PD-AAG-054 (2)

615-0189

KENYA

RURAL PLANNING II PROJECT

PROJECT PAPER
615-0189

August 1980

Agency for International Development
Washington, D.C. 20523

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U.S.A.I.D. MISSION TO KENYA

UNITED STATES POSTAL ADDRESS
US AID/NAIROBI
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

INTERNATIONAL POSTAL ADDRESS
POST OFFICE BOX 30261
NAIROBI, KENYA

ACTION MEMORANDUM FOR THE DIRECTOR

FROM : AGR, Donald G. McClelland

SUBJECT: Kenya Rural Planning II Project (615-0189)

Problem: Your approval is required to execute a grant of $2,800,000 in FY 1980 from the Food and Nutrition appropriation to the Government of Kenya (GOK) for the Rural Planning II Project, and to authorize a life-of-project funding of $3,575,000.

Discussion:

A. Project Description:

This project provides advisory assistance and training to the Ministry of Economic Planning and Development to assist in developing an improved capability to involve rural people at the district and sub-district levels in planning and implementing rural development activities. The project will have achieved its purpose when the system for allocating public resources for local programs and projects draws, to a large extent, on local inputs in the planning, implementation, and evaluation of these activities.

The project provides three advisors for 12 person years: a Senior Advisor, Projects Specialist, and Financial Systems Specialist. These advisors will be responsible for implementing the project's three principal components: (1) Implementation of District Plans; (2) Training; and (3) Decentralization of Decision-Making. The project also provides for 40 person months of short-term consultants. Several types of training are financed under the project, including 24 person years of long-term training at the University of Nairobi, 480 person months of short-term training in three-month courses; and 180 person months of seminars and workshops.

B. Financial Summary.

The funding requirements of the project are summarized below ($ 000).

Component	First Year	Life-of-Project
Long-Term Advisors	$ 1,717	$ 1,717
Short-Term Consultants	554	554
Training	627	627
Office Expenses	20	20
Evaluation	62	62
Contingency and Inflation	595	595
Total	$ 3,575	$ 3,575

The total cost of the project is $5,600,000. The GOK's share of the cost is $2,025,000 (or 36%). Thus, the requirements of Section 110(a) of the FAA are met. The GOK contribution will finance Kenyan personnel costs; office and clerical support; most of the short-term training costs; per diem, temporary lodging, and part of the housing costs of the long-term advisors; and in-country transportation.

C. Review Committee Action and Issues.

The Africa Bureau Executive Committee for Project Review met on May 13, 1980, to review the PID, which was approved; see Annex H of the Project Paper. The issues raised at that review meeting were addressed during the design of the Project Paper.

The issue of popular participation was investigated in depth. Mr. Oyugi, Professor of Government at the University of Nairobi, was commissioned to provide a paper discussing relevant strategies for, and institutional and social constraints on, local involvement and participation in Kenyan rural planning. As indicated in Mr. Oyugi's scope of work, this work was requested in direct response to concerns raised both by the Mission and AID/Washington. His paper served as a major background document during the preparation of the PP. Among the most important conclusions and recommendations, which were incorporated

into the project, was Mr. Oyugi's view that decentralization of decision-making should be undertaken in a context in which areas of cooperation between the center and the districts as well as between the administrators and the people were defined. The third project component concerning fiscal devolution focuses on this recommendation. Another key recommendation was that the capabilities of lower level personnel and those of the client organizations must be improved. The training component of the project focuses on this recommendation, particularly the three-month courses and the 2-3 day seminars and workshops. The principal beneficiaries of these activities will be persons at the district and sub-district levels, both government and non-government, and a significant number of women.

The PP design team examined the District Development Committees where local participation seemed to be most successful to try to attribute the reasons for that success so that they might be replicated in other DDCs. We found that often the wealthiest districts are the ones that are able to encourage the greater participation. Therefore, any attempt to focus the activities of the project specifically on these districts could be counterproductive insofar as redistribution of development benefits is concerned.

The second issue concerned the level of training for District Planning Officers (DPOs). The project provides funds to train up to eight persons to the Bachelor of Philosophy level which was determined by the Mission and PP design team to be the appropriate type and level of training required of DPOs. This one-year course is provided at the University of Nairobi. In addition, the project provides funds for training four officers to the Master of Arts level in Economics at the University of Nairobi and 12 participants for graduate training in the U.S. These persons trained to the M.A. level would not become DPOs, but rather would work in the Rural Planning Division of the Ministry of Economic Planning and Development. The DPOs that are trained will serve at the provincial level in the more densely populated areas, while in the more sparsely populated areas they will be located at the district level. This distribution reflects the fact that the number of DPOs trained during the period of this project will not be adequate to serve all of Kenya's districts.

Other issues, each of which has been appropriately and adequately addressed in the design of the Project, included the role of women; the need to disaggregate budget data to the district level; and the desirability of using various training facilities in addition to the Kenya Institute of Administration.

Congressional Notification.

The project was not included in the FY 1980 annual Congressional Presentation. A Congressional Notification advising of the intent to obligate $3,500,000 under grant funding in FY 1980 was submitted on August 8, 1980; the fifteen-day waiting period will expire on August 23, 1980. Subsequently, it was determined that funding requirements would be $3,575,000. Therefore, in the FY 1981 OYB levels, the Mission will have to request an additional $75,000.

Conditions and Covenants.

The Mission Project Agreement will require that three conditions precedent be satisfied prior to disbursement. Six special covenants will also be included in the Project Agreement. These conditions and covenants are set forth in the Project Authorization and in the Project Paper.

Waivers.

No waivers are requested for this project. Although the PID included a Justification for Sole Source Selection at Annex F, the Project Review Committee failed to endorse this recommendation; see PID Approval Message at Annex H. During the design of the project, the GOK enlisted the advice of the current advisors financed under Rural Planning I from the Harvard Institute for International Development (HIID). As a result, certain financial information is now known by HIID. To assure that all other potential contractors for Rural Planning II have equal knowledge concerning financial arrangements, the Request for Proposals (RFP) will include reference to HIID and a summary of financial information included in the Project Paper.

Recommendation:

It is recommended that you sign the attached Project Authorization and Request for Allotment of Funds, and thereby authorize the proposed project.

Attachments:
1. Project Authorization and Request for Allotment of Funds
2. Project Paper

AGR:DGMcClelland:rns:8/22/80

Clearances:

AGR:CTHash (draft)
PROG:WLefes (draft)
REDSO/RLA:ESpriggs (draft)

Approved: Allison B. Flemmik

Disapproved: _____

Date: 22 August 1980

PROJECT AUTHORIZATION

Name of Country : Kenya

Name of Project : Rural Planning II

Number of Project : 615-0189

1. Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize The Rural Planning II Project (the "Project") for the Republic of Kenya (the "Cooperating Country") involving planned obligations of not to exceed Three Million Five Hundred Seventy Five Thousand United States Dollars ($3,575,000) in grant funds over a two (2) year period from date of authorization, subject to availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing certain foreign exchange and local currency costs for the Project.

2. This Project consists of providing advisory assistance and training to the Kenyan Ministry of Economic Planning and Development in order to develop an improved capability to involve rural people at the district and sub-district levels in planning and implementing rural development activities. The Project will finance three Long-Term Advisors, including a Senior Advisor, Projects Specialist, and Financial Systems Specialist. These advisors will be responsible for implementing the Project's three components: (a) Implementation of District Plans; (b) Training; and (c) Decentralization of Decision-Making. The Project will also finance Short-Term Consultants, short and long-term training, office expenses and related commodities.

3. I hereby authorize initiation of negotiations and execution of the Project Agreement by the Officer to whom such authority has been delegated in accordance with A.I.D. Regulations and Delegations of Authority, subject to the following terms and conditions together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Goods and Services.

Goods and services, except for ocean shipping, financed by A.I.D. under the Project shall have their source and origin in the United States, or in the Cooperating Country, except at A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Conditions Precedent.

The Project Grant Agreement shall contain conditions precedent, in substance, that prior to the first disbursement by A.I.D., the Government shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.

(a) An executed contract for technical services between the Government and a U.S. University or other appropriate entity;

(b) Evidence that a qualified counterpart for each long-term advisor has been provided to work with the advisor on the job and to be available for training.

c. Special Covenants.

The Project Grant Agreement shall contain covenants in substance as follows:

(a) The Cooperating Country will provide, except as A.I.D. may otherwise agree in writing, prior to the arrival of the training-design consultant, a qualified counterpart who, upon the departure of the training-design consultant, shall be responsible for overseeing the training program for the remainder of the Project.

(b) The Cooperating Country covenants that it will maintain the Rural Planning Division staff level of thirteen (13) professionals, except as A.I.D. may otherwise agree in writing.

(c) The Cooperating Country covenants that it will: (1) provide qualified Kenyans for overseas training; (2) provide available posts for them upon their return; (3) pay one hundred

(100) percent of their salaries while abroad; and (4) bond those trained abroad for a period equal to twice the duration of their foreign training.

(d) The Cooperating Country agrees that it shall provide adequate working space and support staff for all advisors and consultants provided under the Project Agreement.

(e) The Cooperating Country agrees to furnish to A.I.D. the contractor's long-range work plan for A.I.D. approval within six (6) months from the date of arrival of the first long-term resident advisor for the contract funded hereunder.

(f) The Cooperating Country agrees to make available to A.I.D. for its review and comment the contractor's quarterly progress reports submitted in accordance with the contract.

Date: 22 August 1980

Allison B. Herrick

Allison B. Herrick
Director, USAID/Kenya

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

1. TRANSACTION CODE: A (A = ADD, C = CHANGE, D = DELETE)

PP

2. DOCUMENT CODE: 3

3. COUNTRY/ENTITY: Kenya

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 digits): 615-0189

6. BUREAU/OFFICE: A. SYMBOL: AFR; B. CODE: 06

7. PROJECT TITLE (Maximum 40 characters): Rural Planning II

8. ESTIMATED FY OF PROJECT COMPLETION: FY 85

9. ESTIMATED DATE OF OBLIGATION: A. INITIAL FY 80; B. QUARTER 4 (Enter 1, 2, 3, or 4); C. FINAL FY 80

10. ESTIMATED COSTS ($000 OR EQUIVALENT $1 - K.SH. 7.3

A. FUNDING SOURCE	FIRST FY B. FX	FIRST FY C. L/C	FIRST FY D. TOTAL	LIFE OF PROJECT E. FX	LIFE OF PROJECT F. L/C	LIFE OF PROJECT G. TOTAL
AID APPROPRIATED TOTAL	3,296	279	3,575	3,296	279	3,575
(GRANT)	(3,296)	(279)	(3,575)	(3,296)	(279)	(3,575)
(LOAN)	( )	( )	( )	( )	( )	( )
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY	-0-	2,025	2,025	-0-	2,025	2,025
OTHER DONOR(S)						
TOTALS	3,296	2,304	5,600	3,296	2,304	5,600

11. PROPOSED BUDGET APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. 1ST FY 80 F. GRANT	E. 1ST FY 80 G. LOAN	H. 2ND FY H. GRANT	H. 2ND FY J. LOAN	K. 3RD FY L. GRANT	K. 3RD FY M. LOAN
(1) FN	280	050		3,575					
(2)									
(3)									
(4)									
TOTALS				3,575					

A. APPROPRIATION	N. 4TH FY O. GRANT	N. 4TH FY P. LOAN	Q. 5TH FY R. GRANT	Q. 5TH FY S. LOAN	LIFE OF PROJECT T. GRANT	LIFE OF PROJECT U. LOAN
(1) FN					3,575	
(2)						
(3)						
(4)						
TOTALS					3,575	

12. IN-DEPTH EVALUATION SCHEDULED: MM 06 YY 83

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 (1 = NO, 2 = YES)

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: Allison B. Herrick

TITLE: Director, USAID/Kenya

DATE SIGNED: MM 08 DD 22 YY 80

15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-4 (3-76)

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I. Initial Environmental Examination

B. Recommendations

1. Grant	$3,575,000
2. Grantee	Government of Kenya
3. Term of Project	4 years

C. Summary of Project

The Rural Planning II Project provides advisory assistance and training to the Ministry of Economic Planning and Development in order to develop an improved capability to involve rural people at the district and sub-district levels in planning and implementing rural development activities in their districts. The project will have achieved its purpose when the system for allocating public resources for local programs and projects draws, to a large extent, on local inputs in the planning, implementation, and evaluation of these activities.

The project provided three advisors (12 person years) including a Senior Advisor; Projects Specialits; and Financial Systems Specialist. These Advisors will be responsible for implementing the project's three components: (a) Implementation of District Plans; (b) Training; and (c) Decentralization of Decision-Making.

1. Implementation of District Plans. The first component of the project will help assure the successful implementation and monitoring of activities identified in the 40 district plans prepared under the Rural Planning I Project. This involves three discrete tasks. First, the District Development Committees (DDCs) must have a clear understanding of the magnitude of funds allocated to their districts so that they know what activities will be implemented. Accordingly, the Financial Systems Specialist will be responsible for establishing and initiating procedures for updating and revising project estimates, by district, for the operating ministries whose programs have a high impact on rural development. Second, the implementation of district plans requires a clear monitoring procedure that attributes responsibility at the

district level to assure that plan implementation does not drift. These monitoring procedures will be designed and implemented during the project. Third, the monitoring of plan implementation will be geared to allowing districts to identify planning gaps and needs that have not been met in the budget allocations. The Projects Specialist will develop uniform criteria for local level small project identification and evaluation to allow local officers and "harambee" group leaders to calculate probable project costs, likely beneficiaries, necessary self-help contributions, and recurrent budget implications of proposed projects before they are submitted to the DDC. These activities will all form a part of the routinization of district plan updating that will feed into the 1984-88 planning period.

2. Training. The second component of the project finances training to encourage learning by doing through workshops, seminars, and demonstration activities; the distributional effects of development will also be emphasized. Academic, degree level training abroad (approximately 24 person years) will be provided to officers of the Rural Planning Division (RPD) and to selected district officers (primarily District Development Officers and District Planning Officers) who, upon returning to Kenya, will work in the RPD, increasing its professional staff and capability. Degree level training will also be offered at the University of Nairobi (approximately 16 person years) to those who will become DPOs. Short-term in-country training will also be provided to: (a) District Officers working for key operating ministries (approximately 480 person months); and (b) non-governmental persons working below the district level who play key roles in planning and implementing local projects (approximately 180 person months).

3. Decentralization of Decision-Making. The third component of the project will help bridge the gap between district level planning on the one hand and district level fiscal responsibility on the other, since the substance of district level planning is the devolution of specified fiscal decisions to the districts. The Financial Systems Specialist will identify a specific set of planning and allocative decisions which are currently made in Nairobi, or strictly along intra-ministerial lines, but which can be devolved to

the district level and channelled through the DDCs. This specialist will then design the mechanisms and procedures, both at ministerial headquarters and at the district level, for such devolution. As a result, there will be a small but meaningful proportion of Government programming, budgeting, and decision-making that will be identified to be undertaken at the district level in the high rural impact ministries.

This involves the following specific tasks: first, mapping the current budgetary process and fiscal information flows in a selected group of ministries. Second, expanding the financial information flow for these ministries so that information flows to and from districts into the forward budgeting process. Third, developing a system so that financial information flows to the districts on a routine basis. Fourth, examining the accounting, auditing, tendering and procurement processes to assess implications for program and fiscal devolution. The final step, actually initiating the devolution, will be contingent on the active approval of the GOK and the relevant ministries.

D. Summary of Project Costs ($000)

Long-Term Advisors	$1,717
Short-Term Consultants	554
Training	627
Office Expenses	20
Evaluation	62
Contingency and Inflation	595
Total	$3,575

GLOSSARY

ADC	-	African Development Council
AIE	-	Authority to Incur Expenditure
ASAL	-	Arid and Semi-Arid Lands
CBS	-	Central Bureau of Statistics
CDSS	-	Country Development Strategy Statement
DC	-	District Commissioner
DDC	-	District Development Committee
DDG	-	District Development Grant
DDO	-	District Development Officer
DPD	-	District Planning Division
DPO	-	District Planning Officer
EEC	-	European Economic Community
GOK	-	Government of Kenya
HIID	-	Harvard Institute for International Development
KANU	-	Kenya African National Union
KIA	-	Kenya Institute of Administration
LNC	-	Local Native Council
MEPD	-	Ministry of Economic Planning and Development
MOA	-	Ministry of Agriculture
MOH	-	Ministry of Health
OOP	-	Office of the President
PPA	-	Provincial Planning Assistant
PPO	-	Provincial Planning Officer
RDF	-	Rural Development Fund
RPD	-	Rural Planning Division
RSCTU	-	Rural Service Coordinating and Training Unit

II. DESCRIPTION OF THE PROJECT.

A. Summary and Overview.

The Rural Planning II project is the second phase of an AID program that provides advisory assistance to the Ministry of Economic Planning and Development (MEPD) in the area of decentralized planning and implementation. The project also provides training at several levels to upgrade the capability of the MEPD's Rural Planning Division (RPD) and the planning skills of its officers to enable them to manage an increasing proportion of rural development expenditures.

The direct beneficiaries of the project are the central and field level operating staff of the MEPD and the administrative staff at the district level whose development related activities are facilitated by the MEPD through its cadre of District Development Officers (DDOs). The indirect beneficiaries are the much wider spectrum of rural Kenyans, whose lives will be improved by the more effective implementation and monitoring of rural projects and whose participatory input in planning will increase through greater intersectoral project coordination and greater discretionary responsibilities devolved to district department heads. These indirect beneficiaries include the rural poor and specific disadvantaged groups, including rural women.

The training component provides benefits to several groups. Training in formal, long-term degree programs will benefit primarily planning officers currently staffing the RPD or brought into the Division during the life of the project. Formal, short-term in-country training will benefit district level staff from various ministries, including the MEPD. Informal, short-term training courses and workshops, organized as far as possible at the district level, will benefit the local officials and non-officials who are progressively expected to assume increased planning responsibilities.

The mid-term evaluation of Rural Planning I, and the Government's response to it, form the principal base for the second phase. An understanding of the first phase just prior to its conclusion is important for an understanding of the central project components of Rural Planning II.

Rural Planning I Accomplishments. Rural Planning I focused on district development planning. It incorporated an iterative process of preparing district project and budget proposals by the districts; review and response to these proposals by the central ministries in terms of their overall five-year forward budgets; and the reconciliation of district and national sectoral plans prior to the publication of the 1979-83 national Development Plan. The selection of the remaining DDOs, their training in specific plan formulation skills together with more general planning orientation, and the establishment of a viable district institutional framework for carrying out these intricate iterative plan drafting procedures were central project activities. The technical assistance included three long-term advisors to serve in counterpart relationships with Kenyan officers in the RPD. These included a Senior Advisor, with overall supervisory responsibility and with additional responsibilities for providing technical and economic advice to the Division and the Ministry. An Information and Infrastructure Systems Specialist, who dealt with district institution building and the iterative communication of both budgetary and project identification information, and a Project Planning Specialist, with primary concern for small project identification and evaluation, training in project planning skills, and the collection and dissemination of data for district project-specific planning.

Accomplishments under Rural Planning I have been summarized in the mid-term evaluation, the Government's response, and the Project Identification Document (PID) for Rural Planning II. The drafting of district plans, now nearly complete, was the most tangible, although not necessarily the most meaningful, accomplishment of the project. These district plans were a decided improvement over the previous set in terms of participatory input, comprehensive coverage, and inter-sectoral integration. Although they did not incorporate as much participatory input as the RPD had planned, they did incorporate a greater consideration of local needs, problems, constraints, and opportunities for development initiatives as perceived at the district level.

Because the plan drafting exercise was prolonged by many unanticipated delays both in the field and in dealing with operating ministries, the plans were not iteratively

produced with the national plan but rather were produced afterwards. Thus, the exercise failed to bring about the iterative process envisioned. Still, as a result of this phasing, development expenditures for all projects the operating ministries had identified in the five-year national plan were included in the district plans. A few additional projects and priorities were also suggested in many districts. Most of the plans consist of projects which represent actual central ministry commitment, together with locally identified Rural Development Fund (RDF) and "harambee" initiatives.

The plans are therefore reasonably likely to be implemented, although rescheduling will become necessary due to annual budget revisions by the ministries. The fact that a large portion of the plans represents ministerial commitments will make the monitoring of implementation at the district level a more real and possibly a more satisfying task, paradoxically, than would have been the case if the plans consisted largely of district demands on the ministries. This circumstance represent a short-term advantage in the effort to institutionalize the monitoring process and to increase the credibility of planning at the district level. It does not indicate that the level of district input into ministry decision-making in the first phase of district planning was satisfactory, either to the districts themselves or to the RPD. Transforming the plans into more real sets of district decisions will be a focus of Rural Planning II.

The existence of an institutionalized officer -- the DDO -- who is now associated in the public mind with planning at the district level, and with monitoring and implementing substantial numbers of planned projects, is an important, though less tangible, accomplishment of phase I of the program. The DDO is now an accomplished fact. He has a "planning" label associated with him even though he is also identified with aspects of routine district administration and project monitoring. Although DDOs may be linked to specific projects in the popular mind, they are also associated with a wide range of projects and especially with coordination and implementation routines cross-ministerially, rather than with the strictly technical details handled by the operating ministries.

The DDOs have imparted to the District Development Committees (DDCs) a greater concern for the kinds of criteria

for project priorities and selection implied by national policies. For example, they have stressed the national concern for designing production-oriented projects rather than solely social welfare activities. They have emphasized the need for sound feasibility advice prior to launching projects. They have insisted on the need for a careful consideration of self-help contributions and recurrent cost implications. These issues were formerly handled by District Commissioners (DCs), as chairmen of DDCs, on the basis of intermittent circulars and with an uncertain level of understanding. They are now one of the specialties of the DDOs, who may agree or disagree with specific national policies, but who are using consideration of the plan-worthiness of projects to deal with the "shopping list" approach to local plan formulation. Thus, the preparation at district plans and the institutionalization of DDOs with modest planning responsibilities are two solid accomplishments under Rural Planning I.

The fact that disaggregated estimates of development expenditures were calculated at the district level for many operating ministries is an especially significant accomplishment since many ministries did not comprehend why this was needed and others were actually opposed. The procedure is not institutionalized in the way that the position of DDO is. Therefore, budgetary disaggregation with the ultimate aim of selective fiscal devolution forms a core component of Rural Planning II, and will build on the experience gained under Rural Planning I.

Rural Planning I also supported formal and informal training. Several workshops and courses on district planning were held. Two seminars focused specifically on demographic analysis in simple project planning, and involved both DDOs and district and provincial heads of departments. The Kenya Institute of Administration (KIA) has increasingly added material relevant for district planning to its standard course for administrative staff. As a result, better perceptions of DDOs as a corporate group and as legitimate district officers have begun to percolate through the general administrative cadre. Overseas training has been provided to some DDOs and some RPD staff. In addition, over the last four years two DDOs have been promoted to DC, and others have been promoted into the Office of the President (OOP. As a result, the morale of the DDO cadre has been maintained, although many complain about resource scarcity,

slowness of promotions, and the limited opportunities for overseas training. Nonetheless, they seem more positive in their responses to the evolution and definition of their jobs than do some headquarters staff in the RPD, a problem discussed under Administrative Feasibility below.

In tandem with the successes have come failures. Sectoral planning groups, established to draft various sections of the plan, were only sporadically successful. Reliance on this new institution is likely to be productive only if the groups have some very concrete tasks to perform and very specific resources under their control. Alternatives to sectoral groups will be considered under Rural Planning II.

The experience with divisional and locational development committees, on the other hand, has been much more successful than with sectoral groups in several respects. The DDOs have spent considerable time on the organization and chairing of these meetings. In many areas, project proposals for financing under the RDF and EEC programs can no longer be raised in the DDC meetings without first having been raised and discussed at the divisional, or ideally, locational level. This procedure moves the initiative further toward the client groups these projects are designed to serve, and amounts to a decentralized evolution of planning (that is, specific project planning) below the district level. It has evolved in a fairly systematic fashion in the densely settled areas, due to the monitoring and coordination by the provincial administrations which have taken the lead in encouraging the process. These local level committees vary widely in their existence, their capability and even their composition in the same way that Kenya's districts and rural populations vary widely in their resources, their styles and modes of group organization and collective decision-making, and the institutional infrastructure that has evolved to incorporate them. Accordingly, flexibility will be an important characteristic of the project's approach to plan formulation and monitoring at the district level.

During Rural Planning I, various unanticipated constraints and opportunities arose which to some extent modified the course of the project. This suggests the need for considerable flexibility in specifying the activities and methods for accomplishing the activities proposed under Rural Planning II. For example, during the project, the

MEPD was assigned responsibility for major design and coordination activities under the GOK's new Arid and Semi-Arid Lands (ASAL) Development Program. This opportunity has given the Ministry authority and control over resources for a broad range of program planning in the ASAL districts, which in turn has increased the legitimacy and political weight of district level planning in these areas. But it has also required a substantial amount of time of one advisor and a handful of RPD planning officers. This has meant that some project activities planned initially or in the revised work schedule after the mid-term evaluation have been neglected.

The RPD feels this has been a worthwhile trade-off. The effort devoted to the development of the ASAL program has opened up considerable potential for influencing real district planning through the coordination of inter-ministerial program budgeting in these districts where institution building has lagged furthest behind; where local initiatives have been most difficult for the GOK to stimulate or respond to productively; and which therefore have received less than their fair share of ministerial allocations or of matching RDF funds. Thus, this unanticipated redirection of some of the project's time and energies may have productive institution building consequences of a compensatory character.

Rural Planning II. The successes and failures of Rural Planning I have guided the formulation of the principal components of Rural Planning II. The assistance to be provided by AID includes technical advisors and consultants and several types of training. The project will provide three long-term advisors with complementary skills and responsibilities. The Senior Advisor will supervise all project components and will advise the Head of the Division on economic issues generally. The Projects Specialist will deal with project planning, evaluating, and training activities and will be especially concerned with the development and testing of a standard small projects identification system. These two advisors will have major responsibility for the first project component, Implementation of District Plans. The Financial Systems Specialist will be primarily concerned with financial information flows both inter-ministerial, and

between the center and the districts, and with how these can be organized to support functional devolution of selected program and logistic activities to the districts. Together with the Senior Advisor, he will have major responsibility for the third project component, Decentralization of Decision-Making. A Training-Design Consultant will be provided for a period of six months to initiate and supervise the second component, Training. Each of these advisors and the Training-Design Consultant will have a Kenyan counterpart. (One Kenyan counterpart will assume responsibility for the management of the training program upon the departure of the Training-Design Consultant and the Senior Advisor will devote 10% of his time to supervision of this training component over the life of the project.)

Short-term consultants are included in the project for up to 40 person months. In addition to the Training-Design Consultant, other consultants will be required to: (a) assess the current district level institutional infrastructure in terms of its potential for plan monitoring and evaluation; (b) develop district information and documentation centers as a support facility for the district planning function, with possible incorporation with the smallholder survey planning and analysis activities of the Central Bureau of Statistics (CBS); (c) organize district level training workshops and on-the-job methods of enhancing planning skills among district heads of departments; (d) assess selected ministerial decentralization opportunities and needs in functional and budgetary terms; and (e) plan physical infrastructure development at the district level in consonance with the designated service center policy. Some of the consultants might be local, especially those with experience in training needs and knowledge about local training institutions for the task.

Training will be provided at various levels, to upgrade skills and to serve as an incentive for the retention of trained staff. Long-term overseas training will provide specialized skills to planning officers in the RPD and will help maintain and strengthen the Division. Those selected will include current RPD staff as well as a few promising DDOs whose performance indicates that the Division would benefit from their participation in specialized planning courses. Short courses for district level heads of

departments at the KIA and through seminars and workshops organized by the RPD will also be provided. The most experimental form of training will be that provided to divisional level officials and non-officials. This training will consist of short-term workshops given at the district level and designed by the Rural Service Coordinating and Training Unit (RSCTU) in conjunction with RPD staff and other institutions which can supply the RSCTU with workshop leaders. Some of these workshops will be directed specifically to women's groups to bring them more centrally into divisional level planning committees.

Rural Planning II in Relation to AID and GOK Priorities. The Mission's Country Development Strategy Statement (CDSS) identifies nine issues that affect Kenya's development. One concerns the lack of trained personnel and appropriate public and private sector institutions to formulate and implement necessary development programs. The planning assistance provided under this project will improve the capability of both headquarters and district and sub-district staff to plan and identify development activities in an internally consistent fashion, and to design, implement, manage, and evaluate these activities. Planning is a key element of the overall AID assistance strategy in Kenya, designed to enhance the GOK's capability to mobilize and allocate development resources more effectively and to support the GOK's policy of decentralized decision-making.

The 1979-83 Development Plan states that an essential ingredient of successful rural development is increased participation in the decision-making process at the district level. It states that DDCs will play an increasing and central role in planning for district development, coordinating rural development activities, and monitoring ministry programs at the district level. Thus, the GOK policy commitment to decentralized rural planning and decision-making is consistent with the overall thrust of Rural Planning II.

B. Project Components

The project has three principal components: (a) Implementation of District Plans; (b) Training; and (c) Decentralization of Decision-Making.

1. Implementation of District Plans.

Rural Planning I helped to establish institutional procedures and machinery which, through links with the central ministerial planning units, affords a more realistic incorporation of district inputs into the national planning process. A central focus of that effort was the preparation of 40 district plans, 30-35 of which are in final form and being collated. These plans will be distributed widely at the district level. What happens to them at that level will heavily influence local attitudes toward the utility of planning at any level and the willingness of local people to participate in the planning process. It will also have a major impact on the success of Rural Planning II, which focuses less on the production of plan documents and more on the processual aspects of on-going decision-making.

Planning has been perceived in the districts with considerable skepticism; it is viewed as a pen-and-paper exercise unrelated to the actual allocation of resources and the day-to-day administration of development activities. An earlier set of district plans, produced in 1974-75, benefited very little from local inputs and was used very little at the district level. The new plans are an improvement over the first set in terms of analytic quality and because they are more of a district product, produced by district level officers. However, the credibility of district planning during succeeding plan periods rests on whether or not something useful is derived from these plans. The first component of the project is designed to help create operational procedures for implementing and monitoring these district development plans, and as such, is of considerable importance.

Four activities are central to creating the institutional mechanisms and the procedures for monitoring plan implementation: (a) Projects and programs must be modified or updated to reflect the budget revisions summarized in the GOK's Sessional Paper No. 4 of 1980; (b) District level monitoring procedures must be designed and then implemented; (c) Small project identification and evaluation systems must be developed and installed; and (d) Strategies must be formulated for the 1984-88 plan period based on the experience of implementing the current plans.

Program and Budget. The successful implementation and monitoring of the current five-year plan at the district level requires that fiscal or programmatic allocations be updated to reflect revised planning estimates summarized in Sessional Paper No. 4. Specific program cuts have not yet been made. Accomplishment of this task, which must be done fairly early in the project, will require the operating ministeries to cooperate in making specific program revisions. This element of the project will focus on the high rural impact ministries -- Health, Agriculture, Cooperative Development, Water Development, Natural Resources, and Social Services.

Revisions of district program disaggregations for these ministries need to be specific and clear, so that the district level officer responsible for monitoring plan implementation is quite clear on what is planned. In the absence of clear purpose, monitoring will be frustrating and confusing, just as it has been for heads of departments who are unsure of their annual allocations at the time they are developing work plans.

It may not be necessary to attach a specific shilling value to the revised project commitments, as these tend to be adjusted continually as a result of inflation and annual changes in resources made available to the operating ministries. Moreover, specific values may be misunderstood if they are preceived as final figures rather than simple estimates. Thus, updating and revising in project-specific rather than monetary terms may be most appropriate.

Procedures for Monitoring Plan Implementation. Monitoring the implementation of district plans requires a clear locus of responsibility at the district level. Considering the major responsibilities of DDOs for monitoring and coordinating the RDF and other "harambee" activities, together with their administrative responsibilities for DDC and sub-committee meetings, some other person(s) or offices should be the focal point. Implementing officers themselves should perhaps be part of the machinery, reporting to the DDC as is now done with respect to special and "harambee" projects, especially the RDF and the EEC Micro-projects Fund.

The Projects Specialist will assist in developing monitoring procedures that are relatively simple and which generate information primarily for district level use, rather than constituting an additional paper flow to Nairobi. Initially, they may be experimental and somewhat rudimentary, and they may change over time, as has the institutional and procedural

aspects of DDC operations. Also, they may not be fully standardized, given the wide variability of existing district level institutions and monitoring capacity in Kenya.

For example, Kenya's high potential, densely populated districts tend to have the most numerous and complicated programs and projects, as well as the greatest pressures for more. Because there is much to implement and monitor staffing is more numerous and complex. The DDC and local level sub-committees generally operate more systematically in these areas. The ASAL districts, on the other hand, for which additional programs have been planned, have much less institutional experience. Thus, mechanisms for monitoring plan progress need to be flexible and take into account district institutional variance, the MEPD supervisory staffing position, and anticipated training program outputs in the near term. The procedures for monitoring plan implementation will be devised fairly early in the project, establishing clear attribution of responsibility and built-in sanctions. Otherwise, plan implementation in the districts might drift.

It is especially important that the operating ministries cooperate with the RPD and that their field officers provide adequate time as the monitoring procedures are devised. The Office of the President (OOP) has expressed increased interest in the implementation and monitoring of district programs and projects, and has created certain posts with specific responsibility for plan implementation. Moreover, the MEPD may be the district level monitoring agent for plan implementation, with the RPD establishing a productive and efficient liaison with the responsible officers in the OOP. This will be useful both in giving the MEPD initial political support and in avoiding duplication of effort on the part of the OOP.

Small Project Identification and Evaluation. The procedures for monitoring plan implementation at the district level will be geared to allowing districts to begin to redress gaps that emerge and needs that spring up which are not met in the planned allocations. The RDF and the "harambee" movement have both had this objective, but have suffered from various bureaucratic problems. While these problems have been alleviated to some degree (see Annex B), the real value of the implementing/monitoring element of the project will be realized only if greater control and competence with respect to project identification and analysis are provided locally. To this end, a system of uniform criteria for local level small project identification and evaluation will be developed.

Such a system will not be elaborate with high demands for information; instead it will be a set of rough-and-ready calculations of standard supply, transport and labor costs for standard small projects -- cattle dips, health clinics, social halls, village polytechnics. These criteria will allow local officers and "harambee" group leaders to assess the costs and benefits of proposed projects before submitting project proposals to the DDC, thereby alleviating the problem of over-allocation and underspending based on unrealistic costings and incomplete assessments of the spread of benefits. Preliminary work on this element has been done. The development of implementing and monitoring machinery will benefit greatly from developing these small project identification techniques, which will allow districts not only to identify plan gaps, but also to fill them with a higher completion rate.

More realistic ground level project identification and preparation will help increase resources in several ways. Aside from the tangible benefits accruing to client groups from the projects themselves, faster completion rates may increase local self-help initiatives, and therefore greater popular input into planning. It will certainly reassure international donors, whose reluctance to contribute to the RDF in the recent past has been a direct result of the poor completion rates, deriving in part from poor project preparation.

Current Plan Implementation as a Basis for Future Planning. District level plan monitoring implies that the local evaluation of plan fulfillment should feed into the planning process during the succeeding plan period. Although thought should be given to the next plan period before it is imminent, the structure of future plan drafting should be left open until the results of implementing current plans are clear. Successful initiation of a monitoring process might suggest the desirability for updating the plans in the next period, rather than drafting new documents at the district level. Although some projects will have been completed and some district priorities may have changed, much of the useful background information, central problems, and many district priorities will remain the same. In addition, the monitoring and evaluation process should have identified some on-going revisions of priorities where the DDCs consider them in a new light. The small project identification system should have produced a greater response rate to perceived gaps in the plan, such that project identification will have been completed and will not need to await a forward plan-drafting exercise. It might be that certain districts in

which major new programs have altered the population or production profile will need to produce a new comprehensive plan, while the rest will undertake a process of incremental plan updating. At any rate, the output of the monitoring and evaluating machinery set up during the project -- no matter how rudimentary -- must be conceived with the next plan drafting cycle in mind since its outputs will provide the latter's inputs.

2. Training

Rural Planning I had a major training effect, having created roles for 40 DDOs and having then aided them in preparing 40 district development plans. It has generated organized discussions at sub-location, location, division, and district levels about possible development projects, thus engaging numerous citizens in collective decisions that will affect their future welfare. Hundreds of people have learned something about development planning and about project selection. That achievement is even more notable for the quickly acquired skills and sophistication marking the DDOs and the hundreds of other participants in those deliberations. Rural Planning II is designed to sustain that level of engagement and progress, so that these many participants, plus the new cadre of DPOs, will constitute a major element of Kenya's institutional capabilities.

However great the training effects of Rural Planning I, the acquired skills are insufficient to meet latent rural development potentials. Although the district development plans vary considerably among districts, the best of them are excellent descriptive accounts of present facts and presently perceived problems. They present clear-eyed views of current conditions and cross-ministerial projections of desired projects. Insofar as they express wants of local residents and list projects to satisfy those wants, they also express claims against available resources -- whether from the RDF or from ministerial appropriations. If they are followed by effective political and administrative actions that implement approved resource allocations, they will result in projects that will positively affect peoples' lives. The districts will have been well-served if these new plans do, in fact, lead to new roads, water supplies, cattle dips, schools, clinics, forests, electricity systems, and other facilities and services that might otherwise not have been acquired in the near future.

The next round of district planning should be further developed and refined by placing greater emphasis on the dynamic processes that merge "planning" and "implementing" into a unified process. This will require more than descriptions of existing conditions, diagnoses of perceived problems, and lists of desired projects. Published plans need to be supplemented by more effective processes of analysis, decision, and investment through which differences between ministerial forward planning and project identification are resolved. This style of decentralized planning depends on ways of thinking and working that, in turn, call for concerted training of DDOs, DPOs, and others -- some of the training formalized in university-type settings and some accomplished on-the-job.

Focus of the Training Program. The primary aim of the training program is to help district planners to acquire specialized cognitive skills -- special ways of thinking about problems and their resolution. However important specialized technical and methodological skills may be they are secondary to learning to think in the planning way. The challenge to the instructors will be to find pedagogic means of transmitting a series of concepts and paradigms and of helping practising planners to internalize them. The district level training programs will be oriented to daily work situations and will help people absorb certain concepts without exaggerated emphasis upon abstract theory.

Planning is a method of governing and acting that depends on constantly asking "what if...?" The planner has to explore available alternatives sympathetically before choosing a course of action. He tries to anticipate consequences of alternative projects, to evaluate potential outcomes and payoffs to each interested citizen group, and to explore trade-offs that might resolve otherwise irreconcilable differences. He therefore must understand the systemic interacting relationships of the rural economy in order to be able to predict potential consequences of proposed actions.

District planners, like national planners, must think developmentally, attuned to long-term processes of growth and to increasingly complex inter-dependencies among natural, social, economic, and political environments. Like national

planners they will find planning and budgeting are inextricably linked. They need to understand budgeting and accounting procedures, and to know how to use the expanded budgetary information the project aims to furnish to district planning institutions.

Finally, the dynamic, on-line process of planning requires adequate monitoring of outcomes to see whether or not predicted outcomes are actually being realized. When forecasts prove faulty, subsequent actions can attempt to correct errors. But that sort of cybernetic capability cannot work unless there is a system of social indicators that can detect outcomes of planned actions -- that can detect error. By discovering what does not work as expected (which road projects do not help poor farmers, for example) one is encouraged to experiment with other, possibly untried ways, testing always to see what works best to accomplish the ends in view. The Integrated Rural Survey carried out by the Central Bureau of Statistics (CBS) provides some baseline data for social indicators. Expansion of the sample to make district analysis possible is contemplated; this will provide a very useful tool for monitoring social outcomes. The RPD has collected other such data during the preparation of the district plans, and this effort will be furthered by the work of the Rural Service Coordinating and Training Unit (RSCTU) to establish District Information and Documentation Centers.

Except for a few agencies oriented to national economic stabilization planning, this type of planning is rare in governments. It is rarer still in localized planning agencies where, in virtually every country, plans tend to be static, although oriented to a long-range future. But most societies are turbulent -- changing so rapidly as to make long-range forecasting difficult at best and, in some fields, virtually impossible. In a climate of uncertainty, planning must be adaptive and therefore incremental -- preparing for unforeseen contingencies. Development planning for nations and their districts that are influenced by diverse and uncontrolled forces must be opportunistic, even while pursuing a directional strategy. The training program is in part oriented to that end.

Organization for the Training Program. The project provides for eight person months of services of a training-design consultant, including six months at the beginning of

the project. The consultant will be charged with designing the operational structure and the operational processes of the training program.

One of the long-term advisors will assist the Head of the RPD in overseeing the training aspects of the project throughout the entire four years. The training-design consultant will have a counterpart appointed by the Head of the RPD from within the headquarters staff who will report to the Head. The consultant and counterpart will have initial responsibility for the development of a program and implementation plan for the short-term professional training of RPD staff and some senior officers who are increasingly to be brought into plan monitoring routines at the DDC level. The training program will draw fully on local facilities, such as the Kenya Institute of Administration (KIA) and personnel of the relevant university faculties. Qualifications for the training-design consultant and counterpart positions include at least an M.A. degree in economics and/or planning; field experience, preferably in a district planning role; knowledge of educational methods; and managerial capabilities. Their duties will include responsibility for assuring that the workshops and short courses for officers at this level are organized, managed, and conducted effectively. Upon the departure of the training consultant, the counterpart and the long-term advisor with training responsibility will coordinate the program.

An additional RSCTU staff member will be appointed to strengthen the capacity of the RSCTU to undertake its program of sub-district, district, and provincial level seminars, designed, at least in part, for non-government local leadership. This staff member will be responsible directly to the Director of the RSCTU and indirectly to the Head of the RPD. Training and mobilization activities of the kind undertaken by the RSCTU will be an important component of the project's aim of mobilizing non official participation in the district planning process. These activities are also expected to include a relatively large proportion of women.

Jointly, the training-design consultant, the long-term advisor, and the RPD counterpart will work with the various training institutions to develop syllabi, curricula, and

schedules for carrying out the training component of this project. In addition to formal classroom instruction, the program will exploit techniques for on-the-job, workshop, and seminar training, and wherever possible will use actual demonstrations to explain unfamiliar approaches. Experience elsewhere suggests that the best approach is to exploit good examples of systemic analysis -- well-told case studies, accounts of others' successes in planning complex ecologic systems, and seminars in which district planners can exchange experiences. These methods respect the oral traditions, avoid unnecessary abstraction, and encourage practitioners to learn from the methods and approaches of other successful practitioners.

The bases for understanding systemic inter-dependencies undoubtedly exist within the non-professional worlds of most district officers' own experiences. Every farmer understands a great deal about the inter-actions of climate, soils, predators, and taxes on his farm's productivity. It remains to extend that home-bred understanding into the larger worlds of ecology and economics. Skilled instructors who can perform as group discussion leaders, rather than as lecturers will help DDOs, DPOs, and their associates to think systemically and developmentally about the future of their districts and about the future welfare of their districts' people.

Short Courses and Other Local Programs. The main training activity will be located in Kenya. It will concentrate on in-service, workshop, and extension-type activities, directed to DDOs, DPOs, and others. Learning-by-doing, with the guidance and supervision of experienced Kenyan and expatriate tutors, and with promotion and incentive systems that reward appropriate performance, will probably prove the most effective approach to raising the competency of district planners.

While district planners need to understand the basic concepts of benefit cost analysis and discounting future values, they need not be involved in formally estimating accounting prices, elasticity co-efficients, or other variables for which they have neither the data nor the time. An ability to make realistic estimates with regard to project and program costs, benefits and time phasing, and to identify beneficiaries, is far more important than formal sophistication. Good professional judgement, informed by the considerations discussed above, is the most important requirement.

It might be appropriate to concentrate the training program initially upon a few districts -- ones that would be well-staffed and given saturation treatment. The demonstration effect could be powerful, for the planning methods developed there could set models and standards that other districts could then follow. Because district planning is a relatively new activity, it will require concerted experimentation and evaluation before effective approaches evolve. A few demonstration districts might provide just the kind of training context and just the experimental setting most needed.

A nationwide seminar will be organized so that DDOs can exchange ideas and compare notes on their plan formulating experiences. During the course of the project, these sorts of workshop sessions will be convened at regular intervals, scheduled well in advance. The project will experiment with alternative techniques for conducting these workshops, seeking to increase their teaching-learning output. To encourage full participation, a portion of the training budget is assigned to cover the expenses of attending these seminars.

In view of the crucial training, supervision, and staff development role of the RPD, two additional Kenyan staff positions will be added to the headquarters office of the RPD, to report directly to, and to serve as the extension agents for, the RPD Head. Each of these Rural Planning Extension Officers will spend at least half time in the field, working with DDOs, DPOs, and others. Their role will be to transmit ideas, to distribute reports about methods that have proved effective and those that have proved ineffective, and to serve as advisors, mentors, and teachers to the persons responsible for district planning. (In some respects these officers will be analogous to the U.S. county agent.) They will represent the MEPD, providing the Head of the RPD with a direct communication channel concerning the programs of the DDOs and DPOs. These officers will perform a central function as teachers, but they will simultaneously serve as collaborators and colleagues of DPOs, as they jointly seek to develop improved approaches to monitoring and planning rural development -- testing new techniques, experimenting with new programs, and applying new procedures and directives issued by the head of the RPD.

The work of these officers will be supplemented by similar field work of the three advisors, each of whom will spend from 20% to 40% of his time in the districts, working with DDOs, DPOs, and other rural planning agents.

Professional Training. Most formal training activity will also be located in Kenya, exploiting the capabilities of the University of Nairobi, the KIA, the Kenyan Institute of Adult Education, and possibly other institutions. Most trainees will receive short courses, rather than degree programs; the project will use the resources of the KIA which has experience in offering 2-3 day seminars, 13 week training courses, and similar concentrated activities. In those intensive settings, DDOs, DPOs, department heads, and related officials will be given intensive training, preferably in groups composed of persons from a single district. In addition to the technical content of these sessions, the experience of working together with their district colleagues should have long lasting consequences for multi-sectoral district level planning.. The returns from single district training sessions possibly conducted at the district level could be large indeed.

The University of Nairobi will conduct much of the formal training, for its intellectual resources are most diverse and greatest in depth of any in Kenya. There are several departments within the University that will serve the needs of the project. The program in Economics has been the major source of professional personnel for the MEPD. Students are provided with formal training in macro- and micro-economics, and, in the B. Phil. degree program especially, they are specifically prepared for service in the government ministries. Many recruits to the RPD will continue to receive their formal training in Economics there. Second, the University has been actively considering an inter-disciplinary development planning program centered around the University Working Group on Environmental Studies. If this program materializes, it will include a curriculum that might serve RPD personnel and their associates well. However, no decision has been made with regard to this program. Third, the Urban and Regional Planning program focuses upon physical planning at the district and sub-district levels. Although most of their graduates take up posts in the Ministry of Local Government, perhaps with the aid of the training-design consultant, some graduates can be encouraged to find professional roles in the RPD.

The project also provides for Master's level training abroad for twelve promising candidates who may require specialized training or degree work not available in Kenya. Again, the criteria for selection will be the specialized needs of the RPD and the MEPD for high level manpower, and the capabilities and performance of the selected individuals. The objective is to strengthen the professional capabilities of the

Division and the Ministry in both the headquarters and field operations. The prospect of earning a fellowship for advanced degree work should create a powerful incentive for superior performance by district planners. Given the professional advantages associated with advanced education, those who might qualify academically will be encouraged to work all the harder professionally. Selection must be wholly on the basis of merit for this incentive to work well. The RPD has suggested and is currently attempting to formulate an internal quasi-formal examination procedure that would involve both an evaluation of work performance and an in-service course. It would also be an appropriate selection mechanism for candidates for long-term training.

Loci for Graduate Study Abroad. Prior to selection of fellows for graduate study abroad, a careful survey of development planning programs is needed. The training-design consultant will gather pertinent information on individual programs and prepare an assessment of their appropriateness for Kenyans who would later be working in rural development programs. There are very few educational or training institutions that are equipped for that task. Among those to be reviewed are the following:

- Development Planning Unit (DPU), University College, London. DPU conducts 3-month and 9-month training programs for regional planners in London and sometimes brings its faculty to a developing country to offer a site-specific program.

- School of Architecture and Urban Planning (SAUP), University of California, Los Angeles. This is unquestionably the leading school in the U.S. in regional planning.

- United National Center for Regional Development (UNCRD), Nagoya, Japan. UNCRD conducts field training programs within Southeast Asian countries, inter-national seminars on specific themes, and some training programs at Nagoya.

- Economic Development Institute (EDI), World Bank, Washington, D. C.

- UN HABITAT and UNEP.

- Institute for Development Studies, University of Sussex, England. This is one of the well-established schools directing its attention to development planning.

- School of Environmental Studies, York University, Toronto, Canada.

- University of Wisconsin, Madison, and Cornell University, Ithaca. Both have been working with USAID on regional planning activities abroad.

Summary of the Training Program. The training component of the project can be summarized as follows:

- 12 students studying for M.A. degrees at universities abroad	24 person years
- 8 students studying for B. Phil. degrees at the University of Nairobi	8 person years
- 4 students studying for M.A. degrees at the University of Nairobi	8 person years
-160 participants in 3-month courses, perhaps at the KIA; (8 participants per district; 5 districts per year; 20 participants per course; 2 courses per year)	480 person months
-900 participants in 2-3 day seminars organized by the RSCTU	180 person months

To assist in designing and managing the training component, the following technical expertise will be provided:

- 1 Training-Design Consultant	8 person months
- 1 Long-Term Advisor (10% of time over life of Project)	5 person months
- 1 RSCTU District Planning Officer/Training	4 person years
- 2 RPD Rural Planning Extension Officers	8 person years

3. Decentralization of Decision-Making.

Introduction. The third major component concerns decentralization of decision-making with respect to rural development. The GOK is commited to decentralization as a long term goal, and this project supports several activities to help speed this complex process.

The basic strategy is to broaden local level planning and monitoring together with the supportive budgetary functions to encompass all major rural and district level ministerial programs, thereby going far beyond the RDF and minor local projects for which the DDCs currently have responsibility. An exploratory MEPD position paper dealing with decentralization stated the objective very broadly: "...to devolve planning, budgeting and purchasing functions to the district, which relate to the day-to-day implementation and management of rural development projects and programs."

The general rationale for decentralization of decisions relating to the development programs of the operating ministries is the same as that underlying the preparation of district plans under Rural Planning I. The ultimate purpose is to improve implementing capacity and coordination of development initiatives at the district level in a way which improves cost-effectiveness in providing services and encourages participatory inputs from local citizen groups. The aim is to sensitize investment decisions to the preferences and needs of Kenya's disparate cultures and economic and ecological conditions. The resulting improvement will accomplish an important subsidiary purpose; that is, the acceptability of GOK programs will increase when local groups can see that local conditions have been taken into greater account and produced more realistic activities tailored more closely to locally perceived needs. District level planning, monitoring, and budgeting of rural development programs is Kenya's chosen strategy for altering the existing system and encouraging greater local input.

The Objective: Devolution of Budgetary Authority to the Districts. Perhaps the most crucial determinant of whether or not district planning develops credibility over the next several years is whether or not it is, and is seen to be, the locus of real planning and budgeting decisions. Implementation of whatever is planned at the district level will depend on

more effective budgetary authority at that level. Without the power to allocate resources, district planning will largely be an academic exercise -- a superimposed bureaucratic requirement -- and it will be perceived as such. Vigorous participation in planning at the local level, either by ministry officials or by local interest groups, is not likely under current circumstances. Planning without budgetary power can only be planning without implementation, without substance, and consequently, without the participation or interest of the local people. The difficulty which DDOs faced during the plan writing process of getting real attention either by individual department heads or sectoral groups indicates that the question of budgetary power is as relevant for the local administrative cadre as for the local people themselves.

The viability of planning institutions, mechanisms, and personnel will increase as it becomes clear that these are the institutions and procedures through which real expenditure decisions are made. Otherwise, the credibility of decentralized planning will be undermined making it more difficult to institute at some future date. The result will be a continuation of the current situation in which the real planning and expenditure decisions are made in isolation from the districts that they affect and, further, are made independently by individual operating ministries without adequate coordination or planning in terms of multiplier effects, complementarities, or conflicting purposes.

Three major imperatives suggest that a serious and substantive planning function at the district level is a fundamental part of national development planning in order to address the problems of Kenya's rural areas realistically. First, the programs, expenditures, and interventions of the Government must be integrally related to the existing activities, desires, and potentials of the areas concerned. Such integration between Government interventions and local activities requires local knowledge and experience which is generally attainable only in the local area. Operating ministry heads at the district level acquire considerable local background information, unless they are transferred in and out frequently. However, their very limited scope for decision-making renders this knowledge irrelevant; potential resources of an inexpensive -- indeed of a "free" sort -- are wasted.

The second major justification for greater local input in planning is that the coordination and integration of the various facets of Government programs can most effectively be undertaken at this level. Crucial technical gaps (such as production facilities without marketing facilities, or transport generating investments without roads) may show up only at the local level.

The third consideration is that those who will be implementing the Government programs and the various beneficiaries of such Government activities work at the district and sub-district levels. Setting realistic and locally acceptable priorities requires the participation of these people -- both the local administrative cadre and the local beneficiaries -- at the planning stage. Without a public local mechanism for such planning, it is particularly easy for it to be subverted by bargaining mechanisms between local elites and Nairobi, mechanisms that are not open to public scrutiny, sanction, or redress. While local participation will itself undoubtedly bias decisions in favor of those groups and individuals with the most local power, the process will at least be more public. Local political influentials will have to face public debate on project or program recommendations with possibly more impartial administrators who generally come from outside the locale. Public scrutiny and debate may well create pressures for an improved and more equitable local polity. Planning procedures designed explicitly to include distributional and equity considerations will aid in counteracting the inevitable biases.

These are some of the reasons which have led the GOK to reiterate its intention to decentralize development planning and implementing activities to the district level. The progress of the last few years in creating the institutional structures and personnel for district level planning is impressive. The positive response of local administrators and citizen groups to selected programs that have involved local decision-making in recent years should prove reassuring to those in central ministries. These activities include the RDF projects, comprising both district development grants (requiring matching self-help contributions)and rural works projects (requiring a labor intensive technology). They also include the Rural Access Roads program; successive phases of the Rural Water Supplies program; and an increasing degree of local involvement in siting Rural Health Unit facilities. The initial experiments with these programs showed that, given real influence over siting and other allocational decisions, and given sufficient and capable technical assistance from the relevant ministries, DDCs and their

constituent divisional or project-specific sub-committees can and will respond enthusiastically and responsibly.

These examples of participation are clear evidence that the strategy itself is viable and pointed in the right direction; but they are small and limited steps associated with many restrictions and virtually no actual fiscal responsibility. The problem is that the rhetoric and the institution building programs of the last few years -- culminating in the preparation of the 1979-83 district development plans, some of which are impressively comprehensive documents -- have not been matched by a devolution of significant fiscal power to district level institutions and personnel. To some extent this plan-writing exercise is illusory, as it lacks the budgetary discretion or responsibility that would move it from a paper exercise to a process in which real allocation and expenditure decisions are made. Thus, the ambitious plan-writing exercise has represented a significant over-statement of the actual decision-making and expenditure authorities that exist at the district level. The fundamental task of the Government in this area over the next few years, a task which this project is designed to support, is to bridge the gap between the rhetoric and policies of decentralization on the one hand, and the budgetary responsibility and authority actually existing at the district level on the other. The link between planning and implementation will be credibly established only as this gap is bridged. Local participation in the planning process is likely to follow rather than anticipate such credibility.

In part, the task of bridging the gap between district level planning and district level fiscal responsibility requires a realistic perspective of the plan formulation process. The production of a district version of the national plan for each district is laudable and in some respects useful. There is a danger, however, that plan-writing can become an end in itself and a substitute for genuine decision-making. Contributions to the plan document, however elegant and accurate they may be, are merely academic exercises unless they represent real local insights and participation, and real local decisions.

The Strategy: Procedures for Selected Fiscal Devolution. Giving substance to district level planning activities requires the devolution of specified fiscal decisions to the district. The reason decentralization has remained a largely unrealized goal is

that little has been done in defining the limits of and the mechanisms for such devolution. Until there are clear procedures for accounting responsibility at the district level, and until the necessary modifications have been made in the systems for forward budgeting, tendering, and procurement, it is unrealistic to expect the devolution of significant budgetary power to the districts, even given the best of "political will".

The central task of this project is not one of exhortation. Rather, it is one of specifying, ministry-by-ministry, what functions and decisions will be located at the district level; of ensuring that adequate technical capability exists at that level and adequate managerial procedures are established; and of instituting appropriate estimating, auditing, and accounting procedures to ensure both accountability and a functional implementing capacity. The specific kinds and extent of activities gradually devolved to the district level will differ for each ministry according to its existing field presence and technical capability, the technical nature of its services, and the strength of its existing central planning unit. Therefore, specification of programmatic outputs cannot be made at this stage. Indeed, the most appropriate strategy is to encourage the ministries to identify with this exercise so they consider it their own, and also to discourage any tendency to over-simplify the task or to conceive of it as a rapid deployment of staff; this would be premature and counterproductive until the supportive institutional framework is in place.

While the outcomes cannot be prematurely specified, a consideration of what the strategy does not mean is helpful in clarifying the ultimate objectives and outcome. The strategy specifically does not mean the continued creation of, and concentration on, special supplementary funds and projects which are allocated to districts outside the normal ministerial programs. The RDF, consisting initially of district development grants and later expanded to incorporate the rural works program, has to some extent grown out of the need to give budgetary content to the district planning initiatives and institutions developed over the last several years in tandem with, and supported by, Rural Planning I (See Annex B). As indicated in a MEPD progress report on the RDF: "The lively interest in the RDF has contributed to the revitalization of the District Development Committees. This interest reflects the fact that the RDF

is one of the few programmes in which district level officers and public representatives can identify a project, get it approved and see it implemented." (December 1978, p.2) Without the RDF there is precious little expenditure over which the DDC can exert its authority. Indeed, the RDF has provided a degree of budgetary discretion to the DDC and district level planning institutions without which they probably would not have evolved and persisted.

However, the RDF programs and their associated accretion of problems have involved a massive diversion of time and energy of planning institutions and manpower into what are, in fact, a series of marginal expenditures and projects. These projects are, in effect, tacked on to the main development program of the district, which is controlled by the operating ministries. The resources involved in the RDF represent about one-half of one percent of the total development budget; combined with EEC projects, the total increases to something over one percent.

Perhaps the main problem with the RDF is that project implementation is in the hands of operating ministry personnel who tend to see their own ministry programs as having a more legitimate claim on their time. Consequently, separate machinery for budgeting, accounting, and implementing has been set up specifically for RDF activities. Lorries to transport materials and equipment, engineers to ensure that design and construction of projects are technically sound, accountants to ensure that expenditures are properly documented and in order -- all available in the operating ministries -- have had to be duplicated within the MEPD to cater to the RDF projects..

The projects themselves, while they reflect more local participation at the district level, are no different in substance from the projects that make up the programs of the operating ministries. While the RDF plays a crucial role in providing some local credibility to district level planning and in stimulating the growth of the necessary institutions, a disproportionate amount of MEPD staff time is spent on these activities both at the district and central levels. The focus of district level planning will shift during the life of this project from a disproportionate pre-occupation with RDF (and other supplementary) expenditures and projects toward a more balanced concern for overall planning and the involvement of a more significant portion of total Government expenditure allocated through the normal channels of the operating ministries.

Scope and Outcomes of Decentralization. The objectives and strategy outlined above suggest two major tasks under this component of the project: (a) to specify a set of planning and allocative decisions which are currently made in Nairobi, or along strictly intra-ministerial lines, but which logically should be devolved to the district level and channelled through the DDC; and (b) to design the mechanisms and procedures, both at ministerial headquarters and at the district level, for such devolution.

Decentralization that includes the devolution of real planning and budgeting responsibility is a long, difficult, and sensitive process. It will involve working in close cooperation with, and generally within, the relevant operating ministries whose current budgeting and operating procedures tend to be highly centralized and frequently do not even allow for district breakdowns of their expenditures. Furthermore, the operating ministries frequently mistrust and even resist the participation of those outside the ministry who have related and complementary interests. The task of identifying these programs and functions that would more appropriately be handled at the district level will be dependent on sustained support within the ministries concerned.

This component of the project, which will require a major expenditure of professional and advisor time, will focus on those ministries that have a major presence and impact in the rural areas, including Agriculture, Livestock Development, Cooperative Development, Health, Natural Resources and Environment, Water Development, and Social Services. Not all, or even a majority, of the programs or functions of these ministries can appropriately be devolved to the district level. For some, the technical capacity for implementation is too scarce. Some programs that are very large-scale, involving major portions of the budget, require regional level coordination and inter-regional allocation decisions which go beyond the confines of the district. Central policy decisions, of course, will remain the concern of headquarters ministerial staff.

On the other hand, a number of transport, staffing, and supply procurement or other logistical functions could probably be handled appropriately at the local level. Giving district heads of departments greater discretionary power in

these areas would improve their ability to use effectively the resources which currently are at their disposal, including extension staff time and technical information. Moreover, their greater control over program formulation would allow greater incorporation of local information, which would increase the probability of success for the programs undertaken. Such information might concern client group behavior and needs, local resource availabilities, complementarities or competitive development with respect to other economic sectors or neighboring districts, and a myriad other vital pieces of local information which district heads acquire but which are not incorporated into the program planning carried out in Nairobi, except to the extent that expensive site visits and elaborate feasibility studies are undertaken.

Thus, as a result of this component of the project, a small but meaningful proportion of Government programming, budgeting, and decision-making will be undertaken at the district level. The implementation, management, and reporting requirements for decentralizing the operational program will stay within the operating ministries, vested in the appropriate district departmental staffs. The relevant parts of the overall Government development program for the district will come before the DDC. In both the planning of the program and its implementation, monitoring, and evaluation, the responsible district officer of the operating ministry will have the primary reporting responsibility to the DDC. DDC responsibility for the broadened district decision-making authority will, it is anticipated, improve the coordination, the integretion, and the relevance of the district program. It will also stimulate and facilitate genuine local participation.

Whether or not this kind of participation will improve the equity with which resources are distributed within the districts will depend on the relative power of the various district groups and their representatives. It seems likely, however, that more open and participatory local procedures and more meaningful resource allocation at the center will significantly increase the acceptability of the local development program and will stimulate real local interest, and therefore, meaningful participation. This process may bring

equity issues into sharper relief at the district level and help mobilize greater interest among groups of society which have not benefitted substantially from Government programs in the past.

Activities Required for Selective Program Devolution. Specific activities in support of the development of selective devolution will include the following:

(a) The existing budgetary process and the supporting fiscal information flows for a selected group of ministries with high rural impact will be mapped. (These ministries will be the same as those for which the monitoring process at the district level will be developed.)

(b) The financial information flow for the relevant programs of these ministries will be expanded to permit information from the districts to be included, via the MEPD, in the forward budgeting process. (This may involve the Estimates Working Groups as suggested in the preliminary decentralization strategy statement circulated in the MEPD or it may simply involve informal liaison between sectoral planning officers in the MEPD and their counterparts in the Ministry of Finance and the budgetary units of the operating ministries.)

(c) Increased financial information will be conveyed to the districts on a routine basis, and program and support service disaggregations, by district, will be iteratively meshed with department heads' annual estimates and requests.

(d) The accounting, auditing, tendering, and procurement processes will be examined for their implications for program and fiscal devolution.

(e) A set of appropriate programs will be formulated in the relevant ministries which will be devolved to the district level by the end of the project.

A few activities associated with this component of the project are not tied to the budgetary disaggregation process and fiscal devolution. For example, work planning (the rational budgeting of staff time) supports decentralization but does not require that fiscal decentralization be accomplished first. Thus, district heads who go through an exercise of allocating field staff time, justifying it, specifying the expected outcomes, and devising their own internal evaluation procedures, begin to look at precisely the sort of output and productivity factors that the project will encourage by fiscal decentralization. Moreover, field personnel who have a better sense of what they can do, what the objectives of their efforts should be, and how well they can manage themselves, will provide stronger and more legitimate pressures internally for fiscal devolution.

Work planning has been attempted in some regions by the Ministry of Agriculture, whose sizable and far-flung field staffs have induced -- even necessitated -- a decentralized procedure for dealing with the allocation and supervision of extension time. This experience will be examined for its applicability elsewhere. Other non-fiscal measures for promoting decentralization include DDC evaluation of ministerial staff performance and the development of social indicators by the DDC that express the perceptions of district residents concerning the mose important improvements in their lives.

III. PROJECT SPECIFIC ANALYSES

A. Economic Analysis

This project provides advisory assistance and training. Because it does not generate an identifiable income stream, it does not lend itself to coventional benefit/cost analysis. Moreover, while various project outputs can be quantified, the value of these outputs is difficult to estimate in money terms. Therefore, the economic feasibility of the project must be justified in non-quantitative terms, essentially through a subjective analysis of project benefits and costs in relation to project objectives.

The principal economic benefits generated by the project are: (a) improved quality and increased quantity of human resources; (b) increased mobilization of financial resources, both domestic and foreign; (c) more efficient allocation of these resources, both financial and human; and (d) greater inter and intra-district equity.

Human Resources Development. Staffing and institutional constraints have prevented the full mobilization and efficient utilization of investment resources at the district level. This project will help alleviate these constraints by training development economists, planners, and rural administrators through both formal and non-formal training programs. Academic, degree level training abroad (approximately 24 person years) will be provided to officers in the RPD and to selected district officers (primarily DDOs and DPOs) who, upon returning to Kenya, will work in the RPD, increasing its professional staff and capability. Degree level training will also be offered at the University of Nairobi (approximately 16 person years) to those who will become DPOs. Short-term, in-country training will provided to: (a) district officers working for key operating ministries (approximately 480 person months); and (b) non-governmental persons working below the district level who play key roles in planning and implementing local projects (approximately 180 person months). This training will help to increase the quality and quantity of Kenyans knowledgeable about development planning and administration.

Increased Resource Mobilization. Staff limitations constitute a key constraint to the mobilization of financial and labor resources for rural development, and the training provided under the project will make a significant contribution toward alleviating this constraint. Though the link is not measurable, it is likely that the improved planning and management capability (resulting from more skilled personnel at the local level) will permit districts to absorb higher levels of investment resources. These higher investment levels will generate net economic benefits in the rural areas that will be attributable to the project.

Efficient Resource Allocation. Since independence, Kenya has received a relatively large, and increasing, volume of foreign assistance, much of which has been directed to rural development activities. Higher levels of domestic resources (channelled in part through the RDF) are expected during the Fourth Plan period. A more efficient allocation and utilization of these external and domestic resources will result from improvements in planning, project design, implementation, and monitoring - improvements which are anticipated results of the project. The project will also contribute to the more efficient management of budgetary resources allocated to the districts by improving the institutional capability of the MEPD and at the district level, and by forging a closer link among planning decisions, budgeting, and implementation.

Improved Equity. The equity with which development resources are distributed may be affected by the project in two principal ways. The first concerns the distribution of Government resources and development efforts between districts. The size and sophistication of Government activity at the district level varies enormously by district, with the wealthier districts frequently absorbing most of the available resources. Because budgetary allocations are not disaggregated to the district level, these inequalities frequently do not surface as a major issue. The process of disaggregating budgets will highlight existing disparities and inequalities and may encourage compensatory expenditures to improve equity among districts.

The second aspect of improved equity concerns the allocation of resources within districts. District planning includes specific procedures for identifying problems of extreme poverty, including neglected areas and population

groups. While district level staff are often under considerable pressure from local elites and powerful individuals to divert resources to them, it is likely that an open planning process at the district level will result in avoiding some of the worst inequities in the distribution of development resources. Various local groups, and women's groups in particular, appear to be capable of exerting pressure in this direction.

As suggested above, the project will not have an identifiable impact on income and employment, at least in the short term. Over time, however, increased rural income and employment opportunities are likely to result because: (a) a more efficient allocation and utilization of existing rural development resources will generate a higher output; (b) a higher absolute level of investment resources (both domestic and external, public and private) allocated to rural areas will generate more jobs and incomes; and (c) more skilled rural development planners and administrators, both at headquarters and at the district and sub-district levels, will be able to play key roles by mobilizing additional resources and planning for their efficient allocation. Finally, because the project focuses on the district, increased income and employment will be skewed in favor of the rural areas of Kenya (which are the poorer areas), and in this sense, the project will have a redistributive effect.

Beginning in the first year of the project, additional recurrent costs will be required to finance the salaries associated with three new positions created at the national level; and in year three up to 12 new positions (DPOs) at the provincial and district levels. Although these latter positions have been planned for by the GOK, budgetary resources to finance them have been curtailed during the current plan period (1979-1983); however, adequate domestic revenue should become available by the time the DPOs have been trained. Additional costs may also be generated at the district level if increased capital investments require increased recurrent expenditures. If no additional investment is generated by the project, however, the more efficient allocation of exsiting resources will have the effect of saving budgetary resources. For example, district planning helps to assure that health investments within a district are not duplicative, and that health personnel are available at the time health facilities have been constructed; without district planning, inefficiencies that are often associated with higher budget levels would likely result.

E. Social Soundness Analysis

This section discusses the project as it relates to: (a) local participation; (b) spread effects; (c) the role of women; and (d) beneficiaries.

Local Participation. Four aspects of local participation are associated with this project: (a) self-help; (b) district development grants; (c) development committees; and (d) micro-level data collection.

Self-Help. The self-help movement in Kenya is a collective and largely self-reliant development effort which has grown from initiatives of the poor at the grass-roots level. It embodies the ideas of mutual assistance, mutual social responsibility, and community self-reliance. Traditionally these ideas were reflected in collective neighborhood house-building, weeding, bush clearing, and control and maintenance of water sources. Currently self-help relies on indigenous group forms and the traditional principles of mutual self-assistance. "Harambee", or self-help, became a national slogan when it was introduced by the late President Jomo Kenyatta in June 1963, but not until 1967 was it established as one answer to grass-roots disillusionment.

Observers have characterized the self-help movement in two ways: (a) as the solidarity of groups disenchanted with centralized planning and politics; and (b) as a means whereby local groups try to attract resources and change the center's resource allocation strategy. However, these two approaches are not mutually exclusive, and to focus only on one ignores important aspects of the other.

Since the late 1960s, communities have been involved on a self-help basis with the construction of schools, health facilities, and water supplies. The intention has been for government to take over the facilities and associated recurrent expenditures. However, many projects have been poorly planned and have not had the full support of the community that was expected to contribute money and/or labor. There are instances when small local groups or government officers (trying to obtain or maintain political influence) have identified a project and begun to initiate it without

broad-based community support. Without the sanction of the intended beneficiaries and contributors these projects are often slowly implemented because contributions expected from the local population are not forthcoming; this has wasted resources. For example, in 1971, 3,325 (28% of all self-help projects) were abandoned. To reduce this waste and to permit a more rational allocation of government resources, the DDCs were given responsibility for coordinating and overseeing all self-help projects. Although this has minimized the problem for RDF-aided projects, it remains for the unaided segment of "harambee" efforts.

Self-help projects and women's group activities receive significant government attention from staff and officers of the Community Development Department, in the Ministry of Social Services and Cultural Affairs, which is responsible for registering groups and keeping records on contributions. At the provincial, district, and divisional levels, community development positions are staffed by civil servants. At the field level, however, local residents are employed as assistants by their respective county councils. Since these field staffs are dependent on their county councils, their numbers and training often reflect the poverty of their districts. For example, in Kitui District in 1979 the number of community development assistants was increased in response to the national directive to increase employment by 10%. However, because of a lack of funds, these new assistants received only on-the-job training by existing staff who had little formal education and few in-service courses. At least one-third of the lower-level community development workers are female.

A national study of 311 self-help projects in 1973 indicated that, on the average, women comprised only 6% of the initiators, 7% of the committee members, and 6% of the work-group leaders. There was, however, considerable variance among the provinces. In Central Province, between 15% and 22% of those in the three leadership categories were female while in North Eastern Province, none was. Leaders as defined by the three categories were most frequently farmers (35%) followed by chiefs and sub-chiefs. However, in marginal and newly settled areas, like districts in North Eastern Province and Rift Valley Province, more government officers were involved than the national average would suggest.

To ensure greater popular participation in the identification of projects, especially those financed under DDGs, application forms will be revised to include information such as the date the project was recommended by the Divisional Development Committee and a statement signed by the respective community development assistant that the project has been discussed and approved by the intended contributors and beneficiaries. Also, training programs financed under this project will assess why beneficial results can be expected from greater popular participation and ways in which this can be accomplished.

District Development Grants. DDGs were initiated in 1971 to support self-help efforts and to respond to local needs. The initial guidelines for allocating DDGs as well as Rural Work Program grants specify that DDCs should have increased responsibility to plan for local needs. Over the years there has been a general recognition in the field that project identification should emanate at the Divisional Development Committee level or lower. In some cases the people themselves have initiated a project. More commonly, projects are identified through a dialogue between the local population and the chief or sub-chief of the area.

The size of individual and total self-help contributions varies. Sometimes, the local population agrees on a fixed and equal contribution from the intended beneficiaries; at other times, the contribution is commensurate with the socio-economic position of the beneficiaries and the expected benefits. Frequently, when the local population has been minimally involved in deciding on the size of the individual contributions, key local persons and outsiders have contributed extensively. The spread of benefits under these projects has also varied widely. When fees for use are required the advantages often accrue disporportionately to those who are better-off.

During the past few years, the GOK and donors have discussed equity issues in relation to the RDF. A formula to allocate grant funds among districts is based on: (a) proportion of high-quality agricultural land; (b) proportion of wage employment to total population; (c) incidence of famine/disaster relief; and (d) size of rural population. (See Annex B.) However, related to the allocation issue is the absorptive capacity of districts to implement RDF projects. There is also a concern over what the self-help proportion of total

contributions should be in order to favor poorer districts. In the interests of preserving flexibility, the GOK has established a scale of between 10% and 50% of the total costs, recognizing that the relative state of poverty of a local community is not necessarily directly related to the wealth level of the district.

Development Committees. Among the various development committees, the DDC has received the most attention. These committees are composed of: (a) all district heads of ministries; (b) all members of Parliament from the district; (c) the clerk to the urban county council of the district; (d) the KANU Chairman of the district; (e) one county councilor per division, nominated by the Chairman; (f) persons associated with important projects, representatives of voluntary organizations, and community leaders; and (g) others who may be invited to discuss specific subjects at particular meetings. The largest proportion of members consists of government officers. In some DDCs more than one officer from a single section (for example, fisheries or game wardens) serves on the committee. In others, those who serve have little to do with development efforts, (for example, the Probation Officer or the Registrar of Births and Deaths). Non-official, non-political members most commonly include representatives of church missions, special projects, the Kenya National Union of Teachers, and increasingly, leaders of women's groups. Membership on DDCs reaches 70 persons in some districts, and it is generally recognized that most committees are too large to permit direct popular participation. The problem is under review, following a recommendation at the Planning of Training for District Development Teams Workshop of July, 1979.

Division and location development committees, whose structures reflect that of the DDC, are located below the district. Greater local participation is possible on these lower-level committees, particularly by residents who are also part of the government structure (for example, chiefs). The Divisional Development Committees are chaired by their respective District Officers and include division heads of departments, elected members of Parliament and councilors, chiefs, sub-chiefs, and other leaders. The locational Development Committees are chaired by chiefs, on whose initiative

and leadership the functioning and effectiveness of these committees depends. Most Locational Development Committees are not active, partly because a transportation allowance is not available for non-official representatives of development committees. This problem is particularly serious for local leaders.

Sub-committees of the DDC include the District Community Development Committee, the District Education Board, and three sectoral sub-committees. If these were restructured to include more non-official members of the local population (such as elected and community leaders) they would be more effective and duplication of effort would be reduced.

The population typically expresses its needs in terms of a shopping list approach to project identification. More meaningful popular participation requires an appreciation of: (a) national constraints, particularly financial; (b) national policy; (c) the importance of representing the views of the group rather than individual opinions; (d) the need for commitment to a decision, once taken, in contrast to changing positions frequently; and (e) methods of establishing priorities among alternatives. Training for Divisional Development Committee members will incorporate these principles as well as communication skills to assist local communities identify and articulate their priority needs.

During the life of the project greater local participation in development efforts is expected to occur through: (a) training given to members of Divisional Development Committees (for example, chiefs and community development assistants) which is anticipated to have a spread effect; and (b) more emphasis on Divisional Development Committees and other DDC sub-committees.

Micro-Level Data. Popular participation can be encouraged through the process of collecting data which are needed for planning, monitoring, and evaluating projects and programs. Three fundamental types of systematically collected information are needed. First, the Central Bureau of Statistics

(CBS) already has a sample of rural households in about 25 districts that are used in its Integrated Rural Survey. Plans are underway to enlarge the sample size in these districts so that statistically significant analyses of district-specific information are possible. These CBS data will include information on education, health status of children, income, agricultural activities, marketing, and off-farm employment. Second, socio-cultural profiles are needed to help decision makers understand and take into account socio-cultural patterns (that are different from their own ethnic backgrounds) when designing and implementing programs and projects. Currently, under the RSCTU, pilot studies are being conducted to develop such profiles in various districts. Third, specialized studies are needed for more technical, district-specific information.

By gathering information in these three ways, people's needs, conditions, and resource constraints will be learned. In addition, technical research into subjects such as soil types and crop potential provides insight into possible projects. To date, previously collected data pertinent to a given district have not been assembled. Reports are scattered in various government and non-government bodies in Nairobi, the district, and elsewhere. To permit greater access to district-specific information for planning, monitoring, and evaluation, the RPD, through its RSCTU, intends to initiate District Information Centers on a pilot basis.

In a less systematic manner, popular participation can occur through open consultation with representatives of different segments of the community. This can take place in informal conversations and public meetings (barazas), where local and government leaders tend to "lecture" or "motivate" their listeners rather than listen to local people. An open forum approach to barazas will be encouraged in appropriate training sessions under the project.

Spread Effects. The training provided under the project will help to strengthen the functioning and operations of Locational Development Committees and other sub-committees of the DDC, since some members of the DDC and Divisional Devel-

opment Committee also serve on these other bodies. In particular, it is anticipated that the training will positively effect the community development committees through which self-help activities are channelled. Also, measures taken to improve the evaluation of prospective RDF projects, especially those under the DDG program, will influence the measures by which other self-help projects are selected by the Community Development Department and voluntary agencies.

The training of women group leaders and others under this project is expected to influence subsequent training. This type of spread effect is the result of training the trainers, developing methods to be advocated by the advisors and coordinators, and preparing training materials. Also, because several Kenyan professionals will be trainers, their experiences may be positively reflected in their other duties.

Women. Women are active participants in voluntary associations and self-help projects. The evolution of all-female self-help groups has been a significant development during the last ten years. As mentioned above in the section on self-help, only a small percentage of women play leadership roles in community self-help projects. Nevertheless, they are the main donors of labor and also contribute about 40% of the cash to these projects.

A recent workshop on women's leadership strategies and national development, held at Kikuyu in early 1980, stressed the need for more training of women group leaders in essential skills. In particular, it called for improving the skills of women leaders at the district level through seminars and training sessions on project development, programming, planning, and resource identification. While some women group leaders may receive training as members of Divisional Development Committee teams, special attention is required to meet their particular needs. Hence, some of the funds budgeted under the project for district and sub-district level workshops will be specifically earmarked for this purpose.

Women's groups have access to project funds through the Women's Bureau of the Ministry of Social Services, voluntary and bilateral groups, and to a lesser extent, the DDGs. The DDGs are for: (a) infrastructural activities; (b) input projects; (c) environmental improvements; and (d) productive projects. Since most of the projects undertaken are aimed at benefiting the entire local community (for

example, water projects and nurseries), it is impossible to calculate the proportion of DDG funds specifically allocated to women's groups. Women's groups have obtained DDGs for production projects including beekeeping, poultry, goats and sheep, gardening, and handicrafts. With the possible exception of some beekeeping projects, none of the DDG projects is geared specifically to male groups.

Some districts have instituted a hierarchical structure of women's groups whereby locational, divisional, and district leaders serve on their respective development committee. In other cases, the Community Development Officer represents them. Of the government representatives, at least one female is on the DDC, the District Home Economist. Women are sometimes represented on the DDCs in positions such as District Officer, Principal of the Farmers Training Center, District Crops Officer, Community Development Officer, or Fisheries Officer. Nevertheless, women represent less than 5% of the total DDC membership. Positions typically held by women at the district level are generally also held by women who serve on the divisional and locational development committees. To the extent women hold positions as members of these committees, they are likely to receive training under the project.

The project also supports the creation of District Planning Officers. The GOK will review applications from females on the same basis as those from males.

Beneficiaries. The project aims at increasing the efficiency and effectiveness of the GOK to plan and implement projects at the district level which meet local conditions and needs. For the most part, benefits to the rural population, including the 46% of the rural dwellers who live in poverty, will be indirect. The project does not focus on any particular sub-group or on a specific region in Kenya. It is designed to improve the government machinery established to address the needs of district inhabitants and to respond to local initiatives. The rural population will indirectly benefit from greater responsiveness to locally identified projects financed under the RDF and improved monitoring and implementation of these projects. Moreover, the planning and implementation of sectoral ministry programs and projects will increasingly reflect district-specific realities. The measures taken and training given under the project, which focus on more local level involvement in project identification, should also benefit the rural population through implementation which meets local needs.

The direct beneficiaries will be Kenyan members of DDCs and Divisional Development Committees, as well as Kenyan planning officers and staff of the RPD of the MEPD. It is expected that 160 DDC members, 900 Divisional Development Committee members, and 24 officers and staff of the RPD will attend training courses, workshops, or seminars under the project. Approxiamtely 200 leaders of women's groups are expected to receive training.

C. Technical Feasibility.

The technical feasibility of the three components of the project is contingent on both policy and institutional factors as discussed below.

Implementation of District Plans. The implementation and monitoring of district plans by the DDCs will require both policy and practical support from the Office of the President (OOP). The District Commissioners (DCs), as Chairmen of the DDCs, are vital in determining how well the plans are implemented, how seriously the process is taken, and how quickly it is institutionalized. They must actively support the DDCs in their dealings with sectoral ministries at the district level and in their attempts to gain information from sectoral heads about what is actually taking place at any particular time with respect to specific projects or broader plan objectives. The DCs must provide active support to the DDOs and other DDC officers even though this may produce certain strains between the DCs' staff or the DDC members on the one hand and sectoral heads of department on the other.

The Government's commitment to increased district level control over plan implementation is clear. The 1979-1983 Development Plan mandates the DDCs to perform this function. Further, the OOP in its recent reorganization has broadened the scope of its activities to incorporate a considerable number of monitoring and implementing functions. Two senior assistant secretaries (aided by two other officers) are responsible for monitoring the implementation of district and provincial plans, as well as RDF projects. Two of the officers are former DDOs who have been promoted into headquarters positions in the OOP; they are a very useful liaison between the RPD and the OOP. Other productive relationships

have been established and maintained, including one with the Permanent Secretary for Cabinet Affairs, under whose wing fall the development oriented activities planned for the newly expanded OOP.

These relationships and policy commitments will support the RPD's effort to develop a monitoring and evaluation function at the district level, and the project should be able to move ahead without encountering severe difficulties. It may be necessary for the RPD in cooperation with the OOP to explain the new activities to the DCs, including potential problems they might experience and appropriate procedures for resolving them, either through provincial consultation or directly with the OOP in Nairobi. This might be done through a circular or other communication to the DCs together with the identification of an appropriately aggressive headquarters liaison whom the DCs or DDCs could turn to with problems. Alternatively, it might be done through a workshop specifically for this purpose or in conjunction with other OOP business. The group format has much to recommend it because it puts the corporate weight of peer identification and discussion behind the decisions and actions taken.

A second element of monitoring plan implementation concerns the need for revised project commitments and scheduling. In light of the current fiscal retrenchment, many projects in several sectors may not come to fruition during the plan period, although they have been written into the district plans. The plan monitoring function, if it is to be successful, must proceed on the basis of realistically revised project commitments. Using monitoring procedures on unrealistic project targets is likely to undermine the credibility of district planning considerably. The project commitment revisions, whether in terms of physical units such as clinics, market center facilities and dips, or in terms of expenditures, can only be done by the relevant operating ministries. The relationships already established between the RPD and sectoral ministry planning units will facilitate the revision process, which will be part of the annual forward budgeting process in any event. Should there be serious delays in preparing these revisions in key rural impact ministries, however, the devolution of monitoring and evaluating to the DDCs will be negatively affected.

Training. Four issues arise in conjunction with the technical feasibility of the training component. The first concerns the selection of the DPO cadre. If the selection is delayed, or if enough suitable candidates with the minimal requirements cannot be found, this part of the training program will be delayed. The MEPD feels certain that enough candidates will be available over the long term, and that DPO selection will go ahead as soon as the issues of job classification are cleared up with the Directorate of Personnel Management. Moreover, the MEPD is optimistic that an initial core of candidates currently holding B.Phils. or even M.A.s can be recruited. In any event, sufficient candidates with minimum requirements - a B.A. in economics - are likely to be forthcoming and they can be trained without serious delay.

A second problem concerns the selection criteria for candidates for overseas training. The objectives of this training are two-fold: (a) to develop highly qualified staff, and (b) to encourage superior job performance. The selection criteria need to be consistent with both objectives. These training opportunities should go to staff with superior abilities and backgrounds who can benefit from specialized courses and thus upgrade the Division's capacity. They should also go to those who perform very well at the level at which they are currently working - whether DDOs, DPOs, or RPD headquarters staff. Staff at all levels need to feel sure that they have a realistic chance of being selected on one or both of these grounds. The problem of either actual or suspected favoritism occurs in Kenya as elsewhere, and if the long term training program is to achieve its objectives, this problem must be minimized. The RPD has proposed the development of a graded course exam evaluation system, incorporating on-the-job performance. This would not only support project objectives, but also would serve internal RPD evaluation purposes.

A third technical training issue concerns the availability of appropriate training for district level officers. Based on discussions with KIA representatives and DDOs, the courses offered at the KIA appear increasingly relevant to the planning orientation the project will help institutionalize. In addition, the KIA plans to run each course for substantial numbers of department heads from a single district, which will greatly multiply the impact of this type of training.

Finally, the technical feasibility of the divisional level workshop component raises some problems. This is the least familiar of the training activities, yet is directed toward the greatest number of people. The RSCTU has been planning training workshops for precisely these people for the last year and a half and has completed some syllabi and experimented with some workshops. These have been primarily at the provincial and district levels, however. It remains to be seen whether or not the programs can be run productively at the divisional level; whether or not the logistics can be organized without requiring inordinate amounts of project advisory staff time; and how the funding arrangements can be handled. The project supports a staff member of the RSCTU to work full time on the substantive program planning, as well as a training consultant for six months to design the specific program components, including phasing and implementation arrangements. Subsequently, a long-term advisor will allocate 10% of his time for monitoring the training program and handling the substantial and detailed district and sub-district training elements. RSCTU's experience in finding sufficient teacher-trainers with useful planning notions to impart, and the skill to impart them, indicates that there is a pool of such talent locally. In designing the program for divisional level workshops, the training consultant will consider whether or not it can be stretched to cover the numbers of people the project proposes to train at that level.

Decentralization of Decision-Making. The technical feasibility of the decentralization component rests on the complex issue of inter-ministerial cooperation. The operating ministries are being asked to welcome the advisory assistance provided under the project into their inner offices and workings. They are being asked to allow, even to facilitate, the process of mapping existing functional decision paths and budgetary planning, accounting, and tendering procedures and their intricate inter-relationships. They are being asked to explain what is done now and why, with the ultimate objective of making changes. These changes will involve shifting some areas of decision-making and responsibility from the central units to district level officers. This is bound to be a sensitive procedure, and some consideration is required concerning the likelihood that it can be accomplished.

Based on the last year and a half of Rural Planning I, there appears to be a willingness to cooperate, at least among the high rural-impact ministries (proposed as the focus of the effort) which provided budget estimates after the five-year plan allocations were clear. For several of them, the reason for procrastination was not a desire to resist, but simply an inability to provide information that was outside the realm of their normal sectional budgetary routines. In short, they could not provide district disaggregated estimates earlier because the whole budgetary process is geared in a different direction - to provide sectoral, programmatic, and functional categorizations and breakdowns in order to meet the needs of the auditing and accounting routines with which the budget must mesh.

Estimates for the Ministry of Health (MOH), for example, were developed by working with data supplied by the MOH which were presented in terms of program category and/or specific siting - for example, 100 pit latrines per district; or sub-health centers at specific villages and sub-location sites. The data were not summarized by district, although MOH's allocational pradigm made district categorization a fairly simple backwards derivative. RPD staff, together with the health supplies officer in the Ministry of Finance, then laboriously organized these into district project allocations and estimates. This was a time consuming but instructive "first cut" into the process of mapping ministerial program budgeting for one ministry. No attempt was made to relate accounting, auditing, and tendering procedures, technical supervisory requirements, and logistical support functions to the structure and schedule of program budgeting. These are the activities the Financial Systems Specialist will undertake on a ministry-by-ministry basis.

This advisor's task requires, at a minimum, the good will of the ministries involved. Accordingly, the project focuses on ministries which have demonstrated this good will and which, with the exception of Education and perhaps Works, are the high rural-impact ministries. The task also requires sensitivity to the political and policy issues that help condition access to the information that is needed from each ministry. This does not mean that the advisor will avoid areas of an apparent political or policy nature; it is inevitable that the substance of the investigations will center on these as much

as on the more technical division of functions and controls. It does mean that he must be adept at nurturing non-threatening working patterns and relationships. This is also true for short-term consultants employed for specific ministry assessments. The sectoral planning officers in the MEPD (who were instrumental in obtaining district disaggregations under Rural Planning I) and the supply officers in the Ministry of Finance are familiar both with the relevant people and the key portions of the budgetary routines and functional organizations under examination. With the full utilization of these individuals, together with appropriate attention accorded to the sensitivity of bureaucratic organization and territory, the assessment of specific areas for functional decentralization in selected ministries should be feasible.

Whether or not the results of the decentralization component of the project are adopted and maintained is strictly a question for the GOK to decide. But if the task is approached in terms of increasing the cost-effectiveness of the provision of services to client groups, of increasing the managerial capacity of field staffs, and of improving the spread of social benefits - all objectives to which the GOK is firmly committed - it should not be difficult to persuade the ministries that the further step of adopting the strategy developed under this component of the project would be useful to them in terms of their own priorities.

Technical Assistance and Participation. Several issues were raised during project preparation, both in Nairobi and Washington, concerning the degree to which the project is designed to increase participatory input in the planning process and especially to increase the bargaining power of the rural poor. This is a complex issue which has occupied a considerable amount of time and attention in designing the project.

The first consideration is whether or not the selection of certain ministries with which to work is appropriate, aside from the question of the project's relatively limited resources which constrain a broader scope. The decentralization of responsibility and the selected fiscal devolution is not viewed as a gigantic pan-ministerial leap from one allocational and decisional system to another, but rather as one which not only will, but should, involve only selected ministries. The project will create the technical capacity in these ministries to shift the informational and decisional locus to the districts. This will

influence the less capable or more recalcitrant ministries to do the same. The increased local responsibility for plan formulation and program budgeting that, for example, a Ministry of Agriculture district staff officer develops under the project will provide both an example and local administrative pressures for replication elsewhere.

These pressures will be expressed through increased district team decision making under the DC's executive guidance, and will involve those ministries most equipped and willing to delegate. A DC with a core group of five or six district sectoral heads who clearly have allocational powers over staff time (as they do to a large extent now) and budget decisions (as proposed under this project) will make clear to the OOP his concern that the remaining sectoral heads be delegated equivalent decision-making power by their respective ministries to increase the effectiveness of his team. The less responsive ministries will come under increasing pressure of a politically effective sort. DCs who see the advantages of local decisional responsibility - even if for their own career promotional reasons - will be powerful advocates for further decentralization. It is also likely that district heads who do not enjoy this authority will begin to put pressure on their ministerial headquarters for some devolution, citing their district level counterparts in other ministries as examples.

Thus, the partial and careful construction of expanded budgetary information flows, starting with a mapping of existing budgetary procedures in selected ministries and ultimately bringing district heads closer to the allocation process itself, is likely to promote spread effects of an administrative type, including administrative pressures for extended decentralization, quite in consonance with the aims of the project. The internalization of the pressures toward further devolution is the ultimate goal of the project, just as the replacement of expatriate advisory personnel by capable and motivated RPD staff is the goal of the long-term training component of the project. The selective assessment and initiation of a decentralization strategy which generates these kinds of internal pressures best accomplishes the former, while the proposed training strategy is the appropriate vehicle for accomplishing the latter.

A second aspect of the concept of "spread effects" relates more directly to the central goal of local involvement and participation by the rural poor in planning. The project will foster increased participation by local social groups (some of

which will represent the interests of the rural poor better than others) in three ways.

First, a minimal condition for field staffs to be more responsive to popular needs and pressures is their receiving more fiscal information and assuming more responsibility. Lack of detailed knowledge or predictability concerning their staff positions, program operating funds, new project allocations, or transport availabilities forces district level ministerial personnel to be non-communicative, authoritarian, or even hostile when "harambee" groups or other supplicants - comprising the rural poor - approach them for additional commitments for projects or services.

Conversely, field officers who are well versed in the conditions of the district, fairly familiar with their recurrent expenditure allocations and staff availabilities, and understand their own responsibility for planning the work, of a significant cadre of field officers, are sometimes more responsive to initiatives from outside their immediate departments. These include other administrative officers and non-official representatives of interest groups in the district, including those who speak for the rural poor. Because they operate in an administrative environment that is predictable, they can turn their attention to the real or perceived problems of the client groups they serve.

Increased information and decisional authority does not guarantee this positive, outward-looking, responsive behavior; training and personnel and promotional incentives are also crucial. But if a situation of administrative unpredictability - especially of a budgetary sort - obtains, field officers will not be responsive and instead will create a defensive perimeter around their unpredictable resource flows. Their typical response under these conditions, which fairly realistically describes existing circumstances, is to bury local initiatives in an avalanche of upward-oriented paper flows that rarely produce any reciprocal downward responses.

Second, the training component of the project for district and sub-district staff will be geared toward increasing local participation. It will focus on skills for

identifying those who are currently excluded from the institutional process, and for assessing the impact of programs on them as well as on the better-served client groups who have tended to dominate the local institutional infrastructure.

Third, increased participation will be fostered directly by the emphasis on bringing the Locational and Divisional Development Committees into the planning and monitoring process, since these allow for much greater local level participation than do the DDCs.

D. Administrative Feasibility.

During the past four years the rural planning organization within the MEPD has been upgraded from its initial status as a small "Unit", later to "Section", and in the last year to become the Rural Planning Division, reflecting its expanded size and status. With the strong support of the former Permanent Secretary and Division Head, the RPD has extended its scope and is now a firmly established agency within the GOK. The new Permanent Secretary has expressed his strong support for the Division's activities and his intention to strengthen its staff and the Ministry's commitment to its work.

The staff of about thirteen is supplemented by 40 DDOs who were appointed by the RPD but seconded to the OOP and serve simultaneously under their respective DCs. With the imminent expansion of the ASAL program, staff size will be increased further. In turn, with the creation of a projected staff of 21 DPOs and with the parallel expansion of the Division's RSCTU, the RPD may soon become a large and influential organization.

Staff Morale and Abilities. Current staff stability is not assured, however. The Division seems to have been reluctant to evaluate staff members' performance and then to reward excellence by promoting those who were doing well. As a result, it is reported that some members are seriously considering resigning in favor of better paying positions in the private sector. Loss of the better staff members could seriously weaken the Division, for selective departures of the most able would leave not only the less proficient staff to carry on the work but also discourage able recruits.

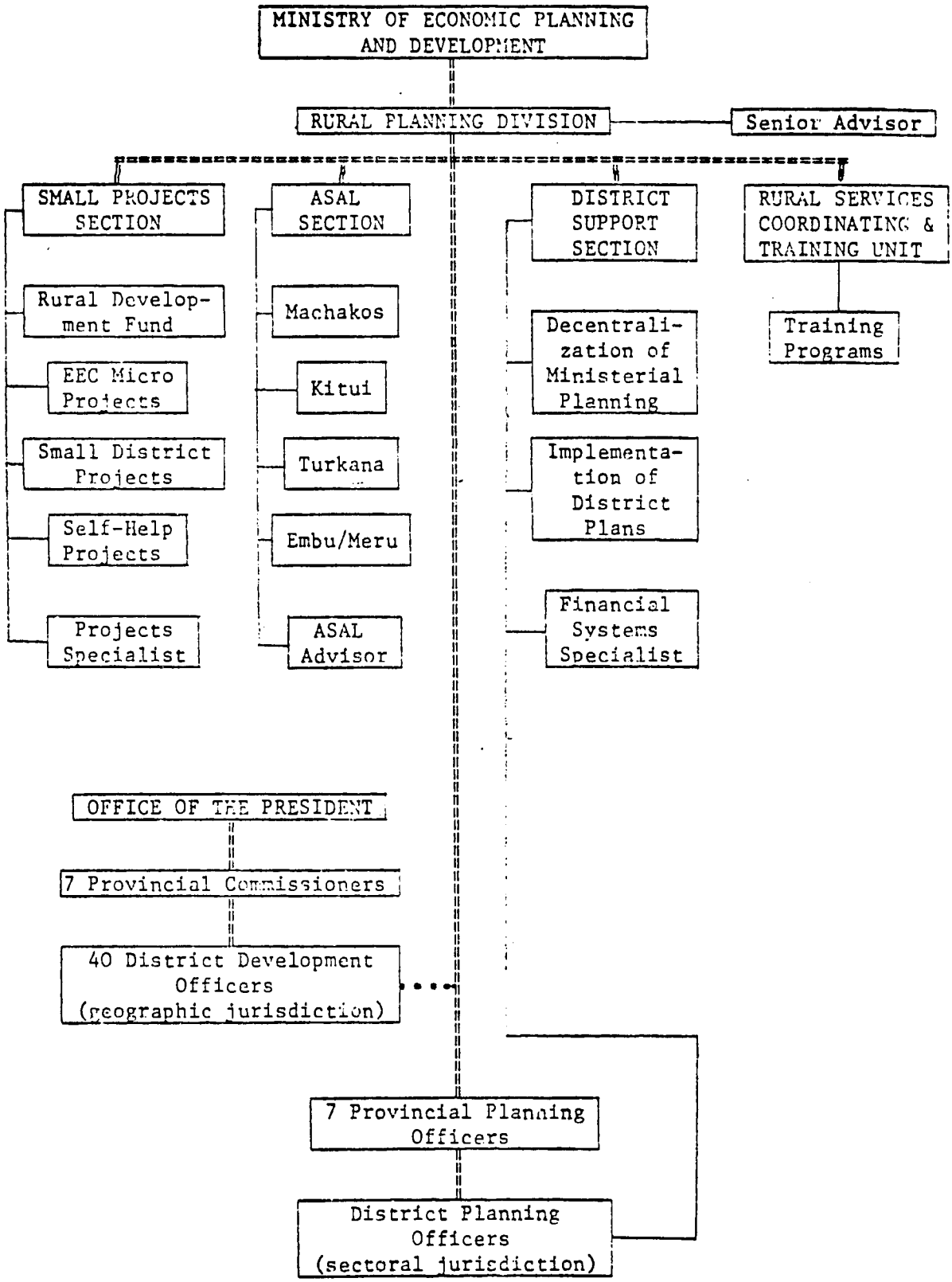
The Permanent Secretary has taken this matter in hand, and job-ratings should soon be revised and promotional opportunities should soon be opened. If the adjustments in personnel practices can be made soon, the Division will then be in a strong position.

The Division has had strong internal leadership from its senior officers. It has built a good staff in the Nairobi headquarters and a good cadre of DDOs now firmly established in their respective districts. It has enjoyed excellent and devoted service from the advisers financed under Rural Planning I. The Division is now a fully engaged organization. The next stage of its development is to extend the work of the past four years (which focused on establishing the DDO cadre and preparing the district development plans) and to make decentralized planning, with an emphasis on inter-sectoral and inter-ministerial linkages, a viable instrument for improving rural Kenyans' life conditions.

Internal Organization of the Division. The current organization of the RPD is indicated in the accompanying chart.

The Small Projects Section has been the locus of most DDO activity, with the major concentration of its work directed to RDF projects. DDCs and sub-district committees devote much of their normal working time to selecting RDF projects. At present budget levels, the RDF comprises about .5% of the Kenyan development budget. Together with EEC micro-projects, up to 2% of the development budget is managed with varying degrees of coordination through the RPD's Small Projects Section. The RPD intends to continue to promote the work of its Small Projects Section and of the DDOs who have been instrumental in its success.

The work of the District Support Section is the focus of this project. Its objective is to effect significant decentralized planning and to sensitize development planners to the needs and preferences of local populations. It is also directed to modifying the approaches to rural planning by increasing inter-ministerial cooperation and empahsizing inter-sectoral linkages in the context of a systemic and strategic rural development framework. It is not project


MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT
RURAL PLANNING DIVISION
Senior Advisor
SMALL PROJECTS SECTION
Rural Development Fund
EEC Micro Projects
Small District Projects
Self-Help Projects
Projects Specialist
ASAL SECTION
Machakos
Kitui
Turkana
Embu/Meru
ASAL Advisor
DISTRICT SUPPORT SECTION
Decentralization of Ministerial Planning
Implementation of District Plans
Financial Systems Specialist
RURAL SERVICES COORDINATING & TRAINING UNIT
Training Programs
OFFICE OF THE PRESIDENT
7 Provincial Commissioners
40 District Development Officers (geographic jurisdiction)
7 Provincial Planning Officers
District Planning Officers (sectoral jurisdiction)

oriented. It engages all pertinent ministries both in Nairobi and at the provincial and district levels, including the PCs, PPOs, DCs, DDOs, and DPOs. This is necessary because the responsibilities and jurisdictions of these officials are interdependent and mutually interacting.

The new group of DPOs will be the key agents in accomplishing the objectives of this section. They must be well-trained, self-assured, and self-directed persons able to assume highly responsible and demanding roles. In contrast to the DDOs, who are responsible for comprehensive planning among all sectors within their geographically defined districts, DPOs will be assigned one of three sectoral responsibilities: (a) infrastructure construction, industrial development, and non-agrarian components of provincial development; (b) services to provide basic needs, including nutrition, health, education, family planning and housing; or (c) agriculture-related services and facilities.

DPOs will be assigned at the provincial level in the densely settled, geographically compact provinces -- Western, Nyanza and Central. In the geographically dispersed provinces, which are the locus of major ASAL programs, DPOs may be assigned at the district level. Each will report directly through the PPO to the RPD in Nairobi. Thus, they will constitute the field staff of the MEPD and the RPD.

E. Initial Environmental Examination.

The project provides technical assistance to the MEPD and resources to train Kenyans at the headquarters, district, and sub-district levels. It includes three elements: (a) implementation of district plans; (b) training; and (c) decentralization of decision-making.

Since all elements of the project are of an institution building nature and do not raise environmental issues, the Initial Environmental Examination (IEE), which was incorporated in the PID, received a negative recommendation by the Environmental Officer of the Mission; this was concurred in by the Mission Director. (See Annex I) The PID, including the negative IEE was approved by State 164637 at Paragraph 5.C. (See Annex H) Accordingly, no further environmental analysis is necessary.

IV. FINANCIAL PLAN

The total cost of the project is estimated at $5,600,000, of which $3,575,000 will be provided by AID and $2,025,000 by the GOK. The GOK's contribution comprises 36 per cent of the total project costs, and thereby meets the requirements of Section 110(a) of the FAA, as amended.

The project provides primarily technical and advisory assistance, and AID's contribution will consist of a grant to the GOK. Of the AID contribution, approximately $316,000 (or about 9 per cent) will be in Kenyan shillings to finance certain local currency costs including part of the housing costs for the long-term advisors, some of the short-term training costs, per diem for the short-term consultants, and certain local support costs. The GOK contribution (all in Kenyan shillings) will finance Kenyan personnel costs; office and clerical support; most of the short-term training costs; per diem, temporary lodging, and part of the housing costs of the long-term advisors; and in-country transportation. Total estimated project costs are disaggregated in Table IV-1 in terms of the major project components and by source of contribution.

Table IV-1. Summary of Project Costs ($000) a]

Component	AID	GOK	Total
Long-Term Advisors	1,713	175	1,888
Short-Term Consultants	554	-	554
Training	627	195	822
Office Expenses	20	72	92
Kenyan Salaries	-	1,112	1,112
Evaluation	62	2	64
Contingency and Inflation	595	467	1,062
Total	3,575	2,025	5,600

a] Details may not add to totals due to rounding.

All services financed under the project -- except the evaluations -- will be provided under a single host country contract, which will be written to permit the contractor to sub-contract for short-term consultants and participant training. Direct disbursement procedures will be used for both U.S. dollar and Kenyan shilling payments under the contract. Separate invoices for both dollar expenses and shilling expenses will be submitted quarterly by the contractor to the appropriate GOK contracting officer for certification. The contracting officer will, in turn, forward these documents to the AID project officer for administrative approval, who in turn, will forward them to the AID controller for verification and payment. Actual payment will be made either in Kenyan shilling checks or U.S. dollar checks prepared by the Regional Finance Officer in Paris.

Each of the project components listed in Table IV-1 is discussed below.

Long-Term Advisors. Total AID-financed costs for the long-term advisors (12 person years) are estimated at $1,713,000, or approximately $143,000 per person year. The figure includes a base salary (which is an average figure that incorporates a 5 per cent annual increase), a 30 per cent benefit factor (which is comparable to contracts with which the Mission has had experience), and a cost-of-living allowance (which is comparable to that received by an "average" AID direct hire FSR 4 officer). It also includes a 70 per cent overhead rate, which is calculated on salaries, benefits, and the cost-of-living allowance. Direct support costs included in the figure are, inter alia, transportation to and from Nairobi, shipment of household effects and POV, partial housing costs, furniture, storage, and education allowance.

Short-Term Consultants. A total of 40 person months of short-term consultants are provided under the contract to complement the work of the long-term advisors. Costs for this assistance are estimated at $554,000, or about $14,000 per month. These costs include base salary, overhead at 200 per cent of salary (including benefits and home office support), per diem in Nairobi, and transportation.

Training. The project finances both short-term training (in Kenya) and long-term training (in Kenya and overseas). The short-term training includes 8 courses at the KIA (each 13

weeks long), with 20 participants in each course, at an average cost of $560 per participant. In addition, short-term workshops of about 3 days each will be provided to about 900 participants at a cost of $90 each (plus support costs).

The project finances 24 person years of long-term training overseas; total costs per participant (of which there will be 12) are estimated at $24,600 per year. Eight participants (8 person years) will be trained to the B. Phil. level at the University of Nairobi at an average cost of almost $5,000 per year. Finally, 4 participants (8 person years) will be seeking M.A. degrees in Economics at the University of Nairobi at an average annual cost of about $2,000. AID will finance the bulk of the overseas training (98 per cent) and the GOK will finance the bulk of the training in Kenya (70 per cent). AID will approve all participant training sub-contracts let by the contractor with respect to curriculum and selection of institution.

Office Expenses and Kenyan Salaries. Office expenses are estimated at $92,000, of which the GOK will absorb almost 80 per cent. This includes the salaries of a part time administrator/bookkeeper and three secretaries; office space, communications and copying expenses; and books and periodicals.

Kenyan salary expenses are estimated at $967,000, plus 15 per cent for overhead and administrative costs for a total of $1,112,000. These are the salaries of persons who will be trained under the project and the salaries of three new persons who will be hired under the project.

Evaluation. The project provides funds for four person months of external consultants and four person months of Kenyan consultants to carry out evaluation work. AID costs for this evaluation are estimated at $62,000 (or about $16,000 per person month). A separate contract will be required to carry out the two evaluations scheduled under the project.

Contingency and Inflation. A flat 10 per cent has been added to total project costs for both the AID and GOK contributions to cover unforeseen contingencies. In addition, an inflation factor of 10 per cent has been added to the AID contribution and 20 per cent to the GOK contribution; this

assumes that inflation in Kenya will rise more rapidly than in the U.S. Together, these two items total over $1 million, or about 19 per cent of total project costs, and 17 per cent of AID costs.

A disbursement schedule for each of these budget items is provided below in Table IV-2. Table IV-3 indicates the AID contribution by year in terms of both U.S. dollars and Kenyan shillings.

Table IV-2. Disbursement Schedule, by Budget Item, Source of Contribution, and Year ($000)[a]

Component	Year 1		Year 2		Year 3		Year 4		Total	
	AID	GOK	AID	GOK	AID	GOK	AID	GOK	AID	GOK
Long-Term Advisors	493.4	53.3	373.7	40.3	422.0	40.3	423.5	40.3	1,712.6	174.2
Short-Term Consultants	248.9	-	194.6	-	55.3	-	55.3	-	554.1	-
Training	-	-	211.4	60.9	211.4	67.1	204.2	67.1	627.0	195.1
Office Expenses	4.8	17.9	5.8	17.9	4.8	17.9	4.8	17.9	20.2	71.6
Kenyan Salaries	-	31.5	-	360.0	-	360.0	-	360.0	-	1,111.5
Evaluation	-	-	-	-	30.9	1.0	30.9	1.0	61.8	2.0
Contingency & Inflation	149.4	30.9	156.8	143.4	145.0	145.8	143.8	145.8	595.0	465.9
Total	896.5	133.6	942.3	622.5	869.4	632.1	862.5	632.1	3,575.0	2,025.0

a] Details may not add to totals due to rounding.

Table IV-3. AID Contribution, by Year, in Dollars and Kenyan Shillings ($000)[a]

Year	$	K. Sh.	Total
Year 1	850.8	45.7	896.5
Year 2	864.0	77.7	941.7
Year 3	791.7	77.7	896.4
Year 4	784.8	77.7	862.5
Total	3,291.3	278.8	3,575.0

a] Details may not add to totals due to rounding.

V. IMPLEMENTATION PLAN

A. Administrative Arrangements.

Government of Kenya. The Grantee and Contracting Party is the Government of Kenya (GOK). The GOK agency responsible for implementing the project is the Rural Planning Division (RPD) of the Ministry of Economic Planning and Development (MEPD).

Reports. The RPD of the MEPD will provide the reports listed below: (a) Prospective annual work plans for years 2, 3, and 4; (b) Annual training plans for participants; USAID and/or the contractor will assist as may be necessary; (c) Quarterly progress reports; and (d) Other reports as required by AID.

AID. USAID/Kenya has the necessary delegations of authority to implement the project. For AID implementation purposes, management authority will be in the Agriculture Division, from which one officer will be designated Project Manager. He will be assisted by other officers of the Division as necessary. REDSO/EA will provide legal, contracting, and other specialized personnel as required.

B. Implementation Schedule.

A detailed Implementation schedule is provided in Annex C.

C. Implementation Arrangements.

Implementation will require a new contract between a U.S. university (or other appropriate entity) and the GOK (as represented by the MEPD) to supply personnel and associated services to the MEPD as follows: (a) Senior Advisor (4 person years); (b) Projects Specialist (4 person years); (c) Financial Systems Specialist (4 person years); (d) Consultants (40 person months); and (e) Participants for off-shore training (24 person months).

A second new contract may be required between a U.S. entity (consulting firm or university) and the GOK or USAID to provide 4 person months of consulting services for evaluation.

VI. EVALUATION

Schedule of Evaluations. Taken together, Rural Planning I and Rural Planning II will cover a period of approximately nine years. The first phase, which covered about half this period, was evaluated formally and in-depth by an outside consultant. Evaluation of the first phase was also an inherent function of the team of consultants that assisted the Mission in the design of Rural Planning II.

Two in-depth evaluations by outside consultants are scheduled for this project. The first will be carried out two years after the project commences and the second at the completion of the project. Institutionalization of a decentralized planning process is a long-term undertaking. At the end of the project, operations will have continued for almost a decade. A particularly comprehensive and rigorous evaluation will be scheduled at that time to examine project results for the entire period. Project funds in the amount of $64,000 have been budgeted for four person months of external consultants and four person months of Kenyan consultants to perform these two evaluations.

In addition, the Mission will conduct periodic reviews of project implementation to examine project progress, problems, and issues. Host country representatives will participate in these reviews to the extent feasible.

Baseline Data. The specific criteria against which the project will be evaluated will be the project's logical framework and implementation schedule and the contractor's detailed time-phased work plans. Most of the baseline data required for project evaluation are either currently available or will become available during the normal course of project implementation. However baseline data against which to measure changes in local participation in the planning process are not available. The contractor will be required to collect such data, perhaps on a sampling basis, at the beginning the project, and details concerning this task will be included in the initial work plan.

Host Country Collaboration. One of the key elements of the project is (a) to identify certain planning and budgetary decisions which are currently made in Nairobi or strictly along intra-ministerial lines, but which should be made at the district level; and (b) to develop mechanisms and procedures so that information and decision-making authority is devolved to the district level for those ministries responsible for high rural impact programs. In order to foster support for this project element, it will be important for the operating ministries to be substantively involved in the evaluation process.

Evaluation Training. The training-design consultant will assess the need for any specialized training in evaluation, either at headquarters or the district level, and as appropriate, make recommendations and plans for such training.

VII. CONDITIONS AND COVENANTS

A. Conditions Precedent to Disbursement.

Prior to any disbursement by A.I.D., or the issuance of any commitment document under the Agreement, the Government shall, except as A.I.D. may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D.:

1. A statement of the names of the persons holding or acting in the Office of the Permanent Secretary, Ministry of Economic Planning and Development, and a specimen signature of each person specified in such statement.

2. An executed contract for advisory services, consultants, and training, with terms and format acceptable to A.I.D., between the Government and a U.S. university or other appropriate entity.

3. Evidence that a qualified counterpart for each long-term advisor has been provided to work with the advisors on the job and to be available for training. The Government agrees that it will use its best efforts to ensure that counterpart positions are made available to qualified women applicants on an equal basis to that of men.

If the conditions herein stated have not been met within ninety (90) days from the date of the Project Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate the Project Agreement by written notice to the Government. When A.I.D. has determined that these conditions precedent have been met, it will promptly notify the Government.

B. Covenants.

The Government covenants that it will provide, except as A.I.D. may otherwise agree in writing, prior to the arrival of the training-design consultant, a qualified counterpart who, upon the departure of the training-design consultant, shall be responsible for overseeing the training program for the remainder of the Project.

2. The Government covenants that it will maintain the Rural Planning Division staff level of thirteen (13) professionals, except as A.I.D. may otherwise agree in writing.

3. The Government covenants that it will: (a) provide qualified Kenyans for overseas training; (b) provide available posts for them upon their return; (c) pay one hundred (100) percent of their salaries while abroad; and (d) bond those trained abroad for a period equal to twice the duration of their foreign training.

4. The Government agrees that it shall provide adequate working space and support staff for all advisors and consultants provided under the Project Agreement.

5. The Government agrees to furnish to A.I.D. the contractor's long-range work plan for A.I.D. approval within six (6) months from the date of arrival of the first long-term resident advisor for the contract funded hereunder.

6. The Government agrees to make available to A.I.D. for its review and comment the contractor's quarterly progress reports submitted in accordance with the contract.

ANNEX A

THE RURAL PLANNING DIVISION: FUNCTIONS, ORGANIZATION, AND STAFFING

The Ministry of Economic Planning and Development (MEPD) has primary responsibility for coordinating all economic planning operations of the GOK. It operates the Scheme of Service for Economists and Statisticians (the personnel system for all economists in Government), and it seconds officers in the Scheme of Service to other ministries. The central organization most directly responsible for rural planning is the Rural Planning Division (RPD) in the MEPD.

The RPD was first created as the Regional and Physical Planning Unit to house the Special Rural Development Program. When it became the Rural Planning Unit, its functions were expanded to include other rural development programs and to assure responsibility for provincial and district planning. In 1978, the Unit, upgraded to the Rural Planning Section, became responsible for the coordination of all rural development activities. These included decentralized planning, all sectoral programs at the district level, the district and regional projects under the Arid and Simi-Arid Lands Development Program, as well as the rural development programs traditionally within its purview. The Section, elevated in status to the Rural Planning Division in August 1979, later took over the Rural Services Coordination and Training Unit (RSCTU), which is to coordinate the various extension services and to monitor and evaluate all rural services, institutions and programs.

The Ministry is proposing to carry out an internal assessment of its organization, and some changes may be forthcoming in the RPD. In January 1978, the Information and Organization Specialist, in consultation with his Kenyan counterparts, identified five principal functions, on-going and proposed, for the RPD as follows:

1. Supervise Rural Development and District Planning.

   (a) Coordinate and direct RPD officers.

   (b) Coordinate and direct activities of the Provincial Planning office.

(c) Provide professional guidance and advice to the District Development Committees (DDCs).

(d) Provide budget estimates for the RPD.

(e) Serve as primary liaison to other sections of the MEPD.

(f) Serve as primary liaison to planning units in other ministries.

2. Promote and Coordinate all Rural Development Activities.

(a) Plan, coordinate, and supervise integrated development programs.

(b) Plan and manage special development projects.

(c) Coordinate and process Rural Development Fund (RDF) applications.

(d) Inspect and audit RDF projects.

(e) Monitor the planning and implementation of all projects to be implemented by the various operating ministries in rural areas (proposed function).

3. Promote and Coordinate District Planning.

(a) Prepare, publish, and distribute District Development Plans.

(b) Provide district planning information.

(c) Review DDC minutes.

4. Plan Service Center and Rural Infrastructure Development (proposed function).

(a) Monitor and evaluate the development of the designated service centers and growth centers.

(b) Review and coordinate physical planning in the districts.

(c) Coordinate urban development policy with rural development programs.

5. Coordinate Rural Services and Training Programs and Institutions.

(a) Plan for initial, in-service, and long-term training of field officers.

(b) Cordinate extension services (proposed function)

(c) Monitor and evaluate rural services (proposed function).

Since the summer of 1976, the number of permanent Kenyan staff in the RPD has increased from four (three Kenyans and a U.N. advisor) to 13 (plus three Kenyan officers on temporary duty and three expatriate advisors supported under Rural Planning I). These 13 positions include the Deputy Chief Economist and Head of the Division, 7 Planning Officers (including two on study leave), a Chief Accountant, an Assistant Secretary, and three officers working in the RSCTU.

The advisors provided under this project will be assigned as follows:

Senior Advisor - Rural Planning Division Head
Projects Specialist - Small Projects Section
Financial Systems Specialist - District Support Section

The overall preponderance of staff associated with decentralized planning are located at the provincial and district levels. Currently, there are seven Provincial Planning Officers (PPOs), who are members of the Scheme of Service for Economists, and six Provincial Planning Assistants (PPAs) in Kenya's seven provinces. There are also four engineering advisors and two planning advisors at the Provincial level. District Development Officers (DDOs) are in place in all of the 40 districts and there is one District Program Officer.

The last two national development plans have identified the district as the fundamental unit for planning and implementing development activities. The Development Plan, 1979-1983 includes powerful mandates for further strengthening the district's role in planning and implementation. With an average population of 375,000, the district is large enough to permit an intelligent formulation of needs, yet small enough to permit the development of local participatory institutions of which the DDC is the most important.

DDOs are selected primarily for their administrative abilities. Their role is basically operational; they are not trained economists or planners. Although they are officers of the MEPD, they are seconded to the Office of the President to which all Provincial and District Commissioners are assigned. Their specific duties are as follows: (a) serve as Secretary/member of the DDC by preparing agendas for DDC meetings, taking minutes, and following up recommendations; (b) serve as Secretary/member of all DDC sub-committees; (c) advise the DDC on policies, programs, and objectives of the national plan; (d) formulate and prepare the district development plan; and (e) coordinate and plan district development projects and programs, and follow up to assure their implementation.

In addition to the District Commissioner as Chairman, and the DDO as Secretary, DDC membership consists of district level department heads of the various operating ministries, County Council heads, members of Parliament from the locality, and other selected leaders. DDC meetings serve as a forum for discussing development issues and for coordinating development activities. DDCs approve district plans before they are submitted to the central government. Projects covered by the District Development Grant and Rural Works Program, as well as others which have been delegated to the district, are sited by DDCs. Although actual responsibility for implementation of projects resides with the appropriate ministry officer, DDCs monitor the progress of such implementation. Thus, it is on the strength of the DDCs and its members that district planning and implementation rests.

Kenya's approach to decentralized decision-making combines three modes: (a) deconcentration; (b) delegation; and (c) devolution. It includes deconcentration, as decisions are moved downstream within GOK ministries. It includes delegation, as DDCs consist of elected members of Parliament and

County Council members, plus a small group of representatives from quasi-government entities and voluntary organizations. It includes devolution, as decisions are being entrusted to DDCs which are clearly not GOK entities. In a highly centralized, headquarters-dominated system, moving decision-making from the centre to sub-ordinate levels is not a rapid process, but it is probably the only practical way to assure that the process works. Incrementalism, in a non-revolutionary setting, can be the most effective way of inducing change.

More rapid institution building of this nature has typically been constrained in most developing countries by three principal factors: (a) the high turnover and occasionally the absence of national staff; (b) the manner in which the foreign advisors are integrated into the planning operation; (they should operate as individual advisors fully integrated into the established hierarchy, rather than as an independent unit); and (c) the weak emphasis placed on training and staff development. Evaluated in this context, the results of Rural Planning I have been favorable. Another problem, particularly in Africa, is that foreign staff are often called upon to act in an operational capacity despite their formal advisory role. However, this has typically had no measurable impact (positive or negative) on institution building; indeed, the factor most crucial has been the advisors' contributions to staff development. While this has constituted a major objective of Rural Planning I, it will be more heavily emphasized in Rural Planning II, particularly at the district level. (See UNDP, Interim Summary Report on the Evaluation Study of UNDP-Financed Technical Cooperation in Development Planning, April 5, 1978.)

ANNEX B

THE RURAL DEVELOPMENT FUND

Background. District planning over the past several years has increased in sophistication, and some district plans represent a careful analysis of district potential and Government programming. However, the actual budgetary authority needed to complement the planning institutions and personnel has been limited to the EEC Micro-projects Fund and the Rural Development Fund (RDF).

In the case of the EEC Fund, the responsible district officer of the operating ministry and the District Development Committee (DDC) formulate proposals and prepare projects in detail. The local decision concerning the project is then forwarded to the Ministry of Economic Planning and Development (MEPD). Once the project is approved by the MEPD, the Authority to Incur Expenditure (AIE) is forwarded to the relevant operating ministry and the project becomes a part of that ministry's program in the district. In this fashion, implementation, maintenance, accounting and reporting problems become the responsibility of the operating ministry, while allocation decisions and budgetary powers are exercised by district personnel and district planning institutions, institutions which, in some respects, are accessible by non-government individuals and interest groups.

Awarding AIEs to operating ministries has made them more willing to implement these projects, as has the amount of money they represent. However, while implementation is faster, the fact that the operating ministry is in control often encourages the continuation of the negative effects of over-centralization, for example, through central procurement of materials (which boosts the Nairobi economy) rather than local procurement (which would have local and rural spread effects). Moreover, central procurement often does not even represent economic efficiency, since the cost of procurement from Nairobi in some cases is substantially higher than it would have been locally. EEC micro-projects, therefore, while popular and while more rapidly and successfully implemented than is frequently the case with "harambee" or RDF projects, nevertheless suffer from some of the same problems that characterize the whole ministerial syndrome of over-centralization.

The RDF has been designed in part, to counter this syndrome, since it provides some budgetary power to district level institutions, particularly DDCs. As the locus for RDF budgetary decisions , the DDCs are viewed as something more than discussion or plan-writing forums. Indeed the RDF has, in considerable measure, been the focus of district planning instititions, including the DDC and the office of the DDO.

The second major reason for the development of the RDF has been the desire to provide some measure of financial support to the many "harambee" (self-help) projects that continue to emerge, often in a fairly highly charged political atmosphere, at the initiative of local people. The "harambee" movement was the creation of Kenya's first President, Jomo Kenyatta, in an effort to counter the widespread post-independence view that political independence per se would provide a cornucopia of material development. It has provided a constructive channel for political energies and locally appealing projects, while substantially deflecting concern for the main allocation and investment programs of the Government. While "harambee" projects have frequently, and quite deliberately, pulled Government resources in the direction of the initiatives of local interest groups (as when "harambee" schools or clinics are taken over by the Government even though the Government may not have agreed with, and may even have opposed, the site chosen), they have not, in general, been the recipients of Government subventions. The RDF is one of the few channels through which the Government provides district financial support to, and also some degree of control over, local initiatives and fund-raising efforts. The District Development Grant (DDG) specifically provides matching funds to supplement those collected by local people for approved "harambee" projects.

Problems of the RDF. The RDF, despite its quite modest size and scope, is a program that clearly goes against the grain of administrative procedure and rationale in sectoral ministries. It is therefore to be expected that problems of both procedure and substance should surface.

Procedural and Administrative Problems. In September 1979, a Joint Evaluation carried out by the GOK, NORAD, SIDA and DANIDA recommended that a major expansion of the RDF be avoided, primarily because of the limited absorptive and implementing capacity of the program. The gap between fund allocations to projects and fund expenditures reached such dimensions in 1977/78 that a virtual embargo was imposed on additional allocations. The problem was not lack of funds; the problem was an apparent lack of the capacity to spend the funds allocated. External donors, especially the Scandinavian countries, but also the Netherlands and Canada, were willing to contribute to the RDF, but only if the money was being spent. (The question of how productively was spent in terms of GOK and donor objectives tended to be a second order problem.) Fund allocations and expenditures are summarized in Table 1.

Recent Administrative Reforms. The causes of these delays have to some extent been recognized and dealt with by administrative changes in the implementing system. The first change was that the District Commissioner (DC), as Chairman of the DDC, now holds the AIEs for approved projects. Previously these expenditure authorities were held by the Provincial Planning Officers (PFOs) who were not necessarily current on the status of district level projects, and who were frequently unwilling to issue procurement authorizations on the basis of incomplete information.

The second change was that AIEs now have a life-span of two years after which unspent money is returned to the RDF pool for re-allocation.

A third change proposes that projects dependent on specified "harambee" contributions should not receive a RDF allocation until the total "harambee" amount has been collected. This is in response to situations in which the commitment or even the capacity to raise money for proposed projects has not been confirmed. This problem of approving "harambee" projects without matching contributions has been particularly severe when they have been initiated by individuals and even officials without widespread support.

Table 1. RURAL DEVELOPMENT FUND ALLOCATIONS AND EXPENDITURES, K.Sh., 1974/75 - 1977/78

Year	Allocation	Expenditure	Cumulative Allocation	Cumulative Expenditure	Cumulative Unexpended Allocation	Cumulative Expenditure as % of Cumulative Allocation
1974/75	555,900	324,700	555,900	324,700	231,200	58%
1975/76	1,364,000	573,600	1,919,900	898,300	1,021,600	47%
1976/77	1,464,000	919,050	3,383,900	1,817,350	1,566,550	54%
1977/78	395,700	715,100	3,779,600	2,532,450	1,247,150	67%

Source: "Minutes of a meeting with Donors of RDF held on 3rd August, 1979, at RSCTU Library, 5th floor, Agip House."

There is some pressure on officials to stimulate "harambee" projects in their areas, and aspiring politicians are frequently judged by their ability to initiate and attract funds to locally desired projects. There is also a multiplicity of such pressures on local administrators, with the result that unearmarked "harambee" group funds, which have been collected with one project in mind, have become a target for diversion to more politically loaded "harambee" calls. The result is frequently a wide gap between the estimated local financial support and that which actually is forthcoming.

On the other hand, the requirement to lodge the full "harambee" contribution in the district revenue office can have negative consequences at the district level if approval and action on project applications are not forthcoming from the Treasury in good time, because funds so deposited do not earn interest. It should be possible to devise a procedure whereby "harambee" groups can deposit money in a commercial account for a specific project, with a DC's or DDO's counter-signature required for withdrawal. Not only would the money earn interest while applications were being approved, but the funds would be less vulnerable to politically pressured administrative diversion.

Another attempt to improve the implementing capacity for RDF projects is the creation of a cadre of donor-financed Rural Engineering Advisors. A number of problems have arisen in technical areas such as the design and costing of individual projects, and the implementing ministries have not had the time, inclination, or capacity to resolve them. Each province except North Eastern now has an engineer based at provincial headquarters to meet this need.

In addition to engineering personnel, the Rural Planning Division (RPD) has begun to procure equipment to handle various implementation problems of RDF projects. A number of trucks have been acquired and are in place, generally at provincial headquarters. These trucks, like the engineers, are designed to supplement the capacity of the operating ministries to implement RDF projects.

The RPD has also established a complete accounting and auditing capacity to handle the RDF. An inspectorate has been created with a Chief Accountant who travels widely to review the books and projects of each district.

Despite these various attempts to increase the implementation capacity for RDF projects, serious problems apparently remain. The problems may be inherent for any planning ministry without the capacity or responsibility at the district level for management, implementation or functioning of projects at that level. The April 1980 Progress Report on the RDF (p.5) cites one district where 23 projects were reported as completed. Of these, however, 12 roads could not be utilized due to lack of bridges and maintenance. Thirty-two other projects were at a standstill for various reasons, including lack of supplementary grants. Nineteen other projects had not started. The same document (p.7) states: "As has been indicated from the available progress reports, implementation rate of RDF projects has not been very impressive. Priority during 1980/81 should be to complete all uncompleted projects."

Substantive Problems. The most obvious substantive problem concerning the RDF is that the objective to support local initiatives and fund-raising efforts tends to conflict with the objective to distribute funds to the areas of greatest need, or at least to distribute funds equitably. The ability to organize, initiate, and implement projects tends to be concentrated in the relatively more developed areas, and the capacity to raise funds from local people is inevitably dependent on their wealth. As a result the distribution of funds on the basis of "harambee" initiatives tends to bias the allocations in favor of the more developed and richer areas. The June 1979 Progress Report on the RDF lists completed projects by province. The total value of all completed projects was K£ 179,918, and of this, projects valued at K£ 103,630, or 57.6% of the total, were located in Central Province, the country's richest and most developed province.

To redress this distributional problem, and also to help the intra-district allocation procedure, RDF allocations among districts are now made annually on an *a priori* basis, with

specific redistributional criteria included in the allocation formula. While the exact formula is complex, it was worked out roughly as follows:

1. Initial inter-district allocations are made in proportion to each district's population.

2. The share is increased for those districts with a lower proportion of high and medium potential land (based on the Statistical Abstract).

3. The share is further increased for those districts with a lower proportion of its population engaged in wage employment.

4. The share of each district is raised or lowered in proportion to its receipt of famine relief.

5. A final adjustment is made to raise a district's allocation to at least KE 5,000 in districts where that figure is not reached.

These factors, together with the introduction of a sliding scale to measure self-help contributions (between 10% and 50%), substantially help to redress the institutional and material imbalances between regions, so that the RDF is more "neutral" in its impact and does not contribute to the disparities among regions.

Thus, the RDF has undergone both procedural and substantive changes, based on serious internal and donor evaluations, that will streamline it and help it meet the objectives set by the GOK and the donor countries. Although these alterations are too recent to have had a major impact, some field personnel (particularly DDOs) report a decided improvement in project implementation as a result of the transfer of AIEs to the DC. Others caution that while recently approved

projects seem to go ahead on schedule, the backlog that accumulated between 1975 and late 1977 has not been appreciably affected. In some cases, those unfinished and sometimes unfinishable projects hold up the approvals of new projects. In one or two cases, the new allocational formula has resulted in a decrease in the allocation to certain peripheral areas, causing understandable complaints from their residents. While by no means perfect, the improvements may over the long run improve both implementation rates and distributional equity.

Not all of the substantive difficulties with the RDF may be amenable to improvement through pragmatic procedural changes such as these, however. In reviewing RDF procedures and projects, three other characteristics which constitute substantive problems are particularly striking. First, despite the expressed intention of undertaking projects which are "unconventional" or do not fall into the natural bailiwick of the operating ministries, the projects are, in fact, conventional projects of exactly the type that the operating ministries undertake in their normal programs. The 1980 report disaggregates total project allocations into the following categories:

Water projects (including dams)	31.0%
Afforestation and tree nurseries	21.4%
Roads and bridges	15.3%
Soil conservation	8.9%
Cattle dips	5.5%
Small irrigation schemes	4.1%
Others	13.8%

Second, RDF expenditures are relatively insignificant. For the fiscal year ending June 30, 1979, for example, total RDF expenditures for all projects in all districts of Kenya amounted to only K£ 339,898. (Republic of Kenya, The Appropriation Accounts, Other Public Accounts, and the Accounts of the Funds for the Year 1978/79, 1980, p. 801.)

Third, in relation to its expenditures, the RDF has an exhorbitantly large claim on relatively scarce high level manpower resources. Personnel and institutions that should be involved in planning and integrating the major rural programs

of the Government, and relating them to the potential, the capacity, and the desires and needs of the people, are instead spending an inordinate amount of time, effort, and money on what are, in fact, minor additions to the existing programs of the operating ministries. While the RDF has provided a focus for district planning and institutional development in that the DDC and DDO derive what budgetary power they have from it, at the same time, because the rural planning personnel and institutions have virtually been required to concentrate on the RDF, this has resulted in a major diversion of their efforts.

It is clear that making district planning a reality in Kenya is not primarily a matter of providing additional funds for disbursement by the RPD. It is, above all, a matter of devolving the responsibility to make a finite series of development decisions that relate to allocations and policies and that would best be handled by increasingly responsible local level personnel and local level participatory institutions. The further development of these district level institutions and the systematic devolution of carefully specified responsibilities to them are the primary tasks of this project.

The RDF will no doubt continue to provide a vehicle by which the institutions can "practice", as it were, and develop patterns of responsibility and accountability. Having developed such capacity, however, the local institutions are likely to perceive the RDF as diversionary (because of the smallness of its expenditures in comparison with ministerial budgets), as is the case with the MEPD staffs. Neither streamlining nor expanding the RDF is likely to speak to the long term problems of local participation and responsibility. The RDF should be kept in perspective as an instrumental tool of the MEPD for furthering its objectives of expanding local input into, and improving local capability for, overall planning. When its instrumental value is overwhelmed by internally-created (or donor-induced) bureaucratic and logistical demands, such that a planning capability is not being created but rather increasing amounts of MEPD time at both the district and central levels is engulfed solely in managing the RDF, then perhaps the MEPD should reassess the benefits of the RDF.

ANNEX C

IMPLEMENTATION SCHEDULE

DATE OF ACTION	ACTION
August 1980	Project Paper Approved
November 1980	GOK issues RFP to provide advisory assistance and training to the MEPD
November 1980	Initial CP satisfied
January 1981	Proposals received by MEPD
March 1981	Evaluation of proposals completed; GOK selects contractor
April 1981	Contract negotiated
April 1981	Remaining CPs satisfied; counterparts in place
June 1981	Three advisors and Training-Design Consultant arrive Nairobi
June 1982	Mission evaluation completed
June 1983	External evaluation completed; decisions made regarding second tours for advisors
June 1983	Advisors begin home leave
August 1983	Advisors return for second tour
August 1984	Mission evaluation completed
August 1985	External evaluation (final) completed
September 1985	Advisors depart Nairobi

ILLUSTRATIVE IMPLEMENTATION SCHEDULE: TRAINING COMPONENT

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Year 1                    Year 2                    Year 3                    Year 4
x-Senior Advisor arrives and is designated Training Overseer (TO)
x-Training-Desing Consultant (TDC) arrives
x-RSCTU's Rural Planning Training Officer (RPTO) is appointed
x-RPD's 2 Rural Planning Extension Officers (RPEOs) are appointed

  x-Rural Planning Training Panel (TO, TDC, RPTO, and RPEOs) formulate action plan

      x-preliminary training plan completed
            x-final training plan completed

            x-implementation arrangements for short courses completed
               x-----x   x-----x     x-----x     x-----x     x-----x   x-----x     x-----x
                                     (short courses)

            x-TDC departs                         x-TDC arrives (1 month)          TDC arrives-x

             x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x   x
             (2-3 day seminars in various districts, attended by district and sub-district of-
                                    ficials and department heads)

              x-------------------------------------------x
                                   x-------------------------------------------x
                                   (M.A. students abroad)

               x-----------x      x-----------x      x-----------x
                            (M.A. students at University of Nairobi)

               x-----------x      x-----------x      x-----------x
                            (B. Phil. students at University of Nairobi)
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ANNEX D

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

(USE FOLLOWING THIS PLAN OF OPERATIONS FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE YAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Project Title & Number: Rural Planning II, 615-0189

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding $3,575,000
Date Prepared: August 15, 1980

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes:	Measures of Goal Achievement:		Assumptions for achieving goal targets:
Establish a planning system in which district planning constitutes an integral part of the national planning process.	Implementation of a system of resource allocation to and within rural areas that recognizes the needs of the rural poor.	Quantitative analysis of levels of resources (allocated from the center and raised indigeneously in the districts) over which the district has control - compare at beginning and end of project.	GOK maintains comittment to rural development by continuing to provide budget and manpower support to districts.

AID 1010-28 (7-71)
SUPPLEMENT I

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

D-2

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding $2,575,000
Date Prepared August 15, 1980

Project Title & Number: Rural Planning II, 615-0189

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Purpose:	Conditions that will indicate purpose has been achieved: End of project status.		Assumptions for achieving purpose:
Development within the Ministry of Economic Planning and Development, and at the district level, an improved capability to involve rural people in planning and implementing rural development activities in their districts.	A. Implementation of Current District Plans. 1. Increased participation of local people and groups in identifying and implementing development activities. 1.1. District Planning Officers provide policy and technical guidance to district and local development groups and are sensitive to local problems and needs. 1.2. Local organizations, government staff, and interest groups are fully involved in identifying, implementing and evaluating district programs 1.3. Decisions regarding the placement of Government services in local communities include local people's views and inputs by local officials in a collaborative working relationship. 1.4. District Development Committees prepare and defend their development proposals to the national planning staff on a timely basis.	1. Establish baseline data on DDC subcommittees participation in planning process (especially locational/divisional); compare frequency and quality of input into DDC deliberations at end of project. 2. Analyses of DDC performance. 3. Analyses of central and other planning staff performance.	Policy makers and senior officials in the Ministry of Economic Planning and Development remain committed to broad participation in the on-going process of decentralized rural planning and will advance the development priorities as seen by the mass of the rural population.

AID 1011-25 (7-71)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project 4 years
From FY 80 To FY 85
Total U.S. Funding $1,575,000
Date Prepared August 15, 1980

Project Title & Number: Rural Planning II, 615-0189

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Purpose:	Conditions that will indicate purpose has been achieved: End of project status. 2. Consultations between planners and local special interest groups. 2.1 Encourage farmer and trade groups to express their needs to DDCs. 2.2. Encourage bottom-up feedback from those that participate in the DDCs. 2.3 Encourage women's groups to actively participate in the DDCs' deliberations. B. Staff Development 1. Central Government staff capability to administor a Planning Process. 1.1 Conduct relevant training for District and Local officials who are involved in the planning process. 1.2. Identify, develop, monitor and evaluate development Projects in collaboration with local groups. 1.3. Provide disaggregated expenditure information on a District basis. 1.4 Enhance collaborative and cooperative outlook in Government officials who work with DDC in preparing District Development Plans.		Assumptions for achieving purpose:

AID 1020-25 (3-77)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding $3,575,000.
Date Prepared: August 15, 1980

Project Title & Number: Rural Planning II, 615-0189

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Purpose:	Conditions that will indicate purpose has been achieved: End of project status. C. Decentralization of Decision-Making Process. 1. Devolution of the decision-making process for operating ministry programs to District Development Committees. 1.1. Operating ministries establish effective program review procedures that include inputs from DDCs. 1.2 DDCs prioritize operating ministry programs in the allocation of resources process.		Assumptions for achieving purpose:

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Rural Planning, 615-0189

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding: $3,575,000
Date Prepared: August 15, 1980

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Outputs:	Magnitude of Outputs:		Assumptions for achieving goal:
1. District plans modified/updated and implemented.	1. Forty district plans.	1. Check extent current plans modified. Monitoring procedures developed will measure plan implementation status.	1. GOK is able to provide incentives necessary to attract and retain qualified Kenyan economists/planners for the RPD and district/provincial postions.
2. District level plan monitoring procedures designed/implemented.	2. System established in forty districts.	2. Interviews with district officers. Examination of district office records.	2. Operating ministries cooperate in providing disagregated expenditure information and in initiating fiscal devolution to the districts.
3. Small project identification and evaluation system based on experience of implementing current plans.	3. Systems established in forty districts.	3. Same as 2 above.	
4. Strategies formulated for 1984-88 plan period based on experience of implementing current plans.	4. For each of forty districts reflected in published central plan.	4. Same as 2 above plus examination of published 5-year central plan.	
5. System established to automatically provide districts with disaggregated expenditure information for high rural impact ministries/programs.	5. One system providing information flows to forty districts.	5. Same as 2 above.	
6. Current fiscal procedures and decision making process mapped and implementation of a strategy initiated for selected fiscal devolution to districts in one or more high rural impact ministries.	6. System operational in one or more high rural impact ministries.	6. Same as 2 above plus interviews with ministry officials and examination of ministry records.	
7. District Planning Officer cadre launched and skills of RPD and district staffs upgraded.	7. A. 12 district planning officers trained/assigned.	7. Examination of Contractor and and GOK records.	

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding: $3,575,000
Date Prepared: August 15, 1980

Project Title & Number: Rural Planning II; 615-0189

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Outputs:	Magnitude of Outputs: 7. B. 12 officers given academic training C. 160 members of district staffs given 3-month training cource D. 900 district participants given 3-4 day seminars		Assumptions for achieving outputs:

AID 1330-24 (9-78)
SUPPLEMENT A

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Rural Planning II, 615-0189

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding $3,575,000.
Date Prepared: August 15, 1980

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Inputs:	Implementation Target (Type and Quantity)		Assumptions for providing inputs:
1. Long-term U.S. technical advisory service to NEPD.	1. Senior Advisor - 4 person years Project Specialist - 4 person years Financial Systems Advisor - 4 person years GOK Counterparts - 3 officers	All inputs can be verified from USAID, GOK or Contractor records.	1. AID and GOK funds will be available.
2. Short-term U.S. consultant services.	2. In training, information management and systems analysis - 40 person months GOK Counterparts - as appropriate		2. GOK Counterpart personnel and training candidates will be available.
3. Planning assistance to districts (new GOK positions established)	3. 12 District Planning Officers 2 Rural Planning Extension Officers 1 Rural Planning Training Officer		3. GOK will establish 15 new positions and fill them with with qualified officers.
4. Training A. Long-term, overseas B. Long-term, in-country C. Short-term, in-country	4. A. 12 students MA Economics - 24 person years B. 8 students B. Phil - 8 person years 4 students MA Degree - 8 person years C. 400 DDC members 600 Divisional Development and Locational Committee members 60 Officers of Rural Planning Division. Total of 660 person months.		
5. Evaluation Consultant services	5. 4 person months		

AID 1020-23 (7-71)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 4 years
From FY 80 to FY 85
Total U.S. Funding: $3,575,000
Date Prepared: August 15, 1980

Project Title & Number: Rural Planning II, 615-0189

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Inputs:	Implementation Target (Type and Quantity)		Assumptions for providing inputs:
6. Administrative support services	6. Office space, equipment and supplies. Secretarial and clerical assistance. In-country transportation		

ANNEX E

STAFFING PLAN

Senior Advisor.

Duties. This advisor will have overall responsibility for the project. He/she will supervise the other advisors and provide liaison between the contractor and the MEPD, AID, and other agencies as appropriate. He will spend 10 per cent of his time (which will total 4 person years) working with the Training-Design Consultant and the RPD staff member responsible for the short-term training courses. He will maintain a close advisory relationship with MEPD officials and will work with other ministeries on fiscal devolution and decentralization of desicion-making.

Qualifications. An academic background in economics with an emphasis on development economics. Experience in financial and budgetary analysis is highly desirable. Broad managerial experience with economic development programs in developing countries and an understanding of bureaucratic routines and counterpart training needs.

Projects Specialist.

Duties. This advisor will work with headquarters and field staffs to develop criteria and procedures for project selection. By example, he/she will help train staff in project preparation, appraisal, and evaluation methods. Four person years are required.

Qualifications. An M.A. in economics with an emphasis on development economics. Background in project design, evaluation, and management. Experience in developing field level managerial expertise in project planners and implementors.

Financial Systems Specialist.

Duties. This advisor will map existing budgetary processes for key rural-impact ministries; develop systems for an expanded budgetary information flow, both inter-ministerial and between the MEPD and the districts; work on disaggregating budgets and expenditures for the high rural-impact ministries and programs; examine intra-ministerial auditing, accounting, and tendering procedures; and develop a strategy and procedures for selective fiscal devolution to the districts. Four person years are required.

Qualifications. Training in economics and accounting, with an MBA desirable. Management experience. Sensitivity to political and bureaucratic implications of budgetary analysis.

Training-Design Consultant.

Duties. This consultant will have primary responsibility for structuring the content and procedures of the training program. He/she will spend 6 months at the beginning of the project in Nairobi for this purpose. A second training-design consultant will appraise progress at mid-term and again at the end of the project.

Qualifications. A professional educator in planning, preferably with extensive experience in rural development planning in developing countries. Familiarity with, and work experience in, Kenya is highly desirable.

Rural Planning Extension Officers.

Duties. Two Kenyan staff members will be hired on a permanent basis to work in the RPD but spending at least half of their time in the districts. They will encourage inter-ministerial coordination at the district level and develop systemic and strategic approaches to multi-sectoral planning. They will advise DDOs and DPOs about new methods,

new regulations, and new RPD programs, and they will function as a key communication link between RPD headquarters and district officers, and among district officers. They will serve as councilors, teachers, mentors, and collaborating colleagues to DDOs and DPOs. One of the Rural Planning Extension Officers will also serve as the Kenyan counterpart to the Training-Design Consultant and as the RPD's short-term training course manager. He/she will be responsible for contracting with the KIA and other institutions for short-term courses and other training activities that require outside agents.

Qualifications. An M.A. degree in economics and/or planning. Field experience as a DDO is desirable, as well as instructional experience. The officer who will serve as educational manager should also have had managerial, and preferably educational, experience.

RSCTU District Planning Officer/Training.

Duties. This officer will be hired on a permanent basis with the MEPD. He/she will be the Kenyan manager of the workshop and seminar programs. He will provide liaison with RSCTU senior officers, and will be responsible for organizing and managing the 2-3 day workshops.

Qualifications: An M.A. in economics and/or planning, Skills as a group leader and an instructor. Experience as an education administrator is desirable.

ANNEX F

COUNTRY CHECKLIST, FY 1980[a]

A. General Criteria for Country Eligibility.

1. FAA Sec. 116.

   (a) It can be demonstrated that a significant amount but not all the contemplated assistance will directly benefit the needy.

   (b) The Department of State has made no such determination.

2. FAA Sec. 481.

   No such determination has been made.

3. FAA Sec. 620(b).

   The Secretary of State has made such determination. Kenya is not a part of, or controlled by, the international communist movement.

4. FAA Sec. 620(c).

   No.

5. FAA Sec. 620(e) (1).

   No.

6. FAA Sec. 620(a), 620(f), 620D; FY 80 App. Act. Sec. [511, 512 and 513.].

   No.

7. FAA Sec. 620(i).

   No.

8. FAA Sec. 620(j).

   No.

a] The questions to which these answers refer are listed beginning on page F-9 of this annex.

9. FAA Sec. 620(l).

Kenya has instituted the program.

10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5.

Kenya has not seized, or imposed any sanction or penalty against, any U.S. fishing activity in international waters.

11. FAA Sec. 620; Fy 80 App. Act Sec. [518].

No.

12. FAA Sec. 620(s).

Yes, taken into account by the Administrator at time of approval of Agency OYB.

13. FAA Sec. 620(t).

No.

14. FAA Sec. 620(u).

Kenya is not in arrears.

15. FAA Sec. 620A, FY 80 App. Act , Sec. [521].

No.

16. FAA Sec. 666.

No.

17. FAA Sec. 669, 670.

No.

B. Funding Source Criteria For Country Eligibility.

1. Development Assistance Country Criteria.

a. FAA Sec. 102(b) (4).

Yes, as most recently reported in USAID/Kenya cable Nairobi 19306 dated 10/26/79.

b. FAA Sec. 104(d) (1); IDC Act of 1979.

Yes. This specific activity is aimed at more fully involving the rural poor in planning and implementing economic development activities in their communities.

2. Economic Support Fund Country Criteria.

a. FAA Sec. 502B.

Kenya has not engaged in a consistent pattern of gross violations of human rights.

b. FAA Sec. 533(b).

N/A

c. FAA Sec. 609.

Special Account arrangements will be an integral part of bilateral agreements which obligate ESF funds.

d. FY 80 App. Act Sec. [510.].

No.

e. FAA Sec. 620B, P.L. 94-329 Sec. 406.

N/A

PROJECT CHECKLIST

A. General Criteria for Project.

1. FY 80 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b);.

   (a) Normal CN procedures have been followed.

   (b) Yes.

2. FAA Sec. 611(a) (1).

   Yes. See relevant sections of PP.

3. FAA Sec. 611(a) (2).

   No further legislative action is required.

4. FAA Sec. 611(b); FY 80 App. Act Sec. [501.].

   Not applicable.

5. FAA Sec. 611(e).

   Not applicable.

6. FAA Sec. 209.

   The project is not susceptible of execution as a regional or multilateral project.

7. FAA Sec. 601(a).

   The project is intended to establish a planning system in which district planning constitutes an integral part of the national planning process. Therefore, this section is not applicable.

8. FAA Sec. 601(b).

   The project will not have an effect on U.S. trade. U.S. contractors will be used to provide technical assistance under the project.

9. FAA Sec. 612(b); Sec. 636(h).

The GOK will contribute $2,025,000, about 36% of total project costs, and about 88% of local currency costs.

10. FAA Sec. 612(d).

No.

11. FAA Sec. 601(e).

Yes.

12. FY 80 App. Act Sec. [521.].

Not applicable.

B. Funding Criteria for Project.

1. Development Assistance Project Criteria.

a. FAA Sec. 102(b); 111; 113; 281a.

The project purpose is to develop within the Ministry of Economic Planning and Development, and at the district level, an improved capability to involve rural people in planning and implementing rural development activities in their districts. As such, participation of the poor, including women, and the support of self-help efforts, are integral to the entire project.

b. FAA Sec. 103, 103A, 104, 105, 106, 107.

See 1.a. above which is applicable to 1.b. (1), FAA Sec. 103.

c. [107].

Not applicable.

d. FAA Sec. 110(a).

The GOK will contribute about 36% of total project costs.

e. FAA Sec. 110(b).

Not applicable.

f. FAA Sec. 281(b).

The project emphasizes the recognition of the needs of Kenya's rural people by institutionalizing a decentralized planning process, and provides substantial resources for long- and short-term training, overseas and in-country.

g. FAA Sec. 122(b).

Yes.

2. Development Assistance Project Criteria (Loans Only).

Not applicable. This is a grant financed project.

3. Project Criteria Solely for Economic Support Fund.

Not applicable.

STANDARD ITEM CHECKLIST

A. Procurement.

1. FAA Sec. 602.

   Normal AID selection procedures will be used.

2. FAA Sec. 604(a).

   Yes.

3. FAA Sec. 604(d).

   Yes.

4. FAA Sec. 604(e).

   Not applicable.

5. FAA Sec. 608(a).

   Not applicable.

6. FAA Sec. 621.

   Yes. Federal agencies will not be utilized.

7. International Air Transport. Fair Competitive Practices Act, 1974.

   Yes.

8. FY 80 App. Act Sec. [505.]

   The ensuing contract will contain such provisions.

B. Construction.

   Not applicable.

C. Other Restrictions.

1. FAA Sec. 122(b).

   Not applicable.

2. FAA Sec. 301(d).

Not applicable.

3. FAA Sec. 620(h).

Not applicable.

4. FAA Sec. 636(i).

Not applicable.

5. a. FAA Sec. 104(f).

Not applicable.

b. FAA Sec. 620(g).

Not applicable.

c. FAA Sec. 660.

Not applicable.

d. FAA Sec. 662.

Not applicable.

e. FY 80 App. Act Sec. [504.].

Not applicable.

f. FY 80 App. Act. Sec. [506.].

Not applicable.

g. FY 80 App. Act. Sec. [507.].

Not applicable.

h. FY 80 App. Act Sec. [511.].

Not applicable.

i. FY 80 App. Act Sec. [515.].

Not applicable.

5C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights?

2. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully?

3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not dominated or controlled by the international Communist movement?

4. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government?

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

6. FAA Sec. 620(a), 620(f), 620D; FY 80 App. Act. Sec. [511, 512 and 513.] Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos or Vietnam? Will assistance be provided to Afghanistan or Mozambique without a waiver?

7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression

against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression?

8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property?

9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason?

10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters,

    a. has any deduction required by the Fishermen's Protective Act been made?

    b. has complete denial of assistance been considered by AID Administrator?

11. FAA Sec. 620; FY 80 App. Act Sec. [518.] (a) Is the government of the recipient country in default for more than six months on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds?

12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget?

15. FAA Sec. 620A, FY 80 App. Act, Sec. [521.] Has the country granted sanctuary from proscription to any individual or group which has committed an act of international terrorism? Has the country granted sanctuary from prosecution to any individual or group which has committed a war crime?

16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA?

17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty?

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria.

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy.

b. FAA Sec. 104(d)(1); IDC Act of 1979. If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, assistance to urban poor and through community-based development programs which give recognition to people motivated to limit the size of their families?

2. Economic Support Fund Country Criteria.

a. FAA Sec. 502B. Has the country (a) engaged in a consistent pattern of gross violations of internationally recognized human rights or (b) made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Angola, Mozambique, Tanzania, or Zambia? If so, has President waived prohibition against the assistance by determining that such assistance will further U.S. foreign policy interests?

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

d. FY 80 App. Act Sec. [510.] Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

e. FAA Sec. 620B, P.L.94-329 Sec. 406. Will ESF be furnished to Argentina or Chile?

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE?
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 80 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b): (a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than $1 million over that figure)?

2. FAA Sec. 611(a)(1). Prior to obligation in excess of $100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

4. FAA Sec. 611(b); FY 80 App. Act Sec. [501.] If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

12. FY 80 App. Act Sec. [521.] If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which

assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, a. extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

(4) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; and b. extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(5) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves.

(ii) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problems, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. [107] is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.)

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed" country)?

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

5C(3) - STANDARD ITEM CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?

3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.

4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?

5. FAA Sec. 608(a). Compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates.

7. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services from private enterprise, be furnished on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

9. FY 80 App. Act Sec. [505.] Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States?

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million?

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

2. FAA Sec. 301(d). If fund is established solely by U.S.? contributions and administered by an international organization, does Comptroller General have audit rights?

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries?

4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, sale, longterm lease, exchange or guaranty of motor vehicles manufactured outside the U.S.

5. Will arrangements preclude use of financing:

a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization?

b. FAA Sec. 620(a). To compensate owners for expropriated nationalized property?

c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?

d. FAA Sec. 662. For CIA activities?

e. FY 80 App. Act Sec. [504.] To pay pensions, etc., for military personnel?

f. FY 80 App. Act Sec. [506.] To pay U.N. assessments?

g. FY 80 App. Act Sec. [507.] To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending.)

ANNEX G

REPUBLIC OF KENYA

OFFICE OF THE VICE-PRESIDENT AND MINISTRY OF FINANCE

Telegraphic Address:
FINANCE-NAIROBI
Telephone: 334433
When replying please quote
Ref. No. EA 9/03
and date

THE TREASURY
P.O. Box 30007
NAIROBI
KENYA

OFFICIAL FILE

3th April, 1980.

USAID DISTR(4/8)JM
ACTION: AGR
(DUE:4/17)
INFO:C/DIR;PROG;HRD;CONT;CHRON;RF

ACTION COPY

Action taken: _____

No action necessary: ____

(Initial) (Date)

Mr. Glenwood P. Roane,
Director,
USAID Mission to Kenya,
P.O. Box 30261,
NAIROBI.

Dear Mr. Roane,

The Ministry of Finance of the Government of Kenya hereby formally requests A.I.D. assistance in the area of decentralized rural planning. This assistance, described in the Project Identification Document (PID) for the Rural Planning II Project, is for advisory services and training in the Ministry of Economic Planning and Development. The assistance is necessary and important to permit the Government to continue its support of decentralized decision-making at the district level, primarily through the District Development Committees and related local institutions. As indicated in the PID, this assistance will support the Government policy of encouranging decentralized planning and implementation. We understand that during the preparation of the Project Paper, adjustments may be made in specific project elements in order to incorporate the recommendations of A.I.D. Headquarters in Washington and accommodate our own priorities and needs.

Based on the PID which we discussed with you on March 26, 1980, preliminary costs for the overal project are estimated at approximately $3,200,000 of which the Government will provide not less than 25 per cent. We understand that the A.I.D. contribution would consist entirely of grant funds. The Government recognizes the potential recurrent cost implications of the proposed assistance. However, in view of the fact that this project is essentially a modified continuation of the on-going Rural Planning Project, this will not place an unsurmountable burden on our budget.

As you know, the current project terminates in December of this year, and it is important that the advisory services continue to be provided without a hiatus. Therefore, we request that the PID be submitted to your Headquarters for review and approval, and we urge that this be done promptly.

Yours sincerely,

(Z.N. NYARANGO)
for PERMANENT SECRETARY

INCOMING TELEGRAM AMEMBASSY NAIROBI USAID

UNCLASSIFIED

OFFICIAL FILE
FILE CODE
Proj. 615-0189

ACTION
AGR

ANNEX H

23 JUN 80 09 56

INFO	
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RHUDO	
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PROG	1
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FMR	
PP	1
CHRON	1
CGR	
LMP	
DL	1
ECON	
CFU	1
TOTAL	10
DATE RECD	6/23
DATE DUE	6/30
ACTION TAKEN	
INITIALS	
DATE	

R 221254Z JUN 80
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI 7999
BT
UNCLAS STATE 164637

AIDAC

E.O. 12065: N/A

TAGS:

SUBJECT: RURAL PLANNING II (615-0189) PID REVIEW

1. SUBJECT PID IS APPROVED. REVIEW COMMITTEE, WITH USAID/K REPRESENTATIVE PRESENT, REVIEWED PID ON 13 MAY. FOLLOWING ISSUES WERE IDENTIFIED FOR SPECIAL USAID ATTENTION DURING PREPARATION OF THE PROJECT PAPER: (A) POPULAR PARTICIPATION, (B) ROLE AND TRAINING OF DISTRICT PLANNING OFFICERS, (C) ROL- OF WOMEN IN DEVELOPMENT.

2. POPULAR PARTICIPATION: REVIEW COMMITTEE WAS CONCERNED THAT THE PROJECT ADEQUATELY ADDRESS THE PROBLEM OF INCLUDING CITIZENS IN THE DECISION MAKING PROCESS WHEREBY PROJECT SELECTION OCCURS IN THE DISTRICT DEVELOPMENT COMMITTEES. WHILE IT APPEARS THERE IS ACTIVE CONSULTATION AND PARTICIPATION OF LOCAL CITIZENRY IN SOME DDCS, THERE IS ALSO A TENDENCY FOR OTHERS TO BECOME ENTITIES UNTO THEMSELVES WHICH ACT WITHOUT THE DESIRED SAMPLING OF LOCAL DESIRES. IT WAS NOTED THAT PID INDICATES PP DESIGN TEAM WILL LOOK AT LOCAL PARTICIPATION FROM VANTAGEPOINT OF TRAINING NEEDS. BELIEVE PP DESIGN TEAM COULD ALSO PROFITABLY LOOK AT THOSE DDCS WHERE LOCAL PARTICIPATION HAS BEEN MOST SUCCESSFUL TO TRY TO IDENTIFY POSSIBLE PROJECT INTERVENTIONS WHICH WOULD FOSTER LOCAL PARTICIPATION. PP SHOULD ALSO ATTEMPT TO IDENTIFY INDICATORS OF LOCAL PARTICIPATION WHICH COULD BE USED FOR EVALUATING SUCCESS IN THIS AREA. THIS ENTIRE SUBJECT AREA MUST BE LOOKED AT IN DEPTH BY PP.

3. ROLE AND TRAINING OF DISTRICT PLANNING OFFICERS: SKEPTICISM WAS EXPRESSED ABOUT LEVEL AND VALUE OF ECONOMICS TRAINING PROPOSED FOR DPOS. DESCRIPTION IN PID ON PAGES 14-16 APPEARS APPROPRIATE BUT LATTER IN PID REFERENCE IS MADE TO SAME DPOS AS QUOTE TRAINED ECONOMISTS UNQUOTED AND SOME LONG TERM TRAINING IS RESERVED FOR DPO'S FOR TRAINING PRIMARILY IN ECONOMICS. CONCERN IS THAT BY PROVIDING TOO HIGH LEVEL TRAINING IN A SPECIALITY LIKE ECONOMICS MIGHT MAKE DPO TOO MUCH OF TECHNOCRAT WHICH COULD RESULT IN DISTRICT DEVELOPMENT COMMITTEE BEING LESS WILLING TO INVOLVE LOCAL PARTICIPATION IN THEIR DECISION MAKING. LEVEL

UNCLASSIFIED

OF TRAINING MIGHT ALSO BE CONSIDERED EXCESSIVE TO NEEDS OF PROJECT AND THEREFORE PP SHOULD PROVIDE JUSTIFICATION IF DECISION REMAINS TO PROVIDE U.S. UNIVERSITY TRAINING IN ECONOMICS FOR DPOS.

4. ROLE OF WOMEN IN DEVELOPMENT: PID INADVERTENTLY EXCLUDED SECTION DISCUSSING IMPACT OF PROJECT ON ROLE OF WOMEN. UNDERSTAND GUIDANCE RECENTLY SENT TO MISSION ON PID PREPARATION DID NOT INCLUDE THIS AS REQUIRED SECTION. REQUEST IN FUTURE PIDS DISCUSS THIS IMPORTANT CONCERN FOR AID. WITH REFERENCE TO SUBJECT PID AN ANNEX WAS PREPARED BY MCCLELLAND WHILE IN AID/W. COPY BEING POUCHED. MISSION IS REQUESTED TO GIVE PARTICULAR ATTENTION ON WAYS IN WHICH THIS PROJECT CAN ADDRESS THE PROBLEM OF INVOLVING WOMEN TO A GREATER EXTENT IN DEVELOPMENT PROCESS. TRAINING OF WOMEN AS DPOS WAS ONE SUGGESTION FOR DIRECT IMPACT.

5. OTHER ISSUES.

A. AID/W UNDERSTANDS THAT PROVISION OF DISAGGREGATED BUDGET DATA TO DISTRICT LEVEL WILL CONTINUE TO BE PURSUED. PP SHOULD EXPLAIN IMPEDIMENTS WHICH EXIST TO HAVING ALL MINISTRIES PARTICIPATING IN THIS KEY ELEMENT TO DECENTRALIZATION AND WHAT ACTION(S) GOK MUST TAKE TO ENSURE COMPLIANCE.

B. PID DISCUSSES USING KENYAN INSTITUTE OF ADMINISTRATION FOR TRAINING ASSOCIATED WITH POSSIBILITY OF DDOS AND DPOS. REVIEW COMMITTEE ENCOURAGES MISSION TO ALSO EXAMINE OTHER IN-COUNTRY TRAINING FACILITIES AS WELL AS THOSE IN NEARBY COUNTRIES. EAST AFRICAN MANAGEMENT INSTITUTE IN ARUSHA WAS ONE.

C. INITIAL ENVIRONMENTAL EXAMINATION DEVELOPED BY MISSION REPRESENTATIVE IN WASHINGTON AND IS HEREBY INCORPORATED IN APPROVED PID. FOR PROJECTS IN WHICH NO ENVIRONMENTAL IMPACT IS ANTICIPATED DUE TO PROJECT NATURE A NEGATIVE IEE IS REQUIRED AS PART OF PID.

6. PROJECT REVIEW COMMITTEE DOES NOT CONCUR IN MISSION'S RECOMMENDATION THAT A/AID BE REQUESTED TO APPROVE A SOLE-SOURCE SELECTION WAIVER TO PERMIT HARVARD INSTITUTE FOR INTERNATIONAL DEVELOPMENT TO CONTINUE PROVIDING SERVICES TO KENYAN MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT UNDER THE RURAL PLANNING II PROJECT. UNDERSTAND MCCLELLAND DEPARTED AID/W WITH IMPRESSION THIS APPROVED, HOWEVER, THIS NOT CASE. AID/W BELIEVES COMPETITIVE BID IS MOST APPROPRIATE METHOD FOR SELECTING CONTRACTOR TO IMPLEMENT PHASE II.

7. AID/W CONCURS IN MISSION'S INTENT TO REVIEW AND APPROVE PP AT POST.

8. RECOMMEND MISSION REVIEW GHANA ERDM EXPERIENCE IN TRAINING OF DISTRICT OFFICERS. CHRISTOPHER

ANNEX I

INITIAL ENVIRONMENTAL EXAMINATION

Project Location.....Kenya

Project Title.....Rural Planning II (615-0189)

Funding.....$2,800,000

Life of Project.....Four Years

IIE Prepared by.....Satish P. Shah, Environmental Officer, USAID/Kenya

Date.....April 10, 1980

Recommenation.....Negative Determination

Concurrence.....

Glenwood P. Roane
Director, USAID/Kenya

Date: 4-18-80

Assistant Administrator Decision Approved_____

Disapproved_____

Date_____

I. Project Description

The Rural Planning II project provides technical assistance to the Ministry of Economic Planning and Development (MEPD), and resources to train Kenyan officers at the district level. The purpose of the project is to develop within the MEPD, and at the district level, an improved capability to involve the rural poor in planning and implementing rural development activities in their districts. Project elements include: (a) Implementation of current district development plans; (b) training district officers; and (c) decentralization of development decision-making.

II. Identification of Impacts

All project elements are of an institution building nature and do not raise environmental issues.

III. Recommendation

Based on the above assessment, a negative determination is recommended.