



17th WEDC Conference  
Infrastructure, environment,  
water and people  
Nairobi, Kenya 1991

## A systematic approach to local project appraisal

Sibilike K. Makhanu

### 1. INTRODUCTION

Following the seminars held at the Kenya Institute of Administration (KIA) by Kenya's policy makers and administrators during the month of April 1983, many suggestions were made that later culminated into a major course of action in the planning of Kenya's future development in what came to be called the "District Focus for Rural Development (DFRD)". "(ref.1)"

The main issue addressed was the co-ordination in the process of development planning. The District Focus Policy hence requires the District Development Committee (DDC) to be responsible for co-ordination of rural development including the establishment of priority programmes that make effective use of the inter-dependencies and complementarities of various ministerial activities."(ref.2)"

At present various guidelines exist in ministries for project appraisal and implementation. For example, in the Ministry of Water Development (MOWD) the Water Design Manual and Standard Specifications for Construction of Water Supply in Kenya are among the documents that give such guidelines. "(ref.3 and 4)". Most of these documents are however inclined towards foreign donor agencies and have therefore accommodated many elements required in project identification, appraisal and implementation by such agencies as the World Bank, US Water Resources Council guidelines, African Development Bank, European Investment Bank, International Development Agency and other international agencies.

Many local projects are formulated and implemented by the DDC. These projects also get funding from foreign sources and Non-governmental Organizations (NGO's) apart from government funding. All these activities are placed under the DDC. The primary formulation of numerous local projects is placed under the hands of Sub-locational Development Committees as shown in Figure 1. A systematic approach to local project appraisal that can be used by all those involved in the exercise is therefore necessary.

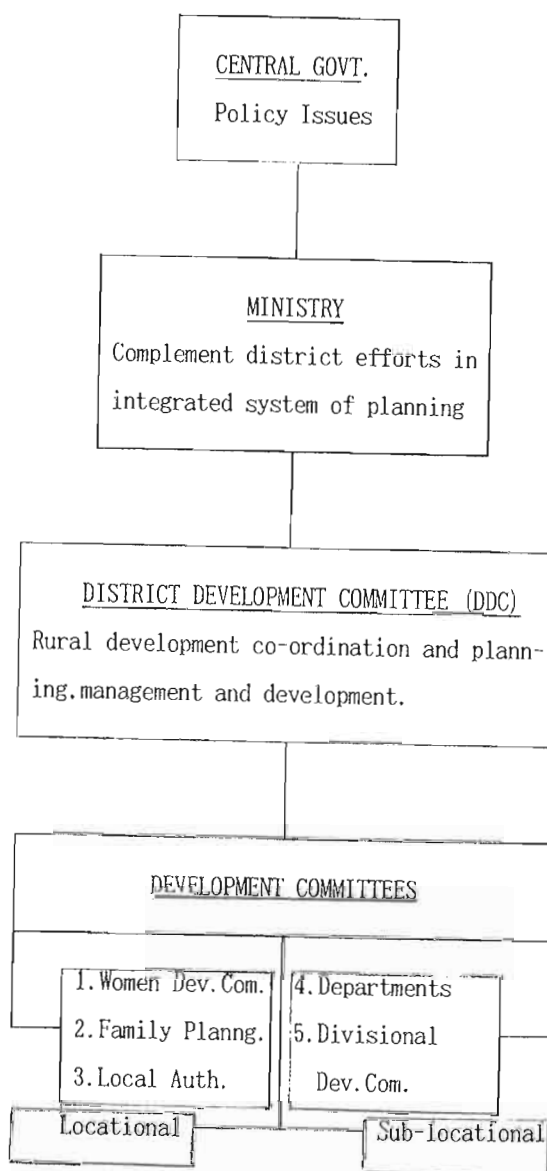


Figure 1 - District Focus Structure"(ref.2)"

2. ANNUAL BUDGET & DEVELOPMENT CYCLE IN KENYA

The annual development cycle is a continuous process which involves the following stages that fit in Kenya's financial year (1st July to 30th June).

Identification of projects

This goes on all year round with the idea originating from the area that will benefit from its implementation such as village, sub-location or location. The project proposals should be ranked in order of priority.

Screening, prioritization and costing

This is done in July by the Executive Committee of the DDC and reviews all projects received up to that time.

Preparation of forward budgets

The Ministries prepare their forward budgets during the month of August and September.

Design of projects

Departmental heads take a leading role in the design of projects to be funded by their respective ministries. This exercise is carried out simultaneously with the preparation of forward budgets and therefore extensive consultations among the various departmental units exist.

Finalization of budgets

All estimates for each Ministry are finalized during February and March for incorporation in the master budget for the following financial year.

3. SYSTEMATIC LOCAL PROJECT APPRAISAL

Primary units

The primary units that formulate projects are the Locational and Sub-locational Development Committees " (Figure 1)". The right projects should therefore be formulated right on the onset by uniform appraisal methods.

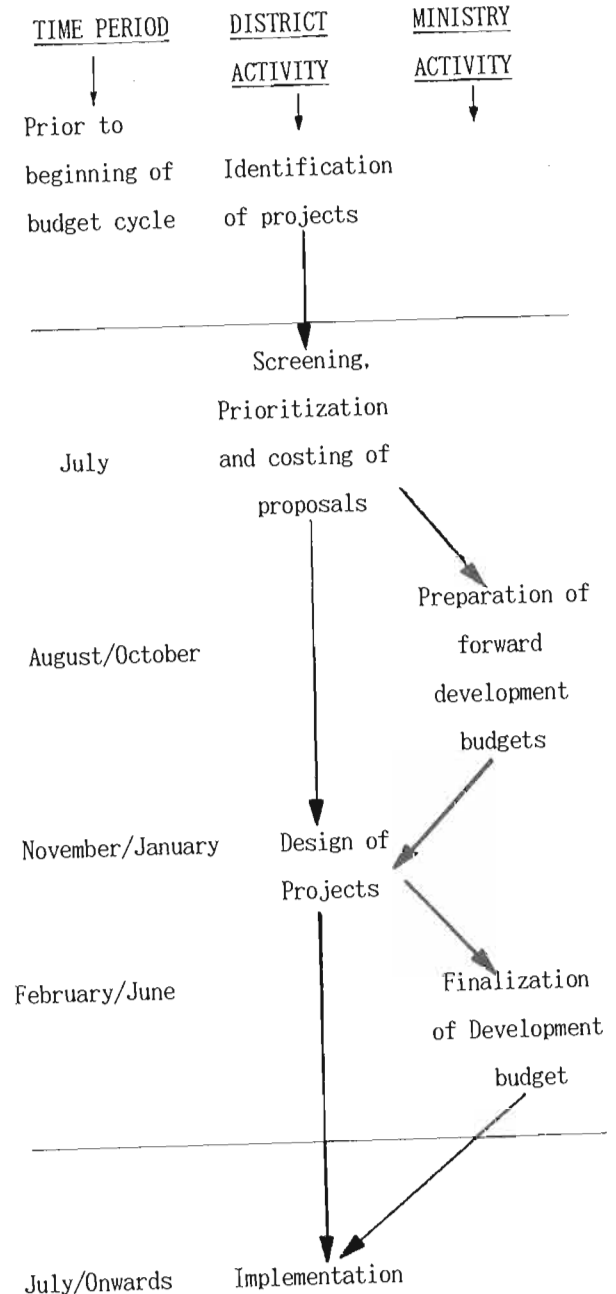


Figure 2 - Annual Budget and Development Cycle in Kenya " (from ref.1) "

### Systematic approach

The following systematic approach is proposed for project appraisal

#### (1) Establish the need for the project

a. Water supply project (Domestic, Industrial, Institutional). (i) Water demand projections based on population growth rates, land use etc

(ii) The capacity of the existing system and its insufficiency.

b. Irrigation (i) Extent of irrigable land

(ii) Type of crops or pasture

(iii) Economic and social appraisal

c. Power supply (H.E.P., Geothermal, Solar etc)

(i) Future projections based on industrialization and urbanization trends.

(ii) Consultation with relevant authorities e.g. Kenya Power and Lighting company.

d. Food damage mitigation (FDM)

(i) Appraisal of flood history and remedial efforts made to date

(ii) Economic appraisal of flood damage

(iii) Mitigation efforts in progress.

e. Social facility (roads, railway, schools, etc)

(i) Social benefit analysis (ii) Economic analysis

f. Multipurpose (i) Individual purpose needs as in (a) to (e) above (ii) Establish the compatibility of the various purposes.

(iii) Integrated planning alternatives.

#### (2) Prioritization

Is the project of adequate priority?

(i) Local project-Information from DDC

(ii) National project-consult Ministries

(iii) Needs of beneficiaries.

#### (3) Alternatives

Consider all alternative plans in adequate detail to enable choice of optimum project.

#### (4) Appraisal of previous related projects

Consider experiences associated with similar previous projects and incorporate any useful recommendations.

(5) Financial Aspects (Design, Construction & Maintenance). (i) All possible sources of funding identified such as Government, self-help, charitable organizations, NGO's and foreign donor agencies. (ii) Pre-conditions attached to each source of funding considered (iii) Status of funding (loan, grant, technical assistance etc)

#### (6) Engineering Design

The high priority projects should have adequate engineering detail to enable costing. This should be done to acceptable standard methods of design and contract document preparation to hasten possibility of foreign funding."(ref.5)".

#### (7) Flexibility and variability

(i) Is the plan flexible enough for future expansion and variation? Possible future expansions should be indicated.

(ii) Integrated planning should be emphasized.

#### (8) Local resources

Effort should be made to utilize local resources available (manpower, materials, plant etc) as much as practically possible without compromising quality or initial objectives set.

#### (9) Professional involvement

The project should be planned, designed, checked and authorised by qualified persons in all aspects.

#### (10) Operation and maintenance

Aspects on operation, maintenance and other long term decisions such as extensions and modifications to enable integration with other projects should be addressed to right at the onset. Training of local personnel in cases of unqualified citizens should also be decided on in the original project proposal.

#### (11) Environmental impact assessment

An environmental impact assessment of the project should be made at proposal stage. Provision should be made for further statements during construction and at suitable time periods during the project life. Recommendations to retain the environment in its natural state should be indicated.

#### (12) Social impact assessment

In order to create awareness and full community participation a social impact statement should be furnished together with the proposal.

(13) Appraisal and Evaluation

Appraisal of the project should be done at all stages of project formulation, identification and implementation. This should be done by qualified staff in order to make the information useful to the project and other similar projects.

(14) Government policy

All aspects of the project should conform to the existing government policies: funding; local and expatriate staff; implementation and maintenance.

## 4. CONCLUSIONS

The need for a local project proposal that encompasses all local, national and international issues is evident. The success of any co-ordinated efforts requires a common base from which decisions and actions are made. A systematic approach to local project appraisal such as this provides a significant contribution towards this end and is a necessary element to go along with the District Focus for Rural Development strategy in Kenya.

## REFERENCES

1. KENYA GOVERNMENT. District focus rural development, Government printer, Nairobi, 1985.
2. KENYA GOVERNMENT. District focus Circular No.1/85, Government printer, 1985
3. MINISTRY OF WATER DEVELOPMENT. Water design manual (Kenya), 1983
4. MINISTRY OF WATER DEVELOPMENT. Standard specifications for construction of water supply in Kenya, 1986.
5. BARNES MARTIN. The CESMM2 Handbook, A guide to the financial control of contracts using the Civil Engineering Standard Method of Measurement (CESMM), Thomas Telford, London, 1986.