 2009 and signed on June 4, 2009, it took another 8 months before entry into force on January 22, 2010 after Government's compliance with conditions precedent to First Disbursement of the Loan which required GoK to open a counterpart project account and to deposit therein the initial amount of KES 964 million as the Borrower's counterpart fund to finance Compensation and resettlement of the PAPs. Furthermore it took another eleven months before the First Disbursement was made on December 15, 2012.

It was also noted that during implementation, processing of payments to the Contractor and Consultant were late well beyond the stipulated payment period, which adversely affect work progress. Aside from this, the project progress was well documented in monthly progress reports and Borrower's Quarterly Progress Reports, which were submitted to the Bank, and there was timely action on Bank's recommendations from supervision missions however the Audit Reports were not submitted in time.

However, the radical change in GoK's and KENGEN strategy for power generation during project implementation while not revising the project scope radically or stopping the project, lead to the present unsatisfactory under-utilization of the line. It impacts very negatively the evaluation of the performance of the Borrower.

**c. Performance of other stakeholders:**

Provide observations on the objectivity of the PCR ratings, and if necessary, re-assess the other shareholders' performance throughout the project cycle (design, implementation, completion) by focusing on evidence from the PCR in relation to relevant questions specific to each stakeholder (co-financiers, NGO, contractors and service providers).

The performance of contractors, consultants and other stakeholders is rated Satisfactory, like in the PCR.

*Consultants:* The quality of supervision consultant services was satisfactory as staff deployed was responsive to the emerging needs of the project and changed site conditions. However, the monitoring of compliance with the schedule was not well followed up, possibly there was a mix up on this role with the KETRACO.

*Contractors:* The performance of the Contractor Kalpataru Power Transmission Limited from India was satisfactory except for Health and Safety issues, where it was continuously reported that the standards of safety actually achieved on site were poor; in spite of the regular reminders during the Safety meetings.

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## 5. SUMMARY OF OVERALL PROJECT PERFORMANCE

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**a. Overall assessment:**

Provide a summary of the project/programme's overall performance based on the PCR 4 key components (Relevance, Effectiveness, Efficiency and Sustainability). Any difference with the PCR and the reasons that have resulted in them should be mentioned. For cases with insufficient evidence (from the PCR and other documents) available, the evaluator should assign a partly satisfactory rating (to be revised) until a post project performance evaluation (e.g. PPER, PER or PRA) is complete.

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Overall, the project is rated Unsatisfactory as it was based on a flawed strategy which should have been spotted by the Bank, which should have declined supporting the project; ultimately, the Bank supported and financed a line which is overdesigned, does not serve its intended purpose, represents a financial burden on the Borrower and is meeting technical problems because of ill-suited design in relation to its mode of operation. The PCR rating as Satisfactory considers only the physical implementation and fails to consider the end-result.

*Relevance:* Retroactively, the relevance of the project is not satisfactory, as the need for a 400 kV line to serve Mombasa from the rest of the grid is not established, and the present under-utilization of the line suggest that presently the project is marginally relevant.

*Effectiveness:* The initial design of the project was not fully effective, as it had to be revised. From the present stand point, the project and its technical option (400 kV line and substations) is not fully effective, as in retrospect, a different solution would be preferable to supply Mombasa with electricity from renewable energy plants.

*Efficiency:* Once the design was revised, and the overestimation of project costs have been taken into account and addressed, the project efficiency was satisfactory.

*Sustainability:* the project is not financially sustainable, particularly considering the under-utilization of the line. The financial sustainability of KETRACO, operating under 100% subsidies from the GoK for capital investment is low. The institutional, social and environmental sustainability, on the other hand, are satisfactory.

**b. Design, implementation and utilization of the M&E (appreciation of the evaluator):**

Provide an assessment of planned and actual cost of the design, implementation and utilization of the M&E system. Design : To which extent the project M&E system was explicit, adequate and realistic to generate and analyse relevant data ; Implementation : To which extent relevant data was collected – Elements of M&E implementation and effectiveness in the PCR ; Utilization : degree of utilization of data generated for decision-making and resource allocation – elements of M&E utilization in the PCR.

The design of the M&E system was Satisfactory. Its utilization and reporting were overall satisfactory, despite delay in reporting requiring several reminders by the Bank team.

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## 6. EVALUATION OF KEY LESSONS LEARNED AND RECOMMENDATIONS

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**a. Lessons learned:**

Provide a brief description of any agreement/disagreement with all or part of the lessons learned from the PCR after analysis of the project performance with regards to each of the key components of the evaluation (Relevance, Effectiveness, Efficiency, and Sustainability). List the PCR main new and/or reformulated pertinent (and generic) lessons learned for each of these components here. It is recommended that no more than five lessons learned are discussed. Key questions and targeted audience must also be specified for each lesson learned.

The lessons learned highlighted in the PCR are:

- Lack of specific capacity building for both KETRACO and KPLC, most especially Project Management for KETRACO and O&M for KPLC; affected the performance of both institutions, as it was not sufficient to rely on Consultants and Contractor personnel to conduct such training.
  - Based on the Consultant's reports, although KPTL addressed Health and Safety issues, the standards of safety actually achieved on site was poor and the Contractor just ignored the reminders. Efficient mechanisms are necessary to ensure compliance with health and safety measures by contractors.
  - Wayleaves acquisition poses a real threat to infrastructure development and should be handled carefully before project inception.
  - The design changes introduced during implementation resulted increased the Project cost by about 11%. . Project design needs to be submitted to technical audit by Independent Consultants before
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procurement of works, in order to allow for rectification of any deficiencies in the design and tender documentation and avoid amendments during project implementation with associated cost /time overruns leading to skewed results of the anticipated economic viability of projects.

- In such complicated projects, at least two Supervision missions should be held annually supplemented by independent consultants. In addition, a Mid Term Evaluation should be conducted.

The lessons learned listed in the PCR are valid, particularly the lesson learned regarding the need to review carefully project design to ensure no component has been omitted and cost to benchmark them against comparable projects before engaging in procurement. The lesson applies to KETRACO, indeed, but to the Bank as well.

In addition, a key lesson is that sector strategy should be carefully reviewed and the Bank should be fully satisfied the Government strategy is optimal before engaging to support investment projects.

**b. Recommendations:**

Provide a brief description of any agreement/ disagreement with all or part of the recommendations from the PCR. List the PCR main new and/or reformulated recommendations (requiring more actions by the Borrower and/or the Bank) here.

The recommendation in the PCR are:

- Design changes mainly associated with diversions due to wayleaves challenges had to be made. It is recommended that acquisition of ROW should be secured before the construction works begin.
- The full right of way for the intended works should be acquired and cleared of all encroachment and utility services relocated before the works contract is procured. The Contractor should be granted possession of the complete site without encumbrance and this would avoid unnecessary delays and claims.
- Delayed payment of invoices results into unnecessary additional costs due to interest on delayed payments and extensions of time for completion claims. It was noted that the longest delay occurred between KETRACO and submission to the Bank. It is recommended that KETRACO and the Ministry should urgently review its internal payment processes to reduce the payment timeline.
- As part of the public sensitization, KETRACO should include some basic knowledge to the PAPS on how to manage the funds obtained as compensation. Several cases came to light where a number of PAPS poorly managed the funds especially through taking on projects well beyond the money available.

These recommendations are valid. Additional recommendations are:

- The Bank's team should make its own independent assessment of the validity of the sector strategy of the Ministry and be satisfied it is optimal.
  - Final decision on transmission projects should be made after contractual arrangements for the utilization of the line are prepared and agreed (contractualization of utilization of transmission lines). Contractualization is particularly important in an unbundled system where the transmission company is bearing substantial financial risks in case of under-utilisation of its assets.
  - In general, as transmission lines have a shorter construction period than power generation plants, construction of transmission lines linked to the development of future generation capacity should be undertaken only after construction of the generation plants is irreversibly committed.
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## 7. COMMENTS ON PCR QUALITY AND TIMELINESS

The overall PCR rating is based on all or part of the criteria presented in the annex and other: The quality of the PCR is rated as highly satisfactory (4), satisfactory (3), unsatisfactory (2), and highly unsatisfactory (1). The timeliness of the PCR is rated as on time (4) or late (1). The participation of the Borrower, co-financier, and the bank's external office(s) are rated as follows: Very Good (4), Good (3), Fair (2), Poor (1).

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The quality of the PCR is rated Unsatisfactory, as it does not recognize the seriousness of issues due to the change in generation strategy of the GoK and the resulting part redundancy of the project (considerable under-utilization of the capacity of the line). It plays down the seriousness of a two-year completion delay. Moreover, it does not recognize the issue for the Bank of having failed to spot issues with GoK generation strategy, weaknesses in design and cost estimates in due time, leading to the completion of a largely redundant asset for Kenya. The focus on physical implementation does not highlight more fundamental issues concerning the ex post justification of the project. Overall, it is difficult to consider Satisfactory a project which has been physically completed, but has lost its initial purpose.

The timeliness of the PCR is also Unsatisfactory, as, although acknowledging that the PCR should not have been prepared until the components of the project financed by cofinanciers are completed (March 2016), after closing of the Bank loan (December 2015), there is little justification for issuing the PCR 21 months after the closing date of the last project component.

## 8. SUMMARY OF THE EVALUATION

This is a summary of both the PCR and IDEV ratings with justification for deviations/comments. Appropriate section of the PCR Evaluation should be indicated in the last column in order to avoid detailed comments. The evaluator must provide a reasonable explanation for each criterion the PCR rating is not validated by IDEV. Consequently, the overall rating of the project could be "equally satisfactory".

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Criteria	PCR	PCREN	Reason for disagreement/ Comments
<b>RELEVANCE</b>	4	2	
Relevance of project development objective	4	3	The initial project objective to increase availability, access and quality of power supply to the grid has been superseded by the objective to supply Mombasa region
Relevance of project design	4	2	In retrospect, the project design was not suitable, as the capacity of the line is beyond the needs as evidenced by its underutilization. Institutionally, the support to a transmission company operating entirely on Government subsidies with no cost recovery target is questionable
<b>EFFECTIVENESS</b>	3	3	
Development objective (DO)	3	3	
<b>EFFICIENCY</b>	3.5	2	Project completion tardiness and cost overestimation justify a less than satisfactory rating
Timeliness	3	1	The project was commissioned with a delay of two years
Resource use efficiency	4	3	Overestimation of costs froze scarce concessional resources which could have been used in other needy projects for four years

Cost-benefit analysis	4	2	There is no indication concerning the methodology, assumptions in the PAD. In the PCR, again, there is no indication of methodology and assumptions, and the conclusion that the revised economic return is above 40% and the financial return at 5% for a grossly underutilized line (operating with difficulty at 220 kV instead of 400 kV) would require detailed justification.
Implementation progress (IP)	3	3	
<b>SUSTAINABILITY</b>	3.25	2	Financial sustainability is low, but institutional sustainability of KETRACO as transmission asset owner is satisfactory.
Financial sustainability	4	2	The line is considerably underutilized, making it most likely financially unsustainable. KETRACO operate on 100% subsidies for capital investment, which is unsustainable.
Institutional sustainability and strengthening of capacities	3	3	
Environmental and social sustainability	3	3	
<b>OVERALL PROJECT COMPLETION RATING</b>	3	2	The project supported an erroneous strategy (as recognized by the GoK), and is meeting operational problems, while putting an unnecessary additional burden on Borrower's finances.
Bank performance:	4	2	Quality at entry was questionable. Supervision was satisfactory. Implementation of a project largely redundant cannot be considered as a satisfactory performance from the Bank performance stand point. The Bank should have reviewed the project outcomes and beneficiaries after project redesign because the current ones were not valid anymore
Borrower performance:	3	2	The change in generation strategy, although justified, damaged the project. The initial adoption of a flawed strategy justifies a less than satisfactory rating.
Performance of other shareholders:	3	3	
Overall PCR quality:		2	The PCR did not recognize the overarching issue for the Bank of having financed an asset used well below expected level, resulting in partial waste of scarce resources (an asset adapted to the needs under the new generation strategy would have been much less costly than a 400 kV line) and down play the seriousness of the overestimation of project costs and endorsement of weaknesses in engineering design, in addition to the issue of a two-year completion delay.



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**9. PRIORITY FOR FUTURE EVALUATIVE WORK: PROJECT FOR PERFORMANCE EVALUATION REPORT, IMPACT EVALUATION, COUNTRY/SECTOR REVIEWS OR THEMATIC EVALUATION STUDIES:**

- Project is part of a series and suitable for cluster evaluation
- Project is a success story
- High priority for impact evaluation
- Performance evaluation is required to sector/country review
- High priority for thematic or special evaluation studies (Country)
- PPER is required because of incomplete validation rating

**Major areas of focus for future evaluation work:**

- a) Performance evaluation is required for sector/ country review
- b) Cluster evaluation (institutional support)
- c) Sector evaluation (budgetary support or public finance management reforms)

**Follow up action by IDEV:**

Identify same cluster or sector operations; organize appropriate work or consultation mission to facilitate a), b) and/or c).

**Division Manager clearance**

**Director signing off**

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**Data source for validation:**

- Task Manager/ Responsible bank staff interviewed/contacted (in person, by telephone or email)
- Documents/ Database reports

**Attachment:**

- PCR evaluation note validation sheet of performance ratings
- List of references

## PROJECT COMPLETION REPORT EVALUATION NOTE

### Validation of PCR performance ratings

PCR rating scale:

Score	Description
4	<b>Very Good</b> – Fully achieved with no shortcomings
3	<b>Good</b> – Mostly achieved despite a few shortcomings
2	<b>Fair</b> – Partially achieved. Shortcomings and achievements are roughly balanced
1	<b>Poor</b> – very limited achievement with extensive shortcomings
UTS	Unable to score/rate
NA	Non Applicable

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
RELEVANCE	Relevance of the project development objective (DO) during implementation	4	3	The initial project objective to increase availability, access and quality of power supply to the grid has been superseded by the objective to supply Mombasa region
	Relevance of project design (from approval to completion)	4	2	In retrospect, the project design was not suitable, as the capacity of the line is beyond the needs as evidenced by its underutilization. Institutionally, the support to a transmission company operating entirely on Government subsidies with no cost recovery target is questionable
<b>OVERALL RELEVANCE SCORE</b>		<b>4</b>	<b>2</b>	
EFFECTIVENESS*	<b>Effectiveness in delivering outcomes</b>			
	Outcome1 Increased supply of electricity nationally by 2,333 MW		2	Increase in supply did not occur in Mombassa, hence, the line did not contribute to increase supply nationally
	Outcome2 Additional power transmitted from Mombasa area to Nairobi		1	Energy flow in the opposite direction, and in a lower quantity than expected
	<b>Effectiveness in delivering output</b>			
	Output1 450 km of 400 kV transmission line constructed. 5 km underground cable laid.		3	

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments	
	19 km of 2x220 kV line constructed. Four line bays for 2x220 kV established. Compensation of PAPs per RAP. Project reports produced quarterly and Project audit reports produced annually.				
	Output2				
	<b>Development objective (DO)</b>				
	Development objective rating	<b>3</b>	<b>3</b>		
	<b>Beneficiaries</b>				
	Beneficiary1 Mombassa region consumers		<b>3</b>	The categories of beneficiaries remained the same, but their location was reversed, with the beneficiaries being located in the Mombassa area, rather than the rest of the grid.	
	Beneficiary2				
	<b>Unanticipated outcomes (positive or negative not considered in the project logical framework) and their level of impact on the project (high, moderate, low)</b>				
	Institutional development		3		
	Gender				
	Environment & climate change		4	Supports the development of renewable energy plants	
	Poverty reduction		3	Improves quality of power supply in Mombassa	
	Private sector development				
	Regional integration				
Other (specify)					
<b>EFFECTIVENESS OVERALL SCORE</b>		<b>3</b>	<b>3</b>		
EFFICIENCY	Timeliness (based on the initial closing date)	3	1	The project was commissioned with a delay of two years	
	Resource used efficiency	4	3	Overestimation of costs froze scarce concessional resources which could have been used in other needy	

Criteria	Sub-criteria	PCR work score	IDEV review	Reasons for deviation/comments
				projects for four years
	Cost-benefit analysis	4	2	There is no indication concerning the methodology, assumptions in the PAD. In the PCR, again, there is no indication of methodology and assumptions, and the conclusion that the revised economic return is above 40% and the financial return at 5% for a grossly underutilized line (operating with difficulty at 220 kV instead of 400 kV) would require detailed justification.
	Implementation progress (from the IPR)	3	3	
	Other (specify)			
<b>OVERALL EFFICIENCY SCORE</b>		<b>3.5</b>	<b>2</b>	Project completion tardiness and cost overestimation justify a less than satisfactory rating
SUSTAINABILITY	Financial sustainability	4	2	The line is considerably underutilized, making it most likely financially unsustainable. KETRACO operate on 100% subsidies for capital investment, which is unsustainable.
	Institutional sustainability and strengthening of capacities	3	3	
	Ownership and sustainability of partnerships		3	
	Environmental and social sustainability	3	3	
<p>*The rating of the effectiveness component is obtained from the development objective (DO) rating in the latest IPR of the project (see Guidance Note on the IPR).</p> <p>The ratings for outputs and outcomes are determined based on the project's progress towards realizing its targets, and the overall development objective of the project (DO) is obtained by combining the ratings obtained for outputs and outcomes following the method defined in the IPR Guidance Note. The following method is applied: Highly satisfactory (4), Satisfactory (3), Unsatisfactory (2) and Highly unsatisfactory (1).</p>				

Criteria	Sub-criteria	PCR Work score	IDEV review	Reasons for deviation/comments
BANK PERFORMANCE	Proactive identification and resolution of problems at different stage of the project cycle		2	
	Use of previous lessons learned from previous operations during design and implementation		2	
	Promotion of stakeholder participation to strengthen ownership		3	
	Enforcement of safeguard and fiduciary requirements		3	

	Design and implementation of Monitoring & Evaluation system		3	
	Quality of Bank supervision (mix of skills in supervisory teams, etc)		2	
	Timeliness of responses to requests		3	
<b>OVERALL BANK PERFORMANCE SCORE</b>		<b>4</b>	<b>2</b>	Quality at entry was questionable. Supervision was satisfactory. Implementation of a project largely redundant cannot be considered as a satisfactory performance from the Bank performance stand point.
<b>BORROWER PERFORMANCE</b>	Quality of preparation and implementation		2	
	Compliance with covenants, agreements and safeguards		3	
	Provision of timely counterpart funding		3	
	Responsiveness to supervision recommendations		3	
	Measures taken to establish basis for project sustainability		2	
	Timeliness of preparing requests		3	
<b>OVERALL BORROWER PERFORMANCE SCORE</b>		<b>3</b>	<b>2</b>	The change in generation strategy, although justified, damaged the project. The initial adoption of a flawed strategy justifies a less than satisfactory rating.
<b>PERFORMANCE OF OTHER STAKEHOLDERS</b>	Timeliness of disbursements by co-financiers		3	
	Functioning of collaborative agreements		3	
	Quality of policy dialogue with co-financiers (for PBOs only)		3	
	Quality of work by service providers		3	
	Responsiveness to client demands		3	
<b>OVERALL PERFORMANCE OF OTHER STAKEHOLDERS</b>		<b>3</b>	<b>3</b>	
The overall rating is given: Very Good, Good, Fair and Poor.				
(i) Very Good (HS) : 4				
(ii) Good (H) : 3				
(iii) Fair (US) : 2				
(iv) Poor (HUS): 1				

### **DESIGN, IMPLEMENTATION AND UTILIZATION OF MONITORING AND EVALUATION (M&E)**

Criteria	Sub-criteria	IDEV Score	Comments
M&E DESIGN	M&E system is in place, clear, appropriate and realistic	3	

Criteria	Sub-criteria	IDEV Score	Comments
	Monitoring indicators and monitoring plan were duly approved	3	
	Existence of disaggregated gender indicator		
	Baseline data were available or collected during the design	3	
	Other, specify		
<b>OVERALL M&amp;E DESIGN SCORE</b>		<b>3</b>	
M&E IMPLEMENTATION	The M&E function is adequately equipped and staffed	3	
<b>OVERALL M&amp;E IMPLEMENTATION SCORE</b>		<b>3</b>	
M&E UTILIZATION	The borrower used the tracking information for decision	3	
<b>OVERALL M&amp;E UTILIZATION SCORE</b>		<b>3</b>	
<b>OVERALL M&amp;E PERFORMANCE SCORE</b>		<b>3</b>	

### PCR QUALITY EVALUATION

Criteria	PCR-EVN (1-4)	Comments
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<b>QUALITY OF PCR</b>		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections	3	
2. Extent of objectivity of PCR assessment score	2	The PCR tends to minimize serious implementation and design issues
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies; (in various sections; between text and ratings; consistency of overall rating with individual component ratings)	3	
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive or negative) affecting design and implementation	2	The key issue of under-utilization of the line is mentioned but downplayed, as well as the issue of the over-estimate of the costs
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3	
6. Extent of soundness of data generating and analysis process (including rates of returns) in support of PCR assessment	2	No details concerning the economic and financial evaluations
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	3	
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis)	3	
9. Extent of overall clarity and completeness of the PCR	3	
Other (specify)		
<b>PCR QUALITY SCORE</b>	<b>2</b>	The project met with serious problems due to changes in GOK's strategy, but the PCR downplays the issue and rated the project too generously. Moreover the economic and financial analyses are weak.
<b>PCR compliance with guidelines (PCR/OM ; IDEV)</b>		
1. PCR Timeliness (On time = 4; Late= 1)	1	
2. Extent of participation of borrower, Co-financiers & field offices in PCR preparation	3	
3. Other aspect(s) (specify)		
<b>PCR COMPLIANCE SCORE</b>	<b>3</b>	
*** rated as Very Good (4), or Good (3), or Fair (2), or Poor (1)		

## References

EN\_PR10770PCR

Mombasa - Nairobi 400kV Transmission Project 22122017.

PCR Mombasa - Nairobi 400kV Transmission Project 22122017\_FR.

Project\_Appraisal\_Report.