

UNCLASSIFIED

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION
FY 1980**

KENYA

BEST AVAILABLE

**DEPARTMENT
OF
STATE**

JUNE 1978



UNCLASSIFIED

FY 1980

Annual Budget Submission

KENYA

June 1978

Annual Budget Submission

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CHIEF OF MISSION APPROVAL

I approve the program and workforce levels for fiscal years 1979 and 1980 for USAID/Kenya, as presented in the FY 1980 Annual Budget Submission. I further approve the following end-of-year personnel ceilings:

	<u>FY 1979</u>	<u>FY 1980</u> <u>(Proposed Package)</u>
USDH	40	46
FNDH	59	62
PASA	11	7


Wilbert J. LeMelle, Ambassador

Date: 6-8-78

TABLE I - LONG RANGE PLAN
(\$ million)

DECISION UNIT: KENYA

	FY 1978 ESTIMATE	FY 1979 REQUEST	MARK/ MINIMUM	FY 1980		FY 1981	PLANNING PERIOD			
				EXPANSION	PROPOSED		FY 1982	FY 1983	FY 1984	
<u>Food & Nutrition</u>										
Grants	53.1	29.3	20.7	63.7	76.3	35.0	50.0	100.0	125.0	
Loans	29.5	15.0	3.7	13.2	15.8					
	23.6	14.3	17.0	50.5	60.5					
<u>Population</u>										
Grants	1.0	0.6	0.2	0.2	0.2	5.0		5.0		
Loans	1.0	0.6	0.2	0.2	0.2					
<u>Health</u>										
Grants	2.0	15.0		3.2	3.2	10.0	20.0	12.0	25.0	
Loans	2.0	6.0		3.2	3.2					
		9.0								
<u>Education</u>										
Grants		7.7			4.4		10.0	3.0	10.0	
Loans		7.7			4.4					
<u>Total Functional</u>										
Accounts	56.1	52.6	20.9	67.1	84.1	50.0	80.0	120.0	160.0	
Grants	32.5	29.3	3.9	16.6	23.6					
Loans	23.6	23.3	17.0	50.5	60.5					
<u>Other Accounts -</u>										
Disaster Relief	0.1									
Grants	0.1									
Loans										
<u>Total Program</u>										
Grants	56.2	52.6	20.9	67.1	84.1	50.0	80.0	120.0	160.0	
Loans	32.6	29.3	3.9	16.6	23.6	10.0	12.5	20.0	25.0	
	23.6	23.3	17.0	50.5	60.5	40.0	67.5	100.0	135.0	
Pl. 480 (non-add)	2.7	4.3	4.3	4.3	4.3	4.5	4.7	5.0	5.4	
Title II										
Housing Guaranties (non-add)						15.0			20.0	
<u>Personnel (in workyears)</u>										
Mission - U.S.	39.5	48.1	53.6	54.5	55.4	58.0	62.0	66.0	70.0	
- F.N.	52.7	59.5	61.8	63.3	63.3	67.0	74.0	79.0	84.0	
TDY										
<u>Operating Expenses</u> (\$ million)	3.4	3.9	4.5	4.6	4.7	5.0	5.5	5.9	6.5	

ACTIVITY	TABLE III - SUMMARY OF RESOURCES - BY ACTIVITY (FUNDING IN \$ AND OPERATING EXPENSES-FUNDED PERSONNEL IN WORKYEARS (MX. M))												DECISION UNIT		PAGE 1 OF 3			
	FY: 1978				FY: 1979				MARK				MINIMUM		EXPANSION		PROPOSED	
	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/	FUNDING US 1/ FN 2/	PERSONNEL US 1/ FN 2/
PROGRAM ACTIVITIES																		
Food and Nutrition	(33,106)	(8.0)	(22,328)	(13.1)	(20,733)	(14.9)	(20,733)	(14.9)	(63,733)	(15.5)	(76,283)	(16.0)						
0148 Agriculture Credit	122	0.4	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0157 National Range Development	1,082	1.1	681	0.8	998	0.9	998	0.9	998	0.9	998	0.9	998	0.9	998	0.9	998	0.9
0158 Veterinary Faculty	-	0.1	-	*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0162 Rural Planning	700	0.6	742	0.7	387	0.4	387	0.4	387	0.4	387	0.4	387	0.4	387	0.4	387	0.4
0168 Rural Roads Systems	500	0.8	500	0.8	348	0.8	348	0.8	348	0.8	348	0.8	348	0.8	348	0.8	348	0.8
0169 ASSP	49,771	1.3	-	4.5	19,000	5.9	-	5.9	50,000	6.1	50,000	6.1	50,000	6.1	50,000	6.1	50,000	6.1
0170 Roads Gravelling	-	0.9	-	0.8	-	0.9	-	0.9	-	0.9	-	0.9	-	0.9	-	0.9	-	0.9
0174 PFP (OPC)	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
0160 Livestock Loan	-	1.0	-	0.8	-	0.9	-	0.9	-	0.9	-	0.9	-	0.9	-	0.9	-	0.9
0172 Marginal Lands Development (Kitui)	-	0.2	21,000	1.0	-	1.5	-	1.5	-	1.5	-	1.5	-	1.5	-	1.5	-	1.5
0171 ASL I	-	0.7	-	0.8	-	0.6	-	0.6	-	0.6	-	0.6	-	0.6	-	0.6	-	0.6
0184 Terminuserve (OPC)	500	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
0180 Food Crops Research	431	0.6	5,175	1.0	-	1.0	-	1.0	-	1.0	-	1.0	-	1.0	-	1.0	-	1.0
0186 ASAL Development (NEP)	-	*	-	0.5	-	0.7	-	0.7	12,000	1.1	12,000	1.1	12,000	1.1	12,000	1.1	12,000	1.1
0182 Rural Market Centers	-	*	-	0.5	-	0.5	-	0.5	-	0.5	-	0.5	-	0.5	-	0.5	-	0.5
0181 AGAL Pre-Investment Study (NEP)	-	0.1	1,230	0.5	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7	-	0.7
Population	(1,004)	(1.9)	(594)	(1.8)	(216)	(0.6)	(216)	(0.6)	(216)	(0.6)	(216)	(0.6)	(216)	(0.6)	(216)	(0.6)	(216)	(0.6)
0161 Family Planning	735	1.0	124	1.0	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
0165 PSRC	269	0.9	470	0.8	216	0.5	216	0.5	216	0.5	216	0.5	216	0.5	216	0.5	216	0.5
Health	(2,047)	(0.5)	(15,000)	(1.3)	(-)	(1.9)	(-)	(1.9)	(3,180)	(2.2)	(3,180)	(2.2)	(3,180)	(2.2)	(3,180)	(2.2)	(3,180)	(2.2)
0173 IEF (OPC)	821	0.1	-	0.1	-	*	-	*	-	*	-	*	-	*	-	*	-	*
0179 AMREF (OPC)	816	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
0185 CODEL (OPC)	380	*	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
0177 Rural Health Delivery	-	0.3	15,000	1.0	-	1.0	-	1.0	-	1.0	-	1.0	-	1.0	-	1.0	-	1.0
0187 Rural Health Administration	-	*	-	*	-	0.7	-	0.7	3,180	1.0	3,180	1.0	3,180	1.0	3,180	1.0	3,180	1.0

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Agriculture Credit	Kenya	N/A	-
	PROJECT NUMBER 615-0148	INITIAL OBLIGATION FY 71	FINAL OBLIGATION FY 78	TOTAL COST \$2,216
	APPROPRIATION FN	DATE PP/REVISION 4/78	DATE LAST PAR 11/77	DATE NEXT PAR 11/78

ESTIMATED U.S. DOLLAR COST (\$ 000)										
ACTIVITY INPUTS	1978	1979	1980	BY: 1980			PIPE-LINE			
	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE
TOTAL-	\$122	\$303	\$260	-	-	\$247	\$13	-	-	\$13
AFC Advisory Services	47	208	133	-	-	133	-	-	-	-
Academic Training	18	31	52	-	-	39	13	-	-	13
Non-Academic Training	53	38	75	-	-	75	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-	-
Agriculture Credit Study	4	4	-	-	-	-	-	-	-	-
Management Study	-	-	-	-	-	-	-	-	-	-
Evaluation	-	22	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	\$ 57	-	-	-	-	-	-	-	-	-
AFC Direct Support	57	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)				PARTICIPANTS PROGRAMMED				FOOTNOTES	
	1978	1979	1980	1981	1982	BEYOND	TYPE	TYPE		TYPE
PROGRAM ACCOUNT	3.4	1	-	-	-	-	A	LONG-TERM	LONG-TERM	LONG-TERM
TODY (NON-)	.2	-	-	-	-	-	B	SHORT-TERM	LONG-TERM	SHORT-TERM
OPERATING EXPENSES	.4	.2	-	-	-	-				

AID 1330-8 (3-78)

TABLE IVA
Activity Data Narrative

National Range and Ranch Development Project 615-0157

1. Purpose: To increase livestock production by low-income producers, especially nomadic pastoralists.

2. Background: This grant project provides technical assistance to complement activities financed by AID's \$12.85 million loan in support of the multi-donor Phase II Livestock Development Program. Grant assistance is provided for: (1) planning and implementation of range and ranch development, (2) development of ground and surface water in balance with available forage, (3) academic and on-the-job training of Kenyan range and water management personnel, and (4) commodities in support of the foregoing.

Progress to Date: (a) Development of eight grazing blocks (8 million acres) with associated water facilities in North Eastern Province; (b) design of a wet-dry season grazing system; (c) registration of pastoralists on developed grazing blocks; (d) record numbers of cattle being sold commercially; (e) institution of immature livestock purchasing by weight rather than age, thus giving a 30% higher return to producers; (f) greatly improved quality of cattle sold by Company and Cooperative ranches with 40% of all steers sold at the highest non-feedlot grade, and (g) increase in beef prices (by GOK action) to a level which should make growing, fattening ranches an economically viable operation.

3. Beneficiaries: The beneficiaries are Masai and Somali pastoralists, and subsistence cultivators who keep some cattle, sheep and goats. This target group is among the lowest per capita income group in Kenya. About 10,000 families will benefit directly from the ranching component and 6,000 families in North Eastern Province will benefit from grazing block development. Project expenditures are approximately \$510 per beneficiary family.

4. FY 1979 Program: In FY 79 three PASA civil engineers will assist GOK planning teams in planning and designing range and ranch water development, while two PASA Production Training Specialists will give practical guidance in livestock and range management and monitoring range trends to grazing block and ranch managers. A PASA livestock economist will assist the Project Coordinating Unit. Two OPEX contract hydrogeologists will assist in siting, drilling and equipping bore holes. Fifteen participants will commence academic training in the U.S., and 24 will continue their studies. AID will finance training at local institutions for 26 students (13 in FY 78 and 13 new starts in FY 79).

5. FY 1980 Program: In FY 80 technical assistance personnel will remain the same as that described in FY 79 for both PASA and OPEX contract employees. Eleven new starts for U.S. training are planned and AID will finance the continued training of 17 participants in U.S. universities. AID will also finance the continued training at local institutions of 13 students.

<u>6. Major Outputs</u>	<u>FY 78</u>	<u>All Years</u>
	(Cumulative)	
Ranch Plans Developed	55	65
Grazing Blocks Developed -	9	13
Participants Trained: U.S.	39	71
In-Country	0	26

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
	National Range-Ranch Development		Kenya		All		\$998	
	PROJECT NUMBER	APPROPRIATION	INITIAL OBLIGATION	FINAL OBLIGATION	DATE LAST PAR	DATE NEXT PAR	TOTAL COST	
615-0157	FN	6/78	FY 73	FY 81	4/77	\$8,174		
ESTIMATED U.S. DOLLAR COST (\$ 000)								
		FY 1978		CY 1979		FY 1980		
ACTIVITY INPUTS	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)
AID-FINANCED	TOTAL-							
PASA Technical Assistance	1,082	\$570	\$1,035	-	\$681	\$893	\$823	-
OPEX Technical Assistance	287	134	259	5/79-11/79	118	328	49	12/79-2/81
Consultants (S-T)	100	70	195	-	-	108	87	5/80-6/80
Commodities	85	142	-	-	-	-	-	1/81-4/81
Academic Training	-	-	61	12/80	67	61	67	-
Local Training	498	173	453	9/79-9/80	334	306	481	9/80-3/82
Non-Academic Training	70	25	45	6/79-5/81	113	46	112	-
	42	26	22	6/79-3/80	49	44	27	-
ICC AND OTHER DONOR	TOTAL-							
	\$420				\$450			
	420				450			

ACTIVITY INPUTS	FY 1978		CY 1979		FY 1980		OBLI-GATION	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	LIFE OF PROJECT
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE							
TOTAL-													
PASA Technical Assistance	1,082	\$570	\$1,035	-	\$681	\$893	\$823	-	\$998	\$1,142	\$679		\$3500
OPEX Technical Assistance	287	134	259	5/79-11/79	118	328	49	12/79-2/81	450	398	101		
Consultants (S-T)	100	70	195	-	-	108	87	5/80-6/80	13	100	-		
Commodities	85	142	-	-	-	-	-	1/81-4/81	150	-	150		
Academic Training	-	-	61	12/80	67	61	67	-	-	67	-		
Local Training	498	173	453	9/79-9/80	334	306	481	9/80-3/82	385	487	379		
Non-Academic Training	70	25	45	6/79-5/81	113	46	112	-	-	63	49		
	42	26	22	6/79-3/80	49	44	27	-	-	27	-		
ICC AND OTHER DONOR	TOTAL-												
	\$420				\$450								
	420				450					490			

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED 1/2			FOOTNOTES
	1978	1979	1980		TYPE A	TYPE B	TYPE C	
PROGRAM ACCOUNT	3.0	8.0	8.0	HIGH	33	27	11	1/ Figures include long-term in-country training
OPERATING EXPENSES	1.1	0.8	0.9	MEDIUM	-	6	-	2/ Figures include new-starts only, not continuing
				LOW	-	-	-	

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
University of Nairobi Veterinary Faculty		Kenya		N/A		-	
PROJECT NUMBER		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
615-0158		FY 71		FY 77		\$2,921	
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
FN		1/77		8/77		8/78	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE							
TOTAL-	-	\$291	\$35	-	-	-	-	\$35	-	-	-	-	-
Technical Assistance	-	222	-	-	-	-	-	-	-	-	-	-	-
Participant Training	-	53	35	-	-	-	-	35	-	-	-	-	-
Commodities	-	16	-	-	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	\$200	200	-	-	-	-	-	-	-	-	-	-	-
TOTAL-	\$200	200	-	-	-	-	-	-	-	-	-	-	-
GOK	200	200	-	-	-	-	-	-	-	-	-	-	-

PERSONNEL WORKYEARS (XX, X)	PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED		FOOTNOTES
	TYPE A	TYPE B	LONG-TERM	SHORT-TERM	FISCAL YEAR	
1978	3.0	0.1	2.3	0.1	1978	
1979	2.3	*	-	-	1979	
1980	-	-	-	-	1980	
1981	-	-	-	-	-	
1982	-	-	-	-	-	

* = less than 0.5 work-years

TABLE IVA
Activity Data Narrative

Rural Planning Project 615-0162

1. Purpose: To develop improved capabilities within (1) the Ministry of Agriculture (MOA) for agricultural policy formulation, project preparation and management and (2) the Ministry of Finance and Planning (MOFP) to plan and implement systems of decentralized participatory rural planning.

2. Background: This project supports two closely related activities. The first responds to constraints identified by GOK and the IBRD in the agriculture planning process particularly in the setting of priorities, identification of programs, gathering of data, and monitoring and evaluation of programs and projects. Secondly, the project supports within the MOFP a Rural Planning Unit which implements a Government decision to decentralize development planning to the District level through 40 District Development Committees (DDC's). The two activities are related in that the MOA effort focuses on sector-wide program planning and evaluation techniques, and the MOFP assistance defines policies and procedures for participatory planning and implementation at the District level.

Progress to Date: The project finances two GOK contracts with the Harvard Institute for International Development (HIID). The first, providing assistance to the MOA, is a multi-donor effort towards which the U.S. contributes 37.6 percent of total funding. The second, fully funded by AID, provides technical assistance and training to upgrade the skills of MOFP personnel. The MOFP advisors have developed guidelines for District input into the 1979-83 Development Plan, analyzed performance of the GOK Rural Development Fund, and designed a training program for MOFP planning personnel. The MOA advisors have developed policies and procedures for agricultural program planning and assisted Kenyans in preparing project proposals and evaluations for external financing.

An external HIID/MOA mid-term project evaluation scheduled for July 1978 will assess and analyze the progress attained to date and problems encountered by the HIID technicians and Government in achieving project objectives. This evaluation will inter alia review:

- a. Relevant Government of Kenya policy and strategy planning processes relating to the objectives of the HIID/MOA project, and in particular review how inputs from the various GOK Ministries serving the agricultural sector feed into the MOA policy and strategy planning exercises;

- b. Current Kenya Development Plan documents, including agriculture sector budgets and project plans prepared by the MOA/Development Planning Division, to determine how such documents are utilized in relation to HIID/MOA objectives;
 - c. The Harvard/MOA contract and Harvard's performance thereunder to date;
 - d. MOA's manpower projections and training plans of the Kenya Scheme of Services for Economists and Statisticians with the objective of receiving and making recommendations concerning counterpart availability in furtherance of project objectives;
 - e. MOA's operating procedure to determine if the level of coordination existing between MOA, MOFP and other relevant Ministries is adequate and supportive of the MOA's planning and implementation efforts; and
 - f. Problems encountered in establishing the Management System Evaluation Unit, and recommended corrective action.
3. Beneficiaries: Decentralized planning will result in more efficient allocation and utilization of resources, thereby significantly improving the income distribution of Kenya's agricultural workforce which is the ultimate target group.
4. FY 1979 Program: The principle activity planned under both contracts is assistance in preparing, implementing and monitoring the agriculture/rural development sections of the 1979-83 Development Plan. Three advisors at the MOFP will continue to work with the District Development Committees (DDC's) and the eleven MOA advisors will continue planning activities and efforts to set up a unit to monitor implementation of development programs.
5. FY 1980 Program: Major HIID activity will focus on the implementation and monitoring of the agriculture/rural development components of the GOK Five Year Development Plan. The three MOFP advisors, in collaboration with the DDC's, will develop and test recommendations for expanding local participation in the planning/implementation of District level development projects. The eleven MOA advisors will assist in developing and institutionalizing a management system to insure that central planners have ready access to and encourage local participation in the planning efforts.

6. <u>Major Outputs</u>	<u>FY 1978</u>	<u>All Years</u>
MOA Development Planning Division Reorganized/% Kenyan	X/25	X/50
MOA Management Systems Evaluation Unit - Established/% Kenyan	X/25	X/50
Completion District-level Project guidelines (7)	50	100
Rural Planning section of new plan	-	Complete

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Rural Planning		Kenya		All		\$389	
ACTIVITY BUDGET DATA		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
PROJECT NUMBER 615-0162		FY 1976		FY 1980		\$2,648	
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
FN		4/76		NA		7/78	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	PY: 1978			CY: 1979			BY: 1980				
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE
	TOTAL-	\$700	\$650	\$167	-	\$742	\$677	\$231	-	\$389	\$603
Tech. Assist Pool-MOA	357	342	17	10/78-9/79	369	369	17	10/79-9/80	316	316	17
Tech. Services-MOFP/RPU	343	308	150	2/79-1/80	373	308	214	2/80-1/81	73	287	-
HC AND OTHER DONOR	\$803				\$847				\$3,234		
GOK	235				235				235		
Other Donor	568				612				524		

FUNDING	PERSONNEL WORKYEARS (XX, X)					PARTICIPANTS PROGRAMMED/					FOOTNOTES	
	FISCAL YEAR					FISCAL YEAR						
	1978	1979	1980	1981	1982	1978	1979	1980	1981	1982		
PROGRAM ACCOUNT	15	15	13	-	-							No. of participants listed are estimates. Actual No. will not be known until (HIIID) submits Project Work Plan in FY 78.
OPERATING EXPENSES	0.6	0.7	0.4	0.2	-							

TABLE IVA
Activity Data Narrative

Rural Roads Systems Project 615-0168

1. Purpose: To provide isolated rural areas with all-weather access to agricultural and social services by expanding the network of rural roads.

2. Background: As part of rural development efforts initiated by the 1974-78 Development Plan the Government of Kenya (GOK) gives major emphasis to improving access of smallholders to agriculture inputs, services and markets and to social services. Through its national Rural Roads Programs Government will construct 14,000 km. of all-weather access roads, and will upgrade to all-weather but unpaved status 7,000 km. of secondary and minor roads. In support of these programs AID will reimburse the GOK for constructing, with labor-intensive techniques, 1,000 km. of access roads; and will finance a gravelling unit to upgrade another 2,000 km. under the secondary and minor roads program. Under the FY 77 Roads Gravelling Project (615-0170) AID also has provided capital equipment and supporting technical assistance (DL\$ 7,700, DG\$ 1,400) to upgrade to all weather-unpaved status another 1,300 km. of secondary and minor roads. Both projects operate in Western and Nyanza Provinces, which together contain 43% of Kenya's smallholder farmers.

Progress to Date: The implementation of the project has begun. The Ministry of Works (MOW) has developed criteria for the selection of rural access roads (RAR) and secondary and minor roads. The MOW has submitted to AID for approval evaluation reports (pre-investment studies) for approximately 240 km. of road in Kisii, Kisumu, and Bungoma Districts and actual construction has started on two roads in Kisii District and one road in Bungoma District. All necessary tools and equipment are available. The MOW has signed a contract with a U.S. engineering firm, Frederick R. Harris, Inc., to provide engineering expertise for supervising the construction by the gravelling unit, for selecting secondary and minor roads, and for implementing a pilot labor-intensive road maintenance program. The engineer for the roads maintenance program is already on site. Bids for construction equipment have been invited. Terms of reference for the carrying out of the annual evaluation of the project by AID with the assistance of a private consultant firm and MOW have been prepared.

3. Beneficiaries: Approximately 115,000 families (7% of the total population) will benefit directly from this project. Their mean per capita income approximates \$56 per annum, and improved all weather access may boost their income by about 22%. Roads improvement will cost \$128 per direct beneficiary family.

4. FY 1979 Program: In FY 1979, the MOW will construct 150 km. of new all-weather rural access roads costing \$6,350 per km. In addition, the MOW will construct approximately 180 km. of roads except for spreading gravel (laterite) over the surface. The gravelling of rural access roads normally follows six months after the construction of the road formation has been completed because the compaction of the road is generally accomplished by an indirect method (traffic) instead of by using mechanical compacters.

The MOW will also upgrade 200 km. of secondary and minor roads at an estimated total cost of \$7,400 per km. toward which AID will contribute about \$5,000 per km. Under a host country contract three project technicians will provide engineering supervision and equipment maintenance while a fourth will implement the pilot roads maintenance program.

5. FY 1980 Program: In FY 1980, the MOW will construct 336 km. of new all-weather rural access roads. In addition, the MOW will complete construction of 186 km. of new rural access roads except for gravelling to be performed six months later.

The MOW will also upgrade 400 km. of secondary and minor roads. Three project technicians will provide engineering supervision and equipment maintenance and the fourth technician will implement the pilot road maintenance program.

6. Major Outputs: By the project assistance completion date (February 29, 1984), 1,000 km. of rural access roads will be constructed and 2,000 km. of minor and secondary roads will be improved.

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Rural Roads Systems Project		Kenya		All		All		\$348	
PROJECT NUMBER 615-0168		APPROPRIATION FN		INITIAL OBLIGATION FY 77		FINAL OBLIGATION FY 80		TOTAL COST \$14,748	
				DATE PP/REVISION 9/77		DATE LAST PAR -		DATE NEXT PAR 9/78	

ACTIVITY INPUTS	FY1 1978		CY1 1979		FY1 1980		EXPEN- DITURE	PIPE- LINE	OBLI- GATION	FUNDING PERIOD (FR-TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE
	OBLI- GATION	EXPEN- DITURE	OBLI- GATION	PIPE- LINE	OBLI- GATION	PIPE- LINE							
TOTAL-	\$500	\$2,885	\$11,015	-	\$500	\$3,199	\$8,316	\$348	\$3,014	\$5,650			
Technical Assistance (DG)	300	85	615	11/81-10/82	400	230	785	11/82-12/83	163	245	703		
Construction Equipment/ Spare Parts (DL)	-	2,500	3,825	-	-	1,000	2,825	-	-	600	2,225		
Construction Materials (DL)	-	-	2,225	-	-	500	1,725	-	-	500	1,225		
Rural Roads - FAR (DL)	-	280	4,170	-	-	1,400	2,770	-	-	1,600	1,170		
FAR Inspection Services (DG)	25	10	15	3/79-2/80	35	24	26	3/80-2/81	25	24	27		
Evaluation (DG)	175	10	165	1/81-1/82	65	45	185	2/82-12/83	160	45	300		
HC AND OTHER DONOR	\$1,200				\$,900								
TOTAL-	\$1,200				\$,900								
GOK					\$,900								

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	TYPE A NONCONTRACT		TYPE B CONTRACT		FISCAL YEAR		FOOTNOTES
	1978	1979	1980	1982		TYPE	LONG-TERM	TYPE	LONG-TERM	1978	1980	
PROGRAM ACCOUNT TOY (SUB- EXPENSES)	0.6	2.5	3.5	2.5	MEDIUM	A	SHORT-TERM	B	LONG-TERM			
	0.8	0.8	0.8	0.9	LOW	B	SHORT-TERM					

TABLE IVA
Activity Data Narrative

Agricultural Systems Support Project 615-0169

1. Purpose: To increase smallholder and pastoralist access to agricultural services (extension, research, credit, inputs, storage and marketing).

2. Background: The ASSP presents a comprehensive assistance package designed to address the constraints facing Kenya's agricultural support systems. The GOK's development strategy is based on alleviating poverty with particular emphasis on alleviating rural poverty. To accomplish this goal the GOK is planning on a significant development effort aimed at increasing smallholder farm production and on-farm income. Agricultural support systems represents one major channel of support directed to Kenya's 1.5 million smallholder farmers.

Project Description: The ASSP is a multi-component project, including assistance for increasing Kenya's pool of trained agricultural manpower, for undertaking a significant increase in range research, for improving the provision and delivery of agricultural credit, for increasing the capacity of the cooperative sector to serve the smallholder, and for improving on-farm and cooperative level crop storage.

The project includes assistance for:

a. 1) Agriculture Manpower System - Egerton College

AID will finance capital construction, equipment, training of Kenyan staff, and U.S. technical assistance teaching staff for the expansion of the college from a student enrollment of 690 up to an enrollment of 1,632.

2) Coastal Agricultural Institute

In conjunction with the World Bank's involvement in three agricultural institutes, AID will assist the GOK in the establishment of a fourth agricultural institute, with a student enrollment of 660, located in Coast Province. Design and implementation of this activity will move forward in two stages, with Stage I (funded under the FY 1978 PP) including the academic and technical feasibility studies leading to preliminary sketch plans for the new institute and Stage II (to be funded under a PP Revision in about FY 1980) providing the construction and staffing of the new institute.

3) Faculty of Agriculture, University of Nairobi

Complementing World Bank assistance to the Faculty of Agriculture, AID will assist the GOK in effecting an overall increase in the Faculty's student enrollment from the present level of 300 students to a new level of 805 students. The AID expansion will cover a capacity increase of only 200 students out of the total proposed enrollment increase. Design and implementation of this activity will proceed in two stages as in the case of the Coast Institute.

4) Ministry of Agriculture Training Fund

AID will fund an extensive MOA training program. Annual training plans, prepared by the MOA and reviewed and approved by AID, will set forth the participant nominations and the precise fields of study to be funded each year. Based on an assessment of current MOA training needs, funds are being provided for 25 new academic training positions for each year for four years.

b. Research System

AID will fund a significant input into Kenya's range research program, including technical assistance, equipment, and Kenyan staff training.

c. Credit System

Continuing the technical support services being provided to the Agricultural Finance Corporation (AFC) under the Agricultural Credit Project (615-0148), AID will continue and expand technical assistance and staff training for the AFC. AID assistance is aimed at strengthening the AFC's smallholder lending capabilities through major improvements in lending procedures, collateral requirements, loan appraisal criteria and staff training.

d. Cooperatives System

In order to support the expanding role of the MOCD and the cooperative system in the delivery of credit marketing input delivery and other services to smallholders, AID will fund a management study of the Kenya Cooperative Bank and the banking section of cooperative unions.

MOCD manpower constraints will be addressed through a manpower survey of the cooperative sector, technical assistance and participant training activities focusing on extension training technologies and in-service credit programs, and a two-stage development program for the Cooperative College.

Following the completion and analysis of the manpower survey, Stage I (funded under the FY 1978 PP) of the Cooperative College expansion program will be undertaken, including academic and technical feasibility studies leading to sketch plans for an expansion. Stage II (funded

under an FY 1980 PP Revision) will include the construction and technical assistance required to carry out the expansion.

e. Storage and Marketing System

A recent study of Kenya's grain storage problems proposed two immediate actions: 1) Participant training for a limited number of extension and research officers working on grain storage matters and 2) a national food storage study to evaluate alternative means of alleviating farm-level and cooperative food storage problems and to design specific AID-financed assistance activities. The original PP will fund the national study while a PP Revision will fund the assistance activities identified and designed by the national study.

3. Beneficiaries: The ultimate beneficiaries are Kenya's 1.5 million smallholder farmers (or about 9-10 million people) who will benefit from the improved extension service, cooperative system, range research, an improved credit system, and MOA staff upgrading. Direct beneficiaries are the institutions and Ministries assisted, including trained participants (see Major Outputs section for additional specifications).

4 and 5. FY 1979 and FY 1980 Program

a. Agriculture Manpower System

1) In FY 1979 the first contingent of participants will depart, and the TA staff will arrive at Egerton. Bidding and review of quotations for the Egerton construction will take place, with the construction contract to be awarded in December 1979. Construction will commence during FY 1980, and the second and final tranche of TA staff will arrive.

2) The Coast Institute study will commence in April 1979 and, if the study is acceptable, a PP revision will be submitted in early FY 1980 for assistance to the Institute.

3) The Faculty of Agriculture study will adhere to the same timetable as the Coast Institute study.

4) The MOA Training Fund will be activated in early FY 1979 upon acceptance and approval by USAID of the MOA's annual training plan. Short-term participants will depart as early as February 1980, and long-term academic trainees the following June. The FY 1980 program will follow the same pattern.

b. Range Research

The contract team will be selected in the first quarter of FY 1979, with the team arriving at post from June 1979 onward. Participants will depart in April 1979. A range research utilization plan will be prepared in late FY 1979 or early FY 1980. The final contract technicians arrive in March 1980.

c. Credit System

All advisors on board by April 1979. In-country training courses start in June and participants depart for the U.S. in September. An additional five in-country training sessions will take place in FY 1980.

d. Cooperative System

The cooperative system manpower study will follow the same schedule as that of the Coast Institute Study.

e. Storage and Marketing System

The first of a total of twelve participants will depart in June 1979. The national grain storage study will be completed by January 1980.

6. Major Outputs:

All Years (original PP only)

- | | |
|---|---|
| a. Egerton College expanded | Enrollment of 1,632 by 1986 |
| b. Coast Institute | Technical feasibility study completed. |
| c. University of Nairobi expansion | Technical feasibility study completed. |
| d. MOA Training Fund | Operational - 100 returned participants |
| e. Kiboko range research | Functioning, with 18 returned participants and six research activities operational. |
| f. AFC upgrading | 79 participants trained; internal systems operational. |
| g. Cooperative systems improved | Education and Training evaluation completed, 90 participants trained. |
| h. Cooperative College expansion | Cooperatives manpower study completed and technical feasibility study completed. |
| i. Food storage extension and services improved | National food storage study completed; 12 participants trained. |

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE Agricultural Systems Support Project	DECISION UNIT Kenya	DECISION PACKAGE Minimum/Mark	BUDGET YEAR \$19,000
	PROJECT NUMBER 615-0169	INITIAL OBLIGATION FY 78	FINAL OBLIGATION FY 80	TOTAL COST \$68,771
	APPROPRIATION FN	DATE PP/REVISION 6/78	DATE LAST PAR NA	DATE NEXT PAR 10/79

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)										
	PY1 1978		CY: 1979		CY: 1980		BY: 1980		LIFE OF PROJECT		
	OBLI - GATION	EXPEN - DITURE	FUNDING PERIOD (FR - TO)	PIPE - LINE	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	
TOTAL -	\$49,771	-	-	\$49,771	-	\$6,538	43,233	-	19,000	\$8,878	53,355
Egerton Long Term TA	5,897	-	-	5,897	-	295	5,602	-	-	1,179	\$ 4,423
Egerton Capital Investment 2/	15,678	-	-	15,678	-	4,833	10,845	-	-	4,441	6,404
Egerton Academic Training	2,378	-	-	2,378	-	162	2,316	-	-	394	1,922
Coast Institute Study	150	-	-	150	-	150	-	10/80-10/84	19,000	-	19,000
University of Nairobi Expansion Study	66	-	-	66	-	66	-	-	-	-	-
MOA Participant Training	3,460	-	-	3,460	-	-	3,460	-	-	432	3,028
(Continued on next page)											
HC AND OTHER DONOR											
TOTAL -											
HC: \$17,700											

FUNDING	PERSONNEL WORKYEARS (XX.X)				PARTICIPANTS PROGRAMMED				FOOTNOTES
	FISCAL YEAR		PERSONNEL INTENSITY		TYPE A=NONCONTRACT B=CONTRACT		FISCAL YEAR		
	1978	1979	1980	1981	1978	1979	1980		
PROGRAM ACCOUNT	-	11.0	28.0	33.0	BEYOND	1982	192	-	1/ Does not include in-country training for 360 participants 2/ Of which \$15,174 is DL
TDY (ADD)							78	-	
OPERATING EXPENSES	1.3	4.5	5.9	6.2			61	-	

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
PROJECT NUMBER		APPROPRIATION		INITIAL OBLIGATION		FINAL OBLIGATION		Minimum/Mark	
DATE PP/REVISION		DATE PP/REVISION		DATE PP/REVISION		DATE PP/REVISION		DATE NEXT PAR	
DATE PP/REVISION		DATE PP/REVISION		DATE PP/REVISION		DATE PP/REVISION		DATE NEXT PAR	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978		CY: 1979		BY: 1980		OBLI-GATION	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE						
TOTAL-												
Cooperative Non-Academic Training	683	-	683	-	-	526	-	137				
Cooperative College Feasibility Study	45	-	45	-	-	45	-	45				
Cooperative Banking Sector Study	82	-	82	-	-	-	-	-				
Food Storage Academic Training	172	-	172	-	-	159	-	47				
Food Storage Non-Academic Training	43	-	43	-	-	26	-	17				
National Grain Storage Study (Continued on next page)	204	-	204	-	-	-	-	-				
TOTAL-												

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES		
	FISCAL YEAR			TYPE A/NONCONTRACT			TYPE B/CONTRACT					
	19	19	19	TYPE A	SHORT-TERM	LONG-TERM	TYPE B	SHORT-TERM	LONG-TERM			
PROGRAM ACCOUNT TOY (ADD -) OBLIGATION EXPENSES												

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Agricultural Systems Support Project		Minimum/Mark		\$19,000			
PROJECT NUMBER		DATE PP/REVISION		FINAL OBLIGATION		TOTAL COST	
615-0169		DATE LAST PAR		DATE NEXT PAR			

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)											
	FY 1978				CY: 1979				BY: 1980			
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)
TOTAL -												
Comprehensive ASSP Evaluation	465	-	465	-	-	465	-	-	-	-	465	-
Inflation 1/	7,460	-	7,460	-	-	7,460	-	-	-	-	7,460	-
Contingency 2/	3,986	-	3,986	-	-	3,986	-	-	-	-	3,986	-
TOTAL -												

FUNDING	PARTICIPANT'S PROGRAMMED												
	PERSONNEL INTENSITY				TYPE A=NONCONTRACT B=CONTRACT				FISCAL YEAR				
	19	19	19	19	BEYOND	TYPE A	LONG - TERM	SHORT - TERM	TYPE B	LONG - TERM	SHORT - TERM	19	19
PROGRAM ACCOUNT NO. - TOY (ADD -) OPERATING EXPENSES													
FOOTNOTES													
1/ Of which \$5,311 is DL.													
2/ Of which \$3,073 is DL.													

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Agricultural Systems Support Project		Kenya		Expansion, Proposed				\$50,000	
PROJECT NUMBER 615-0169		APPROPRIATION FN		INITIAL OBLIGATION FY 78		FINAL OBLIGATION FY 80		TOTAL COST \$99,771	
				DATE PP/REVISION 6/78		DATE LAST PAR NA		DATE NEXT PAR 10/79	

ACTIVITY INPUTS	FY 1978		CY: 1979		CY: 1980		EXPEN- DITURE	PIPE- LINE	TOTAL	
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR-TO)	OBLI- GATION	EXPEN- DITURE				PIPE- LINE
TOTAL	\$49,771	-	\$49,771	-	-	\$6,538	43,233	50,000	\$8,878	\$84,355
Egerton Long Term TA	5,897	-	5,897	-	-	295	5,602	-	1,179	4,423
Egerton Capital Investment <u>2/</u>	15,678	-	15,678	-	-	4,833	10,845	-	4,441	6,404
Egerton Academic Training	2,378	-	2,378	-	-	62	2,316	-	394	1,922
Coast Institute Study	150	-	150	-	-	150	-	10/80-10/84	-	19,000
University of Nairobi Expansion Study	66	-	66	-	-	66	-	10/80-10/84	-	13,000
MOA Participant Training	3,460	-	3,460	-	-	-	3,460	-	432	3,028
TOTAL										

PERSONNEL WORKYEARS (XX.X)	FISCAL YEAR			INTENSITY	TYPE A LONG-TERM	TYPE B SHORT-TERM	PARTICIPANTS PROGRAMMED	LIFE OF PROJECT	FOOTNOTES
	1978	1979	1980						
1.3	6.1	6.2	6.2	LOW	61	-	-	-	1/ Does not include in-country training for 360 participants 2/Of which 15,174 is DL.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE	DECISION UNIT		DECISION PACKAGE	BUDGET YEAR
	Agricultural Systems Support Project	INITIAL OBLIGATION	Expansion/Proposed	\$50,000	TOTAL COST
PROJECT NUMBER	APPROPRIATION	DATE PP/REVISION	DATE LAST PAR	DATE NEXT PAR	
615-0169					

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE							
AID-FINANCED													
TOTAL-													
Comprehensive ASBP Evaluation	465	-	465	-	-	-	465	-	-	-	-	-	465
Inflation 1/	7,460		7,460				7,460						7,460
Contingency 2/	3,986		3,986				3,986						3,986
HC AND OTHER DONOR													
TOTAL-													

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	TYPE A NONCONTRACT			TYPE B NONCONTRACT			LIFE OF PROJECT	PARTICIPANTS PROGRAMMED	FOOTNOTES
	19	19	19		A	B	LONG-TERM	SHORT-TERM	A	B			
PROGRAM ACCOUNT TOY (NOR-)				<input type="checkbox"/> HIGH									1/ Of which \$5,311 is DL
OTHER FUNDED EXPENSES				<input type="checkbox"/> MEDIUM									2/ Of which \$3,073 is DL
				<input type="checkbox"/> LOW									

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR
	Roads Gravelling Project		Kenya		All		-
	PROJECT NUMBER	APPROPRIATION	INITIAL OBLIGATION	FINAL OBLIGATION	TOTAL COST		
615-0170	FN	FY 77	FY 77	\$9,100		DATE NEXT PAR	7/78
		ESTIMATED U. S. DOLLAR COST (\$ 000)					
		FY: 1978	CY: 1979	BY: 1980			

ACTIVITY INPUTS	FY: 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION			
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE							PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION
AID-FINANCED	-	\$2,595	\$6,505	-	-	-	-	\$1,855	\$4,650	-	-	-	\$1,550	\$3,100	
TOTAL-	-	85	1,115	-	-	-	-	230	885	-	-	-	245	640	
Technical Assistance (DG)	-	2,500	2,821	-	-	-	-	1,000	1,821	-	-	-	600	1,221	
Construction Equip/Spare (DL)	-	-	1,851	-	-	-	-	500	1,351	-	-	-	500	851	
Construction Materials (DL)	-	-	528	-	-	-	-	80	448	-	-	-	160	288	
Local Costs (DL)	-	10	190	-	-	-	-	45	145	-	-	-	45	100	
Evaluation (DG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HC AND OTHER DONOR	\$40														
TOTAL-	\$40														
GOK	40														
														LIFE OF PROJECT	
														\$5,200	
														\$1,000	

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY		PARTICIPANTS PROGRAMMED				FOOTNOTES				
	FISCAL YEAR				TYPE		FISCAL YEAR								
	1978	1979	1980	1981	1982	BEYOND	A	B	1978	1979		1980			
PROGRAM ACCOUNT	0.5	2.5	3.5	3.5	2.5	1.0									
TDY (NON-OPERATING EXPENSES)	0.9	0.8	0.8	0.9	0.9	0.8									

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
PFP Rural Enterprise Development (OPG)		Kenya		N/A		-	
ACTIVITY BUDGET DATA		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
PROJECT NUMBER		FY 77		FY 77		\$360	
615-0174		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
FN		3/76		-		9/78	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	CY: 1978		CY: 1979		CY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)
	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE								
TOTAL-	-	\$141	-	\$194	-	\$30	-	\$30	-	-	-	\$30	-	-
Personnel	-	84	-	136	-	20	-	116	-	-	20	-	-	20
Local Travel/Veh. Maintenance	-	19	-	11	-	1	-	10	-	-	1	-	-	1
Evaluation & Misc.	-	12	-	15	-	3	-	12	-	-	3	-	-	3
PFP/US Overhead	-	26	-	32	-	6	-	26	-	-	6	-	-	6
HC AND OTHER DONOR	\$70													
TOTAL-	70													
Pfp Contributions														

FUNDING	PERSONNEL WORKYEARS (XX.X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES
	1978	1979	1980	1981		TYPE A	TYPE B	
PROGRAM ACCOUNT TOY (1978)	1/	1/	1/	-	HIGH	1978	1979	1/ OPG funds are for partial support of up to 36 (1 US, 35 Kenyan) PFP personnel.
OPERATIONAL EXPENSES	0.1	0.1	-	-	MEDIUM	1980	1981	
					LOW			

TABLE IVA
Activity Data Narrative

Marginal Lands Development Project 615-0172

1. Purpose: To carry out a comprehensive agricultural development program in a selected administrative district of Kenya (Kitui) designed to increase the agricultural productivity of the Marginal areas of that district and to result in increased incomes and a higher standard of living for the agricultural smallholders living there. A major effort will be undertaken to attack the principal underlying problems of the area--soil and water management--combined with a broad array of other agricultural and economic activities.

2. Background: Due to a limited endowment of natural resources, mismanagement of those resources, increased population pressure and periodic drought, Kenya's marginal lands (500 - 800 mm of rainfall), representing 18 percent of the country, are being degraded. Farmers in these areas have more limited potential for income generation, and annual incomes fluctuate dramatically, depending on rainfall amounts and distribution. In response to a priority GOK request, AID in April 1977, with funds from the Foreign Disaster Assistance Act of 1974, initiated a multi-disciplinary study of the agricultural potential of parts of five marginal districts. The study, which may be expanded to other districts, will be completed in August 1978 and will recommend ways to restore and protect that potential and ways to increase productivity and incomes. This proposed project will form AID's initial response to the study's conclusions. It will also indicate AID's support for the priority emphasis to be placed on developing marginal areas in Kenya's 1979-83 Development Plan.

Project Description: The multi-disciplinary study now underway and scheduled for completion in August 1978 entails a resource inventory of the agricultural potential of some of the marginal areas through soil surveys and land use assessments integrated with an analysis of socio-economic and other development constraints. This study will identify the core problems affecting the area's development, including (but not limited to) population pressure, migration patterns, erosion, desertification, soil limitations, water availability, deforestation, credit, agricultural production technology, marketing, extension services and potential socio-cultural constraints and will identify and recommend development activities which are needed. AID expects to carry out an integrated agricultural area development program in Kitui involving

such project elements as afforestation and reforestation, a field research program, construction of small dams and terracing directed at the soil erosion problem, a smallholder credit program, an improved livestock program, rangeland rehabilitation,^{1/} a major participant training program and an improved crop program. The exact composition of the project will be determined by the final results and recommendations of the study and the actual design of the project which will be undertaken during the latter part of calendar year 1978. Several host country institutions will be involved, including the Ministries of Agriculture, Water Development, and Finance and Planning and the Kitui District Government offices. A number of issues will need to be addressed during project development: USAID direct-hire management requirements, project implementation and administration arrangements for both the GOK and USAID, the probable necessity of an environmental assessment, USAID financing of GOK recurrent costs, degree of authority to be delegated to USAID for approval of individual sub-projects to be carried out, and the ability of the Kenyan bureaucratic infrastructure to absorb and implement a large area-wide development program.

Progress to Date: This project is proposed for FY 1979 approval and implementation. The study on which the project is to be based, as indicated above, is in its final stages and will be completed in August 1978.

3. Beneficiaries: Target beneficiaries are about 60,000 farm families living in marginal areas of Kitui and having a mean annual family income of about \$60 per capita. The per family cost of this project is estimated to be \$200. Over the five year life of the project it is hoped that a 40 percent increase in per capita income will result from the investments made in agriculture through this project.

4. FY 1979 Program: Pending the final results and recommendations of the study and the actual design of the project, it is anticipated that the project will be implemented in Kitui and will include coordinated efforts in soil and water conservation, afforestation, rangeland rehabilitation, drylands agriculture research and a special credit program designed for farmers in such "high risk" areas. Loan and grant funds will be used to finance technical assistance advisors, participant training, a portion of Government recurrent costs, and credit. The FY 1979 CP set aside \$12,400,000 for this project, with \$8,600,000 to be obligated in future years. The USAID proposes that the entire total project cost for AID of \$21 million be obligated in FY 1979.

^{1/} The livestock and rangeland rehabilitation components will draw upon ASSP's range research activities.

5. FY 1980 Program: The program begun in FY 1979 will be continued (through disbursements) in FY 1980. The results expected during this fiscal year cannot realistically be estimated, i.e., in more detail than presented above, until the project is designed.

6. Major Outputs: (Life of Project)

Land protected, restored by soil conservation	250,000 ha.
Area afforestation	5,000 ha.
Rangeland rehabilitated	150,000 ha.
Small dams constructed	250

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Marginal Lands Development (Kitui)		Kenya		All		-	
PROJECT NUMBER		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
615-0172		FY 1979		FY 1979		\$21,000	
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
FN		12/78		NA		-	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY1 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	FUNDING PERIOD (FR-TO)			
TOTAL-	-	-	-	\$21,000	\$2,700	\$18,300	-	\$6,275	\$12,025
Soil conservation and construction equipment (DL)				5,300	500	4,800		2,000	2,800
Credit funds (DL)				3,000	-	3,000		500	2,500
Reafforestation (trees, hand tools, labor) (DG)				2,500	500	2,000		1,000	1,000
Recurrent costs (salaries, travel, maintenance) (DL)				4,000	500	3,500		1,000	2,500
Participant training (DG)				500	200	300		100	200
Technical advisors (contract) (DG)				3,000	500	2,500		750	1,750
Small farm implements (DL)			(continued on next page)	500	100	400		200	200
TOTAL-	\$1,000			\$2,000				\$7,000	
GOK	1,000			2,000				3,000	

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					TYPE	FISCAL YEAR		
	19 78	19 79	19 80	19 81			19 78	19 79	
PROGRAM ACCOUNT	-	-	0.6	4.0	A	LONG-TERM	-	15	
TDY (ADD)	-	-	-	4.0	A	SHORT-TERM	-	20	
OPERATING EXPENSES	0.2	1.0	1.5	1.5	B	LONG-TERM	-	-	
				2.7	B	SHORT-TERM	-	-	

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE	DECISION UNIT	DECISION PACKAGE	BUDGET YEAR
	Technoserve OPG-Project to Increase Employment, Income and Production	Kenya	All	-
	PROJECT NUMBER 615-0184	INITIAL OBLIGATION FY 1978	FINAL OBLIGATION FY 1978	TOTAL COST \$500
	APPROPRIATION FN	DATE PP/REVISION 2/78	DATE LAST PAR NA	DATE NEXT PAR 8/79

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY 1979		FY 1980		FY 1981		FY 1982		TOTAL	OBLIGATION	PIPE-LINE	EXPENDITURE	FUNDING PERIOD (FR-TO)	OBLIGATION	PIPE-LINE	EXPENDITURE	FUNDING PERIOD (FR-TO)	OBLIGATION	PIPE-LINE	EXPENDITURE	FUNDING PERIOD (FR-TO)	OBLIGATION	PIPE-LINE	EXPENDITURE	LIFE OF PROJECT	
	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLIGATION	EXPENDITURE																		PIPE-LINE
AID-FINANCED	\$500	\$ 41	\$459	-	-	\$169	\$290	-	-	-	\$174	-	-	\$116	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel	500	41	459	-	-	169	290	-	-	-	174	-	-	116	-	-	-	-	-	-	-	-	-	-	-	-	-	
HC AND OTHER DONOR	947																											
Technoserve Contributions	47																											

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY	TYPE A NONCONTRACT		FISCAL YEAR		FOOTNOTES
	PERSONNEL WORKYEARS (XX, X)						TYPE	B	1978	1981	
	1978	1979	1980	1981	1982						
PROGRAM ACCOUNT TOY (NON-)	1.3	4.0	4.0	2.7	-	HIGH	A	B	1979	1981	
OPERATING EXPENSES	0.1	0.1	0.1	0.1	-	MEDIUM	A	B	-	-	
						LOW	A	B	-	-	

TABLE IVA
Activity Data Narrative

Food Crops Research Project 615-0180^{1/}

1. Purpose: To support selected research in food crops and cropping systems which are critical to increasing food production and quality in Kenya, and to develop Kenyan expertise to conduct and utilize such research.
2. Background: This research project was formerly under East African Community auspices and became Kenya-specific during FY 78. As a Community project, it was composed of five sub-projects and a training element, addressing several major constraints to increasing food production in the crop growing regions.

Optimization of crop yields, particularly maize in the marginal/semi-arid areas, is important if the nutritional and economic well-being of the region's people is to be maintained; this has, therefore, been a major project focus.

Progress to Date: Under the Community project, research was completed in FY 1977, with 85 percent of Kenyan highland area farmers realizing 25 percent yield increases by utilizing eleven new high yielding varieties developed by the project. In other sub-projects, the Plant Quarantine Station in the past three years has increased new plant introductions in the region six-fold. The project also initiated a protein quality laboratory which is now operational.

Following a recently completed external project evaluation review, it was recommended that USAID in collaboration with UNDP/FAO and the GOK, build on the current activity by undertaking a five year research and development activity with concentration on marginal rainfall areas. Using an integrated systems approach, this expanded activity would combine basic research with applied (problem oriented) research to develop a technological package and to assist in improving the extension delivery system with special reference to the marginal rainfall areas (ave. annual precipitation 500 - 800 mm per year). The external evaluation's recommendations are embodied in a PP, to be sent to AID/W in July 1978. (The following discussion and Table IVB are based on the draft PP which is now with the GOK for review and comment.)

^{1/} Formerly 618-0657

The proposed five-person U.S. university R&D team* working at the Kenya Agricultural Research Institute (KARI) in collaboration with the FAO team assigned to the Katumani Drylands Research Station, the MOA, University of Nairobi and international research centers, will investigate various crop production constraints, e.g., soil fertility, water holding capacity and physical structure of the soil; crop varieties and farming practices; traditional cropping systems; crop diseases and pests and the socio-economic profile of the target group (smallholders in marginal rainfall areas). These studies will lead to recommendations that can be adopted by the target group, toward the objective of improving their agricultural production techniques and cultural practices, and optimizing the utilization of the resource base in the marginal regions. 1/

The proposed U.S. team would all have Kenyan counterparts. On-the-job training would be emphasized and the project would contain a substantial participant training component, approximating 20 person years. All training would be in furtherance of a major project objective - development of a long-term Kenyan capability to undertake and implement such research and its delivery to smallholder farmers.

3. Beneficiaries: The more immediate beneficiaries of this project will be (a) the cadre of African scientists who will eventually assume full responsibility for food crop research; and (b) the national planning, regional research leaders, and extension service personnel who utilize the research findings to improve agricultural planning and food production. The ultimate beneficiaries will be the subsistence farmers in the marginal rainfall areas. In the Machakos/Kitui area, one primary target area, there are approximately 192,000 potential beneficiary families; thus, project cost per family would be about \$65.

4. FY 1979 Program: Priority attention will be given to the development of disease and drought resistant varieties of maize to improve yields in marginal rainfall areas. Complementing this will be a major research effort to develop appropriate cropping systems for these same areas.

5. FY 1980 Program: Major activity will focus on developing appropriate cropping systems for the marginal rainfall areas (MRAs). Research will concentrate on the identification, selection and breeding of improved maize and other cereal and food legume varieties; the testing of improved conservation and cultural practices; and the assessment of crop growth responses under varied soil and water conditions. A significant counterpart training effort to be initiated for both Kenyan degree (M.Sc. and B.Sc) and non-degree candidates will take place in both the U.S. and Kenya for a total of approximately 20 person years of training.

* Plant Breeder/Project Coordinator, Plant Pathologist, Agronomist, Agrometeorologist, Soil Physicist.

1/ The Food Crops Research project complements the Range Research component of ASSP. Together they address two of the top three of the GOK's agricultural research priorities.

6. Major Outputs:

a. <u>Current Project</u>	<u>FY 77</u>	<u>All Years</u>
-High yielding maize varieties	11	20
-Maize breeding methodology	14	14
-Protein samples tested (maize)	2,000	10,000
-Plant quarantine activity	600	3,500
b. <u>Proposed New Project</u>		
-Cropping systems for marginal rainfall areas	-	20
-Crop varieties resistant to pests and diseases and suitable for the Marginal Rainfall area (MRA)	-	8
-Trained technicians in each area of project research focus	-	30
-Trained professionals who receive structured short-term training abroad	-	10
-Trained professionals who receive professional development experience abroad	-	17

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Food Crops Research		Kenya		All		All		-	
PROJECT NUMBER 615-0180-1/		APPROPRIATION FN		INITIAL OBLIGATION FY 72		FINAL OBLIGATION FY 79		TOTAL COST \$8,146	
615-0180-1/		FN		DATE PP/REVISION 6/78		DATE LAST PAR NA		DATE NEXT PAR 6/78	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY: 1979		CY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	EXPEN-DITURE							
AID-FINANCED													
TOTAL-	\$432	\$643	\$521	-	\$5,175	1,145	\$4,551	-	-	-	\$960	-	\$3,591
Technicians	183	399	240	7/79-4/83	3,340	635	2,945	-	-	-	602	-	2,343
Participant Training	102	23	168	11/78-4/83	1,269	140	1,297	-	-	-	253	-	1,044
Commodities	3	81	63	6/79-4/83	320	235	148	-	-	-	10	-	138
Other Costs	144	140	50	6/79-4/83	146	135	61	-	-	-	50	-	11
Evaluation	-	-	-	1/80-7/80, 1/82-7/82	100	-	100	-	-	-	45	-	55

HC AND OTHER DONOR	TOTAL-		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE											
TOTAL-	\$700	100	600	-	-	-	-	-	-	-	-	-	-
GOV -													
OTHER DONORS -													

PERSONNEL WORKYEARS (XX, X)	FISCAL YEAR			PERSONNEL INTENSITY	TYPE A NONCONTRACT			TYPE B CONTRACT			PARTICIPANTS PROGRAMMED	FOOTNOTES
	1978	1979	1981		1982	1981	1982	1983	1978	1979		
FUNDING	4.8	6.0	6.0	5.0	5.0	5.0	5.0	30	10	-	-	-
PROGRAM ACCOUNT TOY (MILL)	0.6	1.0	1.0	1.0	1.0	1.0	1.4	-	-	-	-	-
OPERATING												
ADDITIONAL												

1/ As an East African Community project, this activity was assigned project number 618-0657

TABLE IVA
Activity Data Narrative

Arid & Semi-Arid Lands Development (Northeast) Project 615-0186

1. Purpose: To develop the cropping and livestock potential of the North Eastern Province and the northern part of the Tana River District (Coast Province).

2. Background: In its next Five Year Plan for 1979-83, now being drafted, the Government of Kenya will assign high priority to the development of its arid and semi-arid lands, which comprise approximately 80% of the country and contain 30% of the population. AID is now completing an 18-month study of part of the marginal lands of Kenya which should be particularly helpful to the Government in designing and carrying out a development program for that area. AID expects to undertake a comprehensive area agricultural development project (\$.21 million) in part of the area which has been studied. The GOK is committed to carrying out similar studies of other areas in the arid and semi-arid lands and has requested AID to carry out a similar pre-investment study of the North Eastern Province and the northern part of the Tana River District (Coast Province). Other areas may be added based on further discussion with Government. AID plans to initiate this second study in FY 1979 (the study is further described in the table IVA for project 615-0181), and by FY 1980 the study should have progressed to the point where projects can be identified and initiated. Based on the study, AID plans to undertake a major agricultural development program in the study area aimed at developing the agricultural potential (cropping) of the area. This effort will complement the major Kenyan livestock program in the area, a program which AID is currently assisting. While most of the Northeastern part of Kenya is suitable only for livestock, there are certain areas which appear to have potential for irrigated agriculture, particularly those areas along the perennial rivers. Once the agricultural potential of the area is studied and identified, settlement schemes may be initiated in those areas with highest potential. Some evidence already exists that such efforts can be successful and that the native pastoralists, under proper conditions, will accept a change in their life-style to a more secure one based on agriculture. Sociological/anthropological studies will be undertaken as a part of the large AID study of the area to confirm this and determine the most effective ways of implementing such a settlement program. Once settlement schemes are begun, social services such as

health clinics and schools can be provided to the people of the area, something which is not now feasible given their present nomadic existence. The proposed project will provide assistance to this effort as well.

Project Description: The precise nature of the project will be determined by the ASAL pre-investment study and the actual design of the project. It is anticipated that the study will identify those zones in the area which have the best potential for agricultural (cropping) development. Those areas may be along the only two perennial rivers of the area, the Tana River and the Daua River, and in certain other delimited geographical areas where the water supply is reasonably reliable. The focus of the project will be on the establishment of small, though economically viable, farm plots for the pastoralists, on which both subsistence and commercial agriculture will be carried out. In order to convert the pastoralists to agriculturalists, a large extension/training component in the project will probably be required. Crop packages will be developed based on what is learned about the agricultural potential of the area from the pre-investment study. Concurrent with this effort a crop research effort may be undertaken in conjunction with the ongoing AID/FAO/GOK Food Crops Research Project to develop new and improved varieties given the conditions of the area. Social services such as health, communal drinking water and educational facilities will be established. A major constraint to commercial farming in the area is the lack of marketing infrastructure and facilities. The pre-investment study will examine this problem and recommend possible solutions which will be incorporated in the proposed project. Assistance will primarily be in the form of several technical assistance advisors, particularly to assist in the planning and overall development, but also in extension, crop research and marketing. AID will also provide needed construction equipment and materials and an appropriate share of the local and recurrent costs of the project with the GOK gradually assuming a greater share of local and recurring costs. Project objectives will be enhanced agricultural production and settlement by, and improved living standards of, pastoralists.

3. Beneficiaries: The project area is populated largely by nomadic pastoralists, most of whom are ethnic Somalis. These pastoralists have among the lowest standard of living of any of the people in Kenya. Most of these pastoralists exist at the subsistence level and eke out a livelihood as best they can with their small herds of camels, cattle, sheep and goats, moving from place to place in search of water. Most live outside the monetary economy except when they occasionally sell some of their livestock to purchase necessities. Few have any access to health or education facilities.

4. FY 1979 Program: The pre-investment study (615-0181) of the area will reach its mid-point and will begin to generate information for the production of a PP, hopefully to be submitted early in FY 1980.
5. FY 1980 Program: FY 1980 will be mostly a year of planning for the actual project implementation which would begin, at the earliest in late FY 1980. The PP will be based, in large part, on the results of the related pre-investment study. Plans would be drawn up for a series of settlements. The project team, responsible for the project, will be assembled and established in the North East Province. Construction of irrigation schemes and establishments of the settlements would be undertaken after the initial planning has been done. Several ethnic Somalis who are expected to play a leadership role in the development program will be identified and will be given in-country training in agriculture, administration and management, and related disciplines. As the project unfolds, these trained individuals will be expected to play a larger and increasingly important role in carrying out the project.
6. Major Outputs: As now perceived major outputs would include irrigated land, settled pastoralists, and health, education, and marketing facilities.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Arid & Semi-Arid Lands Development (Northeast)	DECISION UNIT Kenya		DECISION PACKAGE Minimum-Mark		BUDGET YEAR -
	INITIAL OBLIGATION FY 81		FINAL OBLIGATION FY 81		TOTAL COST \$12,000
	DATE PP/REVISION 3/81 (est.)		DATE LAST PAR -		DATE NEXT PAR -
PROJECT NUMBER 615-0186		APPROPRIATION FN			

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 19 78		CY 19 79		BY 19 80		PIPE-LINE	EXPEN-DITURE	PIPE-LINE	EXPEN-DITURE	PIPE-LINE	OBLI-GATION
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	PIPE-LINE						
TOTAL-	-	-	-	-	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	-	-	-	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY			PARTICIPANT'S PROGRAMMED			FOOTNOTES
	1978	1979	1980	1981	1982	TYPE A	TYPE B	BECONTRACT	1978	1979	1980	
PROGRAM ACCOUNT TOY (AND)	-	-	-	0.3	4.0	12.0	Y	MEDIUM	-	-	-	
OPERATIONAL EXPENSE	* 0.5	0.7	1.3	1.5	4.5		LOW					

* = less than 0.5 work-years

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE Arid & Semi-Arid Lands Development (Northeast)		DECISION UNIT Kenya		DECISION PACKAGE Expansion & Proposed FINAL OBLIGATION FY 80		BUDGET YEAR \$12,000	
	PROJECT NUMBER 615-0186		APPROPRIATION FN		DATE PP/REVISION 3/80 (est.)		DATE NEXT PAR -	
	ESTIMATED U. S. DOLLAR COST (\$ 000)		CY: 1979		BY: 1980		TOTAL COST \$12,000	

ACTIVITY INPUTS	FY 1978		CY: 1979		FY: 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	PIPE-LINE					
AID-FINANCED	-	-	-	-	-	-	-	-	-	-	-
TOTAL-	-	-	-	-	-	-	-	-	-	-	-
Technical Assistance Advisors (DG) (Planning, Extension, Marketing, Engineering)											
Construction and irrigation equipment (DL)											2,300
Training/educational material (DG)											2,250
Laboratory research equipment (DG)											1,800
In-country training (DG)											600
Local construction costs (DL)											2,400

HC AND OTHER DONOR	TOTAL-		PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		LIFE OF PROJECT
	OBLI-GATION	EXPEN-DITURE		A=NONCONTRACT	B=CONTRACT	
	-	-				\$4,000
GOK	-	-				1,000

FUNDING	PERSONNEL WORKYEARS (XX, X)					FOOTNOTES
	FISCAL YEAR					
	1978	1979	1980	1981	1982	
PROGRAM ACCOUNT TDY (ADD)	-	-	3	4.0	4.0	
OPERATING EXPENSES	* 0.5	1.1	1.5	1.5	2.5	

* = less than 0.5 work-years

AID 1330-8 (3-78)

TABLE IVA
Activity Data Narrative

Rural Market Centers Project 615-0182

1. Purpose: To provide smallholders with full-service market centers, including improved accessibility to input supply, marketing outlets, and social services.
2. Background: Drawing on spatial integration theory, the GOK has planned a network of rural/urban centers stretching from the largest cities down to the smallest rural units. The planned network, as conceptualized in the 1974-1978 Development Plan and earlier physical planning documents, establishes a hierarchy of towns and villages meeting the basic needs of the surrounding population. The hierarchy consists of: one "local center" for every 5,000 rural population, a "market center" for every 15,000, a "rural center" for every 40,000 and an "urban center" for each 120,000. The GOK has tentatively identified all the specific centers of the network--country-wide, there are 1,681. The Mission has singled out the second and third levels of the hierarchy--the market center and rural center--as being the least developed and yet most significant in terms of providing smallholders access to agricultural inputs and market outlets as well as health centers, clinics, and other social services. The GOK's basic standards for "market centers" include a public water supply, location along a secondary or minor road, availability of commercial transportation, education facilities up to and including secondary school, and a dispensary (including family planning facilities). To this list, we would add adequate grain storage facilities, rural light industry for producing handtools and farm implements (using appropriate technology), and improved shelter for the center's immediate population (possibly through sites and services schemes). A "rural center" would have somewhat higher standards across the board.

Project Description: Through grant and loan financing AID will assist in development of a number of selected rural market centers in Western and Nyanza Provinces. These two Provinces have been chosen because the present standard of services in their rural market centers are known to be below the national average, and because there is a close linkage between AID's two roads projects and ASL I with development of rural market centers. Nyanza Province has 72 designated market centers and 24 rural centers, while 44 and 18 respectively have been picked for Western Province. Many of the centers are partially developed, some not at all, while a few are fully developed. Those centers to be chosen for AID assistance will be selected on the basis of current development

status and their potential contribution to development of their hinterlands. Upgrading or development of existing locations to full status may require one or more of the following: installation of public water systems, grain storage facilities, health dispensaries (service delivery points), and marketing services, all of which are appropriate for direct AID investment. Other necessary components of a fully developed center are more appropriate for GOK financing, e.g., telephone, electrification, local government infrastructure, and social services such as a civic center and schools. As noted, a key factor in the market center concept is the farm-to-market linkage afforded by the rural access roads program.

Development of the market centers will involve several GOK institutions. Most important will be the Provincial and District Development Committees, which are responsible to the Ministry of Finance and Planning. Operationally, a variety of authorities will be involved: the Ministries of Lands and Settlement (Physical Planning Department), Commerce and Industry, Agriculture, Cooperative Development, Health, Power and Communications, Education, and Works.

3. Beneficiaries: The designated rural market centers in the two Provinces will serve all the non-urban population, or about 3.2-3.3 million persons. Total project cost per family will be about \$60.

4. FY 1979 Program: The project concept will be more thoroughly explored preparatory to developing a PID for FY 1980 financing (originally, this exploration was to be done as part of the "program review" (study) including the development of criteria for center selection and elaboration of the resources needed to upgrade the rural market centers. The soon-to-be published 1979-1983 Development Plan may also sharpen the rather broad statements made on market centers which appear in the current Plan.

5. FY 1980 Program: Assuming acceptance of the PID, work on the PP could commence in early FY 1980. Based on current programming lead times, the PP would be due in AID/W on or before May 1, 1980. Following authorization, a Project Agreement could be negotiated in late FY 1980 with implementing actions starting shortly thereafter.

6. Major Outputs: As now perceived, the major outputs will be the upgrading and development of designated rural market centers through construction of grain storage facilities, input supply outlets, markets, etc. Needed health facilities may come from the proposed Rural Health Delivery project while the GOK or other donors would finance construction of schools and other social amenities. The number of rural market centers to be upgraded or developed is tentatively estimated at about 75.

**TABLE IVB
ACTIVITY BUDGET
DATA**

ACTIVITY TITLE Rural Markets Centers	DECISION UNIT Kenya		DECISION PACKAGE Minimum, Expansion		BUDGET YEAR -
	INITIAL OBLIGATION FY 81		FINAL OBLIGATION FY 81		TOTAL COST \$12,550
	DATE PP/REVISION 3/81		DATE LAST PAR NA		DATE NEXT PAR -
PROJECT NUMBER 615-0182	APPROPRIATION FN				

ESTIMATED U. S. DOLLAR COST (\$ '000)

ACTIVITY INPUTS	FY 19		CY 19		FY 19		SY 19		OBLI-GATION	EXPEN-DITURE	PIPE-LINE	LIFE OF PROJECT
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)				
TOTAL-	-	-	-	-	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	-	-	-	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)					PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					FISCAL YEAR			
	1978	1979	1980	1981	1982	TYPE A	NONCONTRACT	TYPE B	
PROGRAM ACQUISITION	-	-	-	-	-	LONG-TERM	1978	1979	1980
OPERATIONALS	0.5	0.5	1.0	1.0	3.5	SHORT-TERM	-	-	-
TOTAL	0.5	0.5	1.0	1.0	3.5	LONG-TERM	-	-	-
						SHORT-TERM	-	-	-
						SHORT-TERM	-	-	-

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Rural Market Centers		Kenya		Proposed				\$12,550	
PROJECT NUMBER 615-0182		APPROPRIATION FN		INITIAL OBLIGATION FY 1980		FINAL OBLIGATION FY 1980		TOTAL COST \$12,550	
				DATE PP/REVISION 3/80		DATE LAST PAR NA		DATE NEXT PAR 1/82	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY: 19 79		FY: 19 80		PIPE-LINE	EXPEN-DITURE	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI - GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	EXPEN-DITURE										
TOTAL-	-	-	-	-	-	-	-	-	-	-	\$12,550	-	\$12,550	-	-	\$12,550
Personnel (DG)												10/80-9/84	2,200			2,200
U.S. Training (DG)												"	250			250
Construction Material (DL)												"	10,000			10,000
Evaluation (DG)												1/83-3/83	100			100
TOTAL-																
HC AND OTHER DONOR																
TOTAL-																
GOK																

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					TYPE A=NONCONTRACT B=CONTRACT	FISCAL YEAR		
	19 78	19 79	19 80	19 81			19 78	19 79	
PROGRAM ACCOUNT TDY (ADD-)	-	-	-	2.5	5.0	12.5			
OPERATING EXPENSES	0.5	0.9	1.0	1.0	3.0				
#									

TABLE IVA
Activity Data Narrative

Arid and Semi-Arid Lands (ASAL) Pre-Investment Study
Project 615-0181

1. Purpose: The purpose of the study is to develop a strategy and identify implementable projects for optimum resource utilization in the area and semi-arid lands (ASAL) of Kenya, particularly North Eastern Province, northern Tana River District, and parts of Eastern Province.

2. Background: Arid and semi-arid lands (ASAL) comprise 80 percent of Kenya's total land area, and 30 percent of the population. Erratic and scanty rainfall, increasing population, poor resource management, and application of inappropriate agricultural technology borrowed from high-potential agricultural areas are among the factors hindering development and the realization of the potential of ASAL. Even with these problems it is in these areas where Kenya's future agricultural growth will come since the high-potential land areas are already overpopulated and intensively utilized. In recognition of this fact the GOK and USAID embarked on the Marginal/Semi-Arid Lands Pre-Investment Study Project (0164) in 1977 to assist the GOK in the improvement of production and management in marginal and medium potential lands of the Machakos-Kitui-Embu zone and part of the Baringo area, an area of about 7.5 million acres. Due to time and personnel constraints, only 5.0 million acres have been inventoried under the original agreement. The remaining 2.5 million acres are included in this project.

Project Description: The primary task of this study is to generate a necessary data base from which will evolve an effective strategy for the development of ASAL. The data base will also lead to the design of projects that are technologically feasible, economically sound, and compatible with the socio-cultural environment into which they are to be introduced. The study will utilize a systems approach in recognition of the dynamic nature of the problems of ASAL and the complex interactions of various social, economic, agricultural, and ecological subsystems effecting the development of ASAL. Micro data will be collected and analyzed for all the variables in these subsystems at the "production unit" level, e.g., a small farm, a group ranch, a settlement scheme or livestock grazing block. This micro data will then be used for generalizing about other production units with similar social, economic, agronomic and climatic conditions as determined by a more general macro analysis of the project area.

This approach emphasizes the optimization of the production unit's economic and social well-being, the maximization of its yields and total production output while managing human and natural resources to its advantage. During the course of the study the present and potential levels of productivity of representative production units will be discerned and projects will be proposed to bring production units up to their full potential.

A number of GOK ministries have been and will continue to be involved in the development of the arid and semi-arid lands. However, the Ministry of Agriculture will be primarily responsible for coordinating these activities.

One important issue to be addressed in this study is the need for continuous study of the ASAL with an integrated holistic approach such as discussed above. To accomplish this, it is recommended that the study establish a Drylands Agriculture Development Center as a "center of excellence" in the Development Planning Division of the Ministry of Agriculture. The core staff of this Center would consist of the U.S. and GOK project (study) staff and they would be responsible for project identification, project studies and project validation. These activities would be continued beyond the completion of this study by Kenyan staff specially skilled in systems methodology under this project.

3. Beneficiaries: Target beneficiaries are smallholders and pastoralists living in the arid and semi-arid areas with an estimated per capita annual income of \$60 or less. Direct benefits will reach these people only when this study identifies viable projects which are subsequently funded.

4. FY 1979 Program: A PP-like document requesting funding for the study is now being drafted. As now planned, it is anticipated that a pre-study phase will commence in early FY 1979 followed by the in-depth study three months later. During FY 1979, the project staff will assemble and be oriented to the systems methodology being used in this study in a pre-study workshop. The areas covered by this study will be visited and broad supplemental socio-economic, agricultural and other data will be collected and analyzed in order to learn about the characteristics of the study area, to select representative production units for intensive analysis, and to determine the specific data and methods needed to collect the broad range of data on this representative sample of production units. Projects will be identified for further design and/or funding. Team seminars will be held regularly to exchange information, fix responsibilities and evaluate progress. By the end of FY 1979, or the first year of this study, all the broad supplemental data should be collected and analyzed and about one-half of all the production unit data collected.

5. FY 1980 Program: This study will be completed in FY 1980, or at the end of the second year of its implementation. During this period data collection on production units will be completed, and will be analyzed and generalized for the study area as a whole in order to formulate a strategy for the development of ASAL and to identify additional projects. Since the data collected and analyzed is to be project oriented, little design effort should be required to develop technically and economically feasible project proposals for funding consideration. Also Kenyan project staff will have received formal as well as on-the-job training, thereby providing the GOK the capacity to continue ASAL studies in new areas.

6. Major Outputs: (Life of Project)

- Reliable ASAL Systems Development strategy
- Adequate number and types of implementable projects identified during and at completion of study.
- Resource inventory in the form of macro and micro data and analyses including integrated bio-physical, social, cultural, economic, and trend analyses.
- Nine trained Kenyans working on ASAL activities throughout ministries or at an ASAL development center.
- Drylands Agriculture Development center to continue ASAL studies.

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Arid and Semi-Arid Lands (ASAL) Pre-Investment Study		Kenya		All		-		-	
PROJECT NUMBER 615-0181		APPROPRIATION FN		INITIAL OBLIGATION FY 1979		FINAL OBLIGATION FY 1979		TOTAL COST \$1,230	
				DATE PP/REVISION 8/78		DATE LAST PAR NA		DATE NEXT PAR 8/79	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY: 1979		BY: 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	OBLI-GATION	FUNDING PERIOD (FR-TO)			
TOTAL-	-	-	-	-	\$1,230	\$609	\$621	\$583	\$38
Personnel	-	-	10/78-7/79	-	890	445	445	445	0
Materials, equipment and operational costs	-	-	10/78-7/79	-	143	74	69	69	0
Pre-Study Workshop	-	-	10/78-12/78	-	30	30	0	0	0
Training	-	-	10/79-12/80	-	107	0	107	69	38
Vehicles	-	-	1/78-3/79	-	60	60	0	0	0
TOTAL-	-	-			\$181				
GOK	-	-			181				

FUNDING	PERSONNEL WORKYEARS (XX.X)					PARTICIPANTS PROGRAMMED				FOOTNOTES		
	FISCAL YEAR					FISCAL YEAR						
	1978	1979	1980	1981	1982	TYPE A	TYPE B	LONG-TERM	SHORT-TERM		1978	1979
PROGRAM ACCOUNT TDY (NON-OPERATING EXPENSES)	-	5.3	5.3	-	-						8	6
	0.1	0.5	0.7	0.1	-						-	-

TABLE IVA
Activity Data Narrative

Family Planning Project 615-0161

1. Purpose: To create a national Maternal Child Health/Family Planning (MCH/FP) network which will contribute to the reduction of Kenya's population growth rate.

2. Background: In recognition of the health and economic development problems posed by a high population growth rate (1978, 3.5%), the Government of Kenya in 1967 became the first sub-Saharan country to adopt an official population policy. With the support of major donors, in 1974 the GOK initiated a five-year program to establish a national system to deliver family planning services as part of integrated Maternal Child Health/Family Planning (MCH/FP) care. AID assistance supports staff development, information-education activities, provision of contraceptives, and program recurrent costs.

The project thus is supportive of the GOK's policy to improve the quality of life of mothers and children through improved maternal child health care and the spacing of births.

Progress to Date: The National Family Welfare Center under the Ministry of Health (MOH), which coordinates all aspects of the integrated MCH/FP program, has been staffed and fully operational since early 1977. A supervisory system of six Provincial and 40 District offices has been established to train and supervise community health nurses, field educators, and other staff. MCH/FP services are available throughout the country at 302 fixed Service Delivery Points (SDP); an additional 98, for a total of 400, will be established during the remainder of the project. Mobile clinics are also being established. Training curricula for nine categories of MOH staff (enrolled midwives, clinical officers, etc.) have been revised to include a family planning component. Equipment for a new Health Education Unit building has been ordered and will arrive during FY 78. A multi-donor/GOK in-depth evaluation in March 1977, concluded "the program was sound, was making satisfactory progress and appeared capable of achieving its operational objectives" but suggested that the goal of reaching the original demographic target of reducing the growth rate to 3.0% by 1979 was overly optimistic and should be modified.

3. Beneficiaries: Women and children are the principal users of the service delivery points, of which approximately 85% are located in Kenya's rural areas. Based on total donor/GOK financial inputs, it will cost about \$31 per family to provide all MCH/FP services on a daily basis over the life of the project. AID's share is about \$2.

4. FY 1979 Program: AID will continue support for recurrent salary costs and provide funding for four short-term participants and one continuing long-term participant. The FY 1979 budget, as presented in Table IVB, reflects a shift in funds among various project components; the total, however, remains unchanged. With the completion of substantial commodity procurement actions in FY 1978, no additional funds for commodities will be required. AID's contribution to MOH salary support costs will increase from the previously projected \$66,000 to \$80,000 due to the substantial increase in staff for service delivery points. Participants costs have been increased by \$16,000 (MOH Non-Academic Training, \$2,000; MOH Academic Training, \$14,000) to \$44,000, primarily to provide the final year of funding for one participant who started a three year training program in January, 1977.

5. FY 1980 Program: No obligations are planned for FY 1980; the final participants will complete their training during this year.

6. <u>Major Outputs</u> :	<u>FY 78</u>	<u>All Years</u>
Service Delivery Points established.	302	400
Participants trained	40	67
MCH/FP administration/supervision structure in place	x	x

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Family Planning		Kenya		All					
PROJECT NUMBER 615-0161		APPROPRIATION PN		INITIAL OBLIGATION FY 75		FINAL OBLIGATION FY 79		TOTAL COST \$2,369	
				DATE PP/REVISION 4/76		DATE LAST PAR 4/77		DATE NEXT PAR 7/78	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY: 1978		FY: 1979		FY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE						
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE								PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)
	\$	\$			\$	\$										\$	\$		
TOTAL-	\$ 735	\$ 1,047	\$ 327	-	\$ 124	\$ 386	\$ 65	-	-	-	\$ 65	-	-						
MOH Academic Training	216	130	240	1/80-12/80	14	189	65	-	-	-	65	-	-						
MOH Non-Academic Training	161	140	87	4/79- 6/79	30	117	-	-	-	-	-	-	-						
CBS Training	14	27	-	-	-	-	-	-	-	-	-	-	-						
HEU Commodities	-	386	-	-	-	-	-	-	-	-	-	-	-						
MOH-NFMC Commodities	171	191	-	-	-	-	-	-	-	-	-	-	-						
MOH Salary Support	173	173	-	10/78- 6/79	80	80	-	-	-	-	-	-	-						
HC AND OTHER DONOR	\$3,910				4,175								LIFE OF PROJECT \$36,700						
GOK	1,610				2,175														
Other Donors (IDA, SIDA, UNFPA, NORAD, FRG, DANIDA)	2,300				2,500														

FUNDING	PERSONNEL WORKYEARS (X,X,X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			
	FISCAL YEAR					FISCAL YEAR			
	1978	1979	1980	1981		1978	1979	1980	1981
PROGRAM ACCOUNT TOY (NORAD)	-	-	-	1982	BEYOND	16	1	-	-
OTHERS	1.0	1.0	0.1	-	A	20	4	-	-
EXPENSES	-	-	-	-	B	-	-	-	-

TABLE IVA
Activity Data Narrative

Population Studies and Research Center Project 615-0165

1. Purpose: To create a Kenyan institution capable of performing population/family planning training and research required by Government ministries, public and private agencies, and the University of Nairobi.

2. Background: AID's long-range objectives in the health/population/nutrition sector are to assist and supplement the efforts of the Government of Kenya to realize its target of providing comprehensive health care throughout the country. The provision of integrated maternal child health/family planning services forms an important part of such care. The Government recognizes the lack of both qualified personnel and useful research information to guide program implementation so as to make it more meaningful to an increasing number of people.

The need for an institution to conduct training and research, and to educate decision-makers about the implications of population growth was identified during the design of Kenya's five-year (1974-1979) family planning program. Project components include (a) establishment of a fully operational Population Studies and Research Center (PSRC) at the University of Nairobi, (b) development of a research segment within the PSRC focusing on policy issues in response to needs of Government ministries, and (c) development of a training program infusing new population/family planning curricula into undergraduate courses at the University.

The project is thus supportive of Government's policy to improve the quality of life of mothers and children through improved maternal child health care and the spacing of births. It is directly related to the need to develop an understanding of the importance of population factors in economic and social planning for development by policy makers, planners, and opinion leaders whose assistance is of vital importance in motivating the public to utilize these services.

Progress to Date: A full-time Kenyan Director has been appointed for the PSRC and a number of staff positions have been filled. The University is actively recruiting for research assistants and for the three professional positions remaining to be filled. A Research and Training Board has been established to review research proposals and

nominations for training. The Board, which includes representatives of various University Departments and appropriate Government ministries, is taking an active role in ensuring the relevance of the PSRC's programs and activities to the actual needs of Government and the University. Six research projects have been approved, and nine more are under consideration. Data and research sharing arrangements have been worked out between the PSRC and the Central Bureau of Statistics. Model curricula in population/family planning at both the BA and MA levels have been developed and are ready for introduction at the PSRC and other University departments. To date, one participant has been nominated for specialized post-graduate training in demography and eight have been nominated for interdisciplinary Ph.D. programs emphasizing population/demographic concerns. Their training programs will start in the fall of 1978. Some of these individuals will form the nucleus of the PSRC's Kenyan staff at completion of the project; others will form a basis for broader-based interdisciplinary programs in other University departments. The first of a series of seminars for civil servants and opinion leaders has been held for the Research and Evaluation Division of the National Family Welfare Center. In collaboration with the Ministry of Health and the Ministry of Finance and Planning, a schedule has been established for an additional 50 seminars to be held throughout Kenya over the next three years.

3. Beneficiaries: In the longer term the Government of Kenya family planning program will benefit (a) as key leadership and high-level civil servants throughout the country gain an increased understanding of the relationship between population and development through PSRC workshops/seminars and research, and (b) as those trained and the operations research undertaken impact on delivery of family planning services. These services are but one component of the Government's integrated Maternal Child Health/Family Planning program which is provided through service delivery points, approximately 85 percent of which are located in Kenya's poorer rural areas. Women and children are the principle users of these services:

4. FY 1979 Program: Eight long-term participants will continue their studies, and two additional long-term and two short-term training programs will be funded for new participants. Research activities will continue, with increased participation and involvement of other University departments. The contract staff will teach both undergraduate and graduate classes, supervise student research, conduct special seminars, undertake research and provide technical advice to the family planning program. Up to 15 seminars will be held in different locations throughout the country. Procurement of books and periodicals for the PSRC library should be completed during the current year.

One new component, the Distinguished Scholars Program, may be added to project activities. This program will enable the PSRC to avail itself of the expertise of eminent scholars in the fields of population, demographic studies and other population-relevant disciplines who are frequently in Kenya for international conferences, on behalf of GOK ministries, other donors, etc. Project funds will provide for short consultations for the purpose of discussing research, sharing professional perspectives, and serving as instructional resources for the PSRC's academic programs and seminars. While we are budgeting for this new project activity, it is not yet part of an approved PP. A special project evaluation to be held in the fourth quarter of FY 78 will, among other things, consider the merits of this proposed activity and the most appropriate timing for its initiation. If the evaluation findings are positive, the USAID will issue a minor PP revision.

5. FY 1980 Program: During the Budget Year, the contract team will continue the range of services described above. Ten long-term participants will continue their training, and funds will be provided for two additional short-term training programs. An additional 6-10 research projects will be undertaken, and the seminar program will move into its third and final year.

6. Major Outputs: During the life of the project, the following major outputs will be achieved:

- 15 participants (11 long-term and 4 short-term) will receive interdisciplinary training in emphasizing population studies.
- Curricula will be developed for the introduction of population-related studies into other University departments.
- Approximately 50 seminars for civil servants and policy makers will have reached up to 1,000 people.
- 10 to 20 research projects will have been undertaken and the results provided to appropriate ministries, policy makers, and University departments.

ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Population Studies and Research Center		USAID		All		\$458	
PROJECT NUMBER		INITIAL OBLIGATION		FINAL OBLIGATION		TOTAL COST	
615-0165		FY 76		FY 80		. \$1,976	
APPROPRIATION		DATE PP/REVISION		DATE LAST PAR		DATE NEXT PAR	
PN		5/76		-		7/78	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY: 1979		FY: 1980		PIPE-LINE	EXPEN-DITURE	PIPE-LINE	OBLI-GATION	EXPEN-DITURE	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE						
TOTAL-	\$269	\$327	\$552	-	\$470	\$603	\$419	-	-	\$458	\$533	\$344
Technical Services	-	174	230	3/80-8/80	83	240	73	9/80-3/82	258	200	131	
Participant Training	143	22	219	8/79-7/80	189	187	221	8/80-7/81	95	178	138	
Research Funding	105	75	80	2/79-6/80	158	128	110	7/80-12/80	60	120	50	
Seminar Workshops	-	10	10	3/79-10/79	10	15	5	11/79-12/80	20	15	10	
Commodities	-	30	8	4/79-12/79	10	15	3	-	-	3	-	
Publication Program	-	-	-	10/78-6/80	5	3	2	-	-	2	-	
Distinguished Scholars Program	10	5	5	12/78-12/79	15	15	5	1/80-6/81	25	15	15	
Evaluation	11	11	-	-	-	-	-	-	-	-	-	
HC AND OTHER DONOR	\$250				\$325							
TOTAL-	250				325							
HC AND OTHER DONOR												LIFE OF PROJECT
												\$850
												50

FUNDING	PERSONNEL WORKYEARS (XX, X)			PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR				TYPE A NONCONTRACT			
	1978	1979	1980		1978	1979	1980	
PROGRAM								
ACCOUNT								
TIDY (ADD -)	2.0	3.0	3.0		2	2		
OF (SUBTRACT)								
TOTAL	0.9	0.8	0.5					

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE Rural Blindness Prevention (IEF OPG)		DECISION UNIT Keiyya FY 76		DECISION PACKAGE N/A FY 78		BUDGET YEAR TOTAL COST \$1,214	
	PROJECT NUMBER 615-0173		APPROPRIATION HE		DATE PP/REVISION 5/76		DATE NEXT PAR 6/77	
	ESTIMATED U.S. DOLLAR COST (\$ 000)							

ACTIVITY INPUTS	FY 1978		CY: 1979		FY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION				
	OBLI-GATION	EXPEN-DITURE	PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE							PIPE-LINE	FUNDING PERIOD (FR-TO)	OBLI-GATION	EXPEN-DITURE
	TOTAL-															
AID-FINANCED	\$ 851	\$410	\$461	-	-	\$423	\$38	-	-	-	\$38	-				
Personnel	627	317	330			292	38				38					
Evaluation	28	13	15			15	-				-					
Equipment	90	45	45			45	-				-					
Other Direct Costs	70	17	53			53	-				-					
Surveys	36	18	18			18	-				-					
HC AND OTHER DONOR	\$ 369					\$ 381										
IEF	250					258										
GOK	119					123										
TOTAL-																

FUNDING	PERSONNEL WORKYEARS (XX, X)					PARTICIPANTS PROGRAMMED			FOOTNOTES	
	FISCAL YEAR					FISCAL YEAR				
	1978	1979	1980	1981	1982	TYPE A=NONCONTRACT	TYPE B=CONTRACT	1978		1979
PROGRAM ACCOUNT	3.7	4.0	-	-	-	LONG-TERM	LONG-TERM	-	-	-
TDY (ADD)						SHORT-TERM	SHORT-TERM	-	-	-
OPERATING EXPENSES	0.1	0.1	*	-	-	LONG-TERM	SHORT-TERM	-	-	-

* = less than 0.5 work-years

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE Kibwesi Area Health Care (AMREF OPG)		DECISION UNIT Kenya		DECISION PACKAGE All		BUDGET YEAR -	
	PROJECT NUMBER 615-0179		INITIAL OBLIGATION FY 1978		FINAL OBLIGATION FY 1978		TOTAL COST \$818	
	APPROPRIATION HE		DATE PP/REVISION 5/78		DATE LAST PAR NA		DATE NEXT PAR 11/79	

ACTIVITY INPUTS	ESTIMATED U. S. DOLLAR COST (\$ 000)										
	FY 1978		CY 1979		CY 1980		FY 1978		FY 1979		
	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	PIPE- LINE	FUNDING PERIOD (FR- TO)	OBLI- GATION	EXPEN- DITURE	
AID-FINANCED											
TOTAL-	\$818	-	\$818	-	-	\$243	\$575	-	-	\$303	\$272
Personnel	334		334			96	238			117	121
Training	185		185			49	136			78	58
Equipment and Supplies	70		70			29	41			27	14
Transportation & Maintenance	74		74			22	52			28	24
Evaluation	10		10			-	10			5	5
Overhead	55		55			17	38			18	20
Other Direct (contingency)	90		90			30	60			30	30
HC AND OTHER DONOR											
TOTAL-	-					\$180					
AMREF Resources						180					

FUNDING	PERSONNEL WORKYEARS (XX.X)										FOOTNOTES				
	PERSONNEL INTENSITY					PARTICIPANTS PROGRAMMED									
	HIGH		MEDIUM		LOW		TYPE A		TYPE B			FISCAL YEAR			
PROGRAM ACCOUNT	1978	1979	1980	1981	1982	BEYOND	TYPE A	TYPE B	LONG-TERM	SHORT-TERM	LONG-TERM	SHORT-TERM	1978	1979	1980
TOY (NON-)	-	4.0	4.0	4.0	-	-									
OPERATING EXPENSES	0.1	0.1	0.1	0.1	0.1	-									

1/ Excludes work years of local personnel.

TABLE IVA
Activity Data Narrative

Rural Health Delivery Project 615-0177

1. **Purpose:** To increase the capability of the Ministry of Health (MOH) of the GOK to implement its 10-year Rural Health Program.

2. **Background:** In 1972, the Ministries of Health, Finance and Planning, and Social Services, in cooperation with WHO, undertook a health sector assessment which identified four major health problem areas: (1) maternal-child health/family planning (MCH/FP); (2) nutrition; (3) environmental health and (4) communicable diseases. The GOK Rural Health Program attempts to address these problems in an integrated fashion in order to reduce the imbalance between more extensive urban, and the less developed rural, health delivery systems. (About 22% of rural households live over eight miles, and only 16% live under two miles from a health center.) The multi-donor supported National Five-Year MCH/FP Program (Family Planning Project 615-0161) was designed and undertaken in response to one of the Rural Health Program's major areas of concern. There is a clear linkage between the GOK's priorities in the area of health and AID's objective of improving the health, well-being and quality of life of the rural poor as a means of facilitating economic development.

Project Description: Reviews of various aspects of GOK health programs undertaken between 1972 and 1977 identified a number of major constraints to the successful provision of rural health and family planning programs: (1) inadequate personnel and training capability; (2) unsatisfactory levels of service in rural areas due to insufficient service delivery points; (3) inadequate resources and organization; (4) inadequate impact in prevention and control of communicable diseases, and (5) general lack of funds to be used in resolving these problems.

To address these problems, the Rural Health Delivery Project will provide loan and grant funds in the following areas: training and manpower development, particularly for paramedical field staff; construction or renovation of rural health facilities; creation of a preventive health information system especially designed to reach mothers and children; and implementation of a communicable disease prevention and control program emphasizing those efforts which will attack disease in children under five. Fixed Amount Reimbursement may be used for any AID construction activity. Additional background and greater project identification detail may be found in the PID for this project (refer FY 1979 ABS).

3. Beneficiaries: The direct beneficiaries of this project will be the 85% of Kenya's population, the majority of whom are women and children, who now have limited access to rural health services.

4. FY 1979 Program: Utilizing Program Development and Support (698-0135) funds, beginning in May, 1978, two long-term health planners under a PASA with HEW will be assigned to the MOH. Their major tasks will be three-fold: (1) to prepare a health sector assessment; (2) to assist with the drafting of the health chapter of the Fourth GOK Development Plan, and (3) to design the various elements of a rural health assistance package (along the lines outlined above) suitable for AID funding. During the 12 to 15 months the planners are assigned to the MOH, they will be assisted by the services of short-term consultants who may be called upon to assist in the preparation of AID documentation.

Drawing upon the work of prior short-term consultants (also funded from PDS) the two long-term HEW PASA's should finish their work on both the health sector assessment and draft development plan chapter not later than October, 1978. At that time, they will turn toward the development of the Project Paper for the AID Rural Health Delivery project. The Mission would hope to submit the PP to AID/W by February or March 1979. The FY 1979 CP set aside \$10 million for this project. The Mission proposes that the entire \$15 million life of project funding be authorized in FY 1979.

5. FY 1980 Program: Given the non-arrival of the health planners the specific budget year program must be viewed as only indicative of possible activities. A contract team of up to five persons will be recruited and begin their assignments with the MOH (an estimated 30 pm of services). The first 10 long-term participants will begin their training programs.

6. Major Outputs: During the life of the project, the following major outputs will be achieved:

- Paramedical training
 - 50 trainers
 - 400 students
- 225 new renovated health clinics
- 50 participants trained.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR
	Rural Health Delivery		Kenya		All		-
	PROJECT NUMBER 615-0177	APPROPRIATION HE	INITIAL OBLIGATION FY 1979	DATE PP/REVISION 2/79	FINAL OBLIGATION FY 1979	DATE LAST PAR	TOTAL COST Grant \$6,000 Loan 9,000 DATE NEXT PAR

ACTIVITY INPUTS	ESTIMATED U.S. DOLLAR COST (\$ 000)											
	FY 1978			CY 1979			FY 1980			BY 1980		
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)
TOTAL-	-	-	-	-	\$15,000	-	\$15,000	-	-	\$2,095	\$12,905	-
Grant	-	-	-	9/79-9/84	1,700	-	1,700	-	-	190	1,510	-
Technical Assistance	-	-	-	"	1,800	-	1,800	-	-	155	1,645	-
Participant Training	-	-	-	"	1,000	-	1,000	-	-	200	800	-
Commodities (Equipment and Drugs)	-	-	-	"	1,500	-	1,500	-	-	250	1,250	-
MOH Salary Support	-	-	-	"	4,000	-	4,000	-	-	500	3,500	-
Loan	-	-	-	"	5,000	-	5,000	-	-	800	4,200	-
Construction of Facilities	-	-	-	"	-	-	-	-	-	-	-	-
Equipment	-	-	-	"	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	-	-	-	-	\$800	-	\$800	-	-	-	-	-
TOTAL-	-	-	-	-	\$800	-	\$800	-	-	-	-	-
GOK	-	-	-	-	\$800	-	\$800	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)						PARTICIPANTS PROGRAMMED						FOOTNOTES
	FISCAL YEAR			PERSONNEL INTENSITY			TYPE A AND CONTRACT			FISCAL YEAR			
	1978	1979	1980	1981	1982	BEYOND	TYPE	LONG-TERM	SHORT-TERM	1978	1979	1980	
PROGRAM ACCOUNT TOY (NON-EXPENSE)	-	0.2	3.0	4.0	4.0	4.8	A	SHORT-TERM	LONG-TERM	-	50	-	
EXPENSES	0.3	1.0	1.0	1.0	1.0	1.2	B	LONG-TERM	SHORT-TERM	-	-	-	

TABLE IVA
Activity Data Narrative

Rural Health Administration (615-0187)

1. Purpose: To enhance the capacity of the Ministry of Health to plan and manage their expanding rural health network.
2. Background: Early in 1978 USAID, through consultants, began work on a health sector assessment. The preliminary result of this study point up important gaps in health policy planning in access to information from the health system that is needed to make informed management decisions and in the efficiency of the operational management of the rural system. The GOK's next five year plan envisions major extensions and investments in the rural health network to which AID and other donors expect to contribute. If these investments are to have the best chance of accomplishing their planned purpose, improvements will also be needed in the MOH's central planning capacity to examine alternative rural health policies and strategies and to manage the day-by-day operations of an enlarged rural health network. A large part of the Ministry's planning and management problems result from making decisions without accurate, up-to-date data from the health system. Another important problem is that many decisions are being made at the center that could be more efficiently made in the provinces.

In 1978 a two person AID-financed (PDS) project planning team, one physician and one health economist, will be assigned to the Ministry of Health to assist in formulating rural health strategy and to design the Rural Health Delivery Project (615-0177) for FY 79 funding and implementation.

Project Description

There are three components to this proposed FY 80 project: (a) improving the management and decision-making capacity at the central level through training in the use of modern policy analysis techniques; (b) developing a basic planning information system to feed into the central decision making and management process, and (c) evolving systems to decentralize health program operational management to the provinces. All three components will focus initially on the planning and management problems of the rural health system. If successful the methods evolved under this project could have a wider application in the Ministry. AID funds will be needed for technical assistance, participant training and modest amounts of equipment.

Because the need for better planning and management for rural health is pressing, it is possible that certain of the activities described above will be initiated in FY 79 as part of the Rural Health Delivery Project. This will depend on receipt and reviews of the recommendations of the above-referenced health planning team, which recommendations may well point to a reordering of priorities and/or sequence between the FY 79 Rural Health Delivery Project and the FY 80 Rural Health Administration Project.

3. Beneficiaries

The beneficiaries of this project will, in the first instance, be the managers of the rural health system. The ultimate beneficiaries will be the rural population serviced by the rural health program.

4. FY 1979 Program

The two health project planners will continue in the Ministry. Their expertise along with short term consultant help will be used to design the related FY 1979 Rural Health Delivery Project and prior to October 1978, develop a PID for this activity.

5. FY 1980 Program

To carry out the activities in the project description, we contemplate six technical assistance personnel, perhaps under two institutional contracts (one planning oriented; one information system and management oriented). These will be supplemented by TDY consultants, tentatively estimated at six person months. An estimated 10 participants will begin long term training. Purchase orders for equipment will be placed.

6. Major Outputs:

Given the absence of a PID, it is premature to quantify the major outputs. In general terms, the outputs will be a planning economics capacity in the MOH, a strengthened interministerial capacity to analyze and collaborate with health plans, an improved data base, GOK personnel trained in planning techniques, a nationwide epidemiological surveillance system, and an operational logistics supply system.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE Rural Health Administration		DECISION UNIT Kenya		DECISION PACKAGE Minimum & Mark		BUDGET YEAR -	
	PROJECT NUMBER 615-0187		APPROPRIATION HE		INITIAL OBLIGATION FY 81		FINAL OBLIGATION FY 81	
	DATE PP/REVISION 3/81		DATE LAST PAR -		DATE NEXT PAR -		TOTAL COST \$3,180	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY 1979		FY 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	FUNDING PERIOD (FR-TO)	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	LIFE OF PROJECT
	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE	OBLI-GATION	EXPEN-DITURE												
TOTAL-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)				PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR					TYPE	FISCAL YEAR		
	1978	1979	1980	1981			1978	1979	
PROGRAM ACCOUNT	-	-	-	-		-	-	-	* = less than 0.5 work-years
ADDITIONAL EXPENSES	*	*	0.7	1.2	1.2	1.2	5.7		

TABLE IVA
Activity Data Narrative

Human Resources Development Project 615-0178

1. Purpose: The purpose of the project is to provide the Government of Kenya (GOK) with adequately trained personnel in fields of development management priority.

2. Background: The GOK has requested assistance in the development of senior and middle-level management personnel. Subsumed within this request is USAID's goal of improving the GOK's ability to implement more effectively its development programs by improving the quality of job skills among GOK mid-level management personnel through a variety of training programs and technical assistance for management systems development. The GOK recognizes that administrative management knowledge and skills are lacking throughout its Ministries and agencies. The level of ability in these areas has not developed with the level of change in administrative/management skill necessary to keep-up with the more rapid changes in development techniques.

Decentralization of authority is an important factor in the GOK's request for assistance. During the last few years the GOK has reviewed and reassessed its development policies and strategies; it has been determined that in order to be successful a significant portion of planning and decision-making will have to take place at the Provincial and District levels, if for no other reason than to identify, establish communication with and secure continuing participation of the participants. This project will thus complement the ongoing Rural Planning project, but with a primary focus on human resource development.

In an effort to meet the challenge to change and to develop an indigenous human resources capability which is able to control and successfully manage the economic development activities of Kenya, USAID, at the request of the Directorate of Personnel Management, proposes to undertake a coordinated, integrated five-year management education/training program to improve the management skills of public service personnel working in development related positions of the public sector.

Project Description: The project will focus on the personnel/human resources development problem by building a core of highly trained public servants who will contribute to improve the Government's capability for planning and administering its development programs, with a focus on those agencies responsible for providing social services and production benefits to the poor population. Special emphasis in training will be given to fields or occupations which have potential large spread effects, e.g., administration, management, finance and planning, budgeting, executive skills, and manpower planning.

To complement the training, the project will assist the GOK in developing a National Management Development Institute by providing resource personnel and visiting instructors, consultants, and training materials to develop an in-country management development program for executive, mid-career, supervisory and accounts training. There is also a possibility of assisting the GOK in revitalizing the former East African Staff college toward this same in-country training capability.

3. Beneficiaries: The direct beneficiaries are those that achieve an uplifting of their skills either through training, seminars, or the presence of TA personnel. Ultimate beneficiaries are the secondary and tertiary cadres, and the "ground-level" Development Plan target group.

4. FY 1979 Program: Assuming approval of the previously submitted PID and the Government's formal request for an expanded human resources development program, the Mission plans to move directly to developing a Project Paper in early FY 1979.

5. FY 1980 Program: FY 1980 activities will include (1) continuation of consultant and contract services to develop the in-country training capability of the indigenous institutions, (2) sending the first group of degree participants to the U.S. for training (two year programs) along with (3) sending non-academic participants for relevant management development programs (six-to-nine month programs) to the U.S.

6. Major Outputs: Until the PP has been developed it is premature to identify specific major outputs. In general, the outputs will be (1) trained personnel to occupy positions of responsibility within the public sector, (2) a functioning National Management Development Institute responsive to the in-country training needs in management-related fields of the public sector, (3) in-country management development programs/courses for executive, senior, mid-career, and supervisory and accounting personnel in Government service.

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Human Resources Development		Kenya		All					
PROJECT NUMBER 615-0178		APPROPRIATION EH		FY 79		FINAL OBLIGATION FY 79		TOTAL COST \$7,740	
				DATE PP/REVISION 2/78		DATE LAST PAR N/A		DATE NEXT PAR -	

ESTIMATED U. S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978			CY: 1979			BY: 1980				
	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE	FUNDING PERIOD (FR - TO)	OBLI - GATION	EXPEN - DITURE	PIPE - LINE
	TOTAL-	-	-	-	-	\$7,740	\$2,185	\$5,555	-	-	\$2,360
U.S. Technicians	-	-	-	6/79-4/84	2,520	630	1,890	-	-	700	1,190
U.S. Academic Participants	-	-	-	6/79-4/84	3,000	900	2,100	-	-	1,000	1,100
U.S. Non-academic	-	-	-	6/79-4/84	1,800	575	1,225	-	-	580	645
In-Country Training Courses	-	-	-	10/79-4/84	120	30	90	-	-	30	60
Commodities - Training Materials	-	-	-	10/79-4/84	200	50	150	-	-	50	100
Evaluation	-	-	-	10/81-11/81	100	-	100	-	-	-	100
HC AND OTHER DONOR	-	-	-		\$250						
TOTAL-	-	-	-		\$250						
GOK	-	-	-		250						

FUNDING	PERSONNEL WORKYEARS (X.X. X)					PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR						FISCAL YEAR			
	1978	1979	1980	1981	1982		1978	1979	1980	
PROGRAM ACCOUNT TDY (ADD -)	-	0.1	6.0	6.0	6.0	7.0	100	100	* = less than 0.5 work-years	
OPERATING EXPENSES	1.0	1.0	1.4	1.4	1.4	1.2	-	-		

TABLE IVA
Activity Data Narrative

Kenya Education Staff Institute Project 615-0183

1. Purpose: The purpose of the project is to upgrade the quality and efficiency of educational administrators.

2. Background: In 1975 the GOK established a National Committee on Educational Objectives and Policies for the purpose of evaluating the formal education system in Kenya and to make recommendations that would lead to a redefinition of Kenya's educational objectives, giving consideration to the need to relate education to employment opportunities and to the requirements of national rural development. Several factors led Government planners to establish the Committee: a realization that the formal education system was highly oriented towards the needs of the modern, urban sector with the result that the system produced too many people for too few jobs and, conversely, that the education system was not producing sufficient numbers of people equipped with the skills and qualities required for developing an agricultural-based economy.

The Committee has just released its report--the thrust of its many recommendations, some 340, including universal free primary education, is that an overhaul of the education system is called for in order to improve the quality and relevance of education. If this theme is accepted (the Government has yet to officially react to the Report and it is controversial) increased attention will be given to teacher training, vocational education, and greater coordination between the Ministry of Education, other Ministries, and private and parastatal organizations. Many of the recommendations have implications for the planning and management of the resources allocated to education. To implement all or part of the report will require greatly increased/improved management capability; also, the MOE is known to have serious management problems now. The MOE's planning unit needs to be strengthened, and management training programs for all administrators and supervisors must be instituted. It is this latter course of action that this project will address.

Project Description: Both the above-referenced National Committee Report and earlier studies, e.g., the 1972 Ndegwa Commission Report on the Public Service, stress the need for improved efficiency of

the management of public resources. In education there is a particular need, as the MOE itself accounts for 28 percent of the GOK's total recurrent budget and the GOK is trying to keep that proportion constant at most. The management problem in education is partly explainable if it is understood that many of the present-day administrators were originally trained for teaching, not administration. Further, Kenyanization has resulted in young and inexperienced teachers assuming management responsibilities. The problem is exacerbated by swelling enrollments, especially at the primary level.

This proposed project will improve the quality and efficiency of education administrators through the establishment of a permanent machinery for the in-service training of education administrators and other specialists; the conduct of research activities in education planning, administration and management with a view toward the development of relevant and practical curricula, methodology and teaching materials for in-service personnel; the provision of a mechanism for the continuous evaluation and follow-up of in-service training activities; and the establishment of an effective linkage with institutions involved in pre-service and in-service training of education administrators and other specialists.

The major project effort will be the establishment of a permanent institution--the Kenya Education Staff Institute (KESI). Indicative of the types of skills required for TA personnel to support the Institute would be specialists in organization and management of in-service training, modern education management techniques and procedures, in-service training methodology and technology, education costs and financing, and human relations. Participant training of counterparts will, of course, be a necessary complement to the technical assistance team.

The KESI will itself be a rationalization of the MOE's current ad hoc approach to training, and will take over or coordinate the responsibility of other existing institutions for training educational personnel. Training of MOE personnel is now being performed by the KIA, the East African Staff College, the Mombasa Polytechnic, and some overseas institutions. These institutions can only address a small portion of the Ministry's requirements.

Several issues have already been identified. First will be the Government's reaction to the National Committee Report. The degree to which the report is accepted will have a significant implication for the role and task of KESI. A second issue will be the MOE's ability

to mount new programs and projects yet stay within the Treasury directive that no more than 28 percent of the total GOK recurrent budget go to the MOE. The Mission will also propose (separately) an education sector analysis, which will undoubtedly identify additional issues.

3. Beneficiaries: The direct beneficiaries are those that will benefit from the training activities of KESI. These are: 800 Education Officers from MOE headquarters, the Teachers Service Commission Staff, and District and Provincial Education Officers; 800 education specialists, e.g., inspectors, guidance counsellors, curriculum specialists, and examination officers; 20,000 heads and deputy heads of primary and secondary schools; and 800 auxiliary personnel, such as bursars, supply officers, and maintenance officers. The ultimate impact will be on the estimated (1975) 3.1 million students in Kenya and those still to enter the education system.

4. FY 1979 Program: The Mission will submit a PID, probably late in FY 1978, for this activity. The PID will give a firm basis for inclusion of this project in the FY 1980 Congressional Presentation. We would also plan during FY 1979 for a sector analysis, drawing largely upon AID/W and/or contractor talents. Assuming PID approval and completion of the sector analysis, development of the Project Paper would begin in late FY 1979 or early FY 1980.

5. FY 1980 Program: FY 1980 activities will be concentrated on development of the Project Paper which, per current guidance, would have to be in AID/W prior to May 1, 1980. The Mission would hope to submit the PP well in advance of this date, say, during December 1979. If this schedule could be adhered to it would be possible to negotiate a Project Agreement with the GOK, and to recruit for the technical assistance team.

6. Major Outputs: In the absence of a PID, it is premature to quantify the major project outputs. In general terms, the outputs will be trained staff of KESI, seminars, in-service training courses, applied research, and improved management systems.

TABLE IVB ACTIVITY BUDGET DATA	ACTIVITY TITLE Kenya Education Staff Institute		DECISION UNIT Kenya	DECISION PACKAGE Minimum, Mark & Expansion	BUDGET YEAR -
	PROJECT NUMBER 615-0183	APPROPRIATION EH	INITIAL OBLIGATION FY 1981	FINAL OBLIGATION FY 1981	TOTAL COST \$4,400
ESTIMATED U. S. DOLLAR COST (\$ 000)		DATE PP/REVISION 1/81	DATE LAST PAR NA	DATE NEXT PAR -	

ACTIVITY INPUTS	PY 19		CY 19		BY 19		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	PIPE-LINE							
TOTAL-	-	-	-	-	-	-	-	-	-	-	-	-	-
HC AND OTHER DONOR	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL-	-	-	-	-	-	-	-	-	-	-	-	-	-

FUNDING	PERSONNEL WORKYEARS (XX, X)					PERSONNEL INTENSITY	PARTICIPANTS PROGRAMMED		FOOTNOTES	
	1978	1979	1980	1981	1982		A=NONCONTRACT	B=CONTRACT		
PROGRAM ACCOUNT TOY (ADD -)	-	-	-	3.8	5.0	MEDIUM	LONG-TERM	1978	1979	1980
OPERATING EXPENSES	* .4	.4	.4	.9	1.1	LOW	SHORT-TERM	-	-	-
							LONG-TERM	-	-	-
							SHORT-TERM	-	-	-

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* = less than 0.5 work-years

TABLE IVB ACTIVITY BUDGET DATA		ACTIVITY TITLE		DECISION UNIT		DECISION PACKAGE		BUDGET YEAR	
Kenya Education Staff Institute		Kenya		Proposed				\$4,400	
PROJECT NUMBER 615-0183		APPROPRIATION EH		FY 1980		FINAL OBLIGATION FY 1980		TOTAL COST \$4,400	
		DATE PP/REVISION 1/80 (est.)		DATE LAST PAR NA				DATE NEXT PAR -	

ESTIMATED U.S. DOLLAR COST (\$ 000)

ACTIVITY INPUTS	FY 1978		CY: 1979		CY: 1980		PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE	EXPEN-DITURE	OBLI-GATION	PIPE-LINE
	OBLI-GATION	EXPEN-DITURE	FUNDING PERIOD (FR-TO)	PIPE-LINE	FUNDING PERIOD (FR-TO)	EXPEN-DITURE							
AID-FINANCED	-	-	-	-	-	-	-	-	-	-	-	\$4,400	\$4,400
TOTAL-													
Technical Assistance Team												3,000	3,000
Commodities												500	500
Academic Training												600	600
Non-Academic Training												100	100
Evaluation												200	200

I/C AND OTHER DONOR	TOTAL-		GOK		LIFE OF PROJECT	
	-	-	-	-	\$3,000	\$100

FUNDING	PERSONNEL WORKYEARS (X,X,X)						PERSONNEL INTENSITY			PARTICIPANTS PROGRAMMED			FOOTNOTES
	FISCAL YEAR						TYPE A			TYPE B			
	1978	1979	1980	1981	1982	BEYOND	NONCONTRACT			CONTRACT			
PROGRAM ACCOUNT TOY (A,B,C)	-	-	3.8	5.0	5.0	6.2	LONG-TERM			LONG-TERM			
OPERATIONAL EXPENSES	* .4	.7	1.1	1.1	1.1	1.6	SHORT-TERM			SHORT-TERM			
							HIGH			MEDIUM			
							LOW			MEDIUM			

NOTE:

ABS instructions contemplate the preparation of TABLES IVB for regional and interregional activities requiring Mission support in terms of operating expense work years. Because of the large number of projects and the exceedingly ad hoc nature of the work generated for Mission-specific personnel the completion of these tables for each activity would not, in our view, be a meaningful exercise and the results would have little utility for the reader. Moreover with the exception of AMDP, see Table III, we estimate that the individual activities occupy less than 0.05 work years each of operating expense funded personnel effort. Another very practical problem is that the bulk of the information required for the preparation of the tables (funding, critical PP dates, evaluation information, project specific inputs, etc.) is not available in the Mission. For the foregoing reasons the Mission has not prepared Tables IVB for centrally funded projects operating in Kenya. However, for the information of those reading this document a listing of such projects currently active in Kenya follows:

Program Development and Support (PDS)

ACOSCA

African Health Training Institutions Project (AHTIP)

African-American Labor Center

African-American Scholars Council

African Manpower Development Project (AMDP)

Clark University - Assessing Environmental Trends

Social Science Research Grant (University of Nairobi)

WID Preliminary Study in Three Countries

Non-Formal Education and Training (PPC grant)

Family Planning International Assistance

Scientists and Engineers in Economic Development

Remote Sensing for Resource Assessment and Management

Pathfinder

FPIA

Educational Testing Service - NFE Costs and Cost-Effectiveness

World Education, Inc. - NFE Training for Adults

Southern University 211(d) Grant - Cooperative Case Study

In addition, PVO recipients of DPG's regularly call in Kenya, at the average rate of 15-20 different organizations per year.

KENYA

DECISION UNIT OVERVIEW

1. Long-Range Goal

The U.S. long-range development goal is to assist the Government of Kenya (GOK) in achieving its equity and basic human needs development objectives. AID supports Kenya's own development strategy because Kenya's planning is pragmatic, well-conceived, has a demonstrated record of achievement, and is in close accord with U.S. development strategy and "new directions" legislation. Kenya's 1974-1978 Development Plan, now drawing to a close, stresses raising of rural incomes, more equitable income distribution, and increased employment in rural areas.

The 1979-1983 Plan is under preparation and will have a "basic human needs" approach with the overall goal of alleviation of poverty. These themes will pervade all chapters of the Plan. The Plan will continue to give priority to the rural areas although the urban poor will receive more attention in the new Plan than in the 1974-1978 document. GOK programs will be directed toward meeting basic human needs in the following priority areas: food and nutrition, water, education, shelter, and health. Within these priority areas arid and semi-arid lands (80 percent of Kenya's total area) will receive special attention.

Given Kenya's major constraints to development, i.e., limited land availability coupled with an extremely high population growth rate and limited skilled manpower, no dramatic change in the AID Kenya program is foreseen. Thus, programs in the two key sectors of agriculture and health/family planning will continue to be dominant elements of the program with assistance in education and human resources development possibly evolving.

2. Major Objectives

AID will work toward addressing problems associated with the arid and semi-arid lands of Kenya (80 percent of the land, 30 percent of the population). Poor conservation practices, heavy in-migration, overcropping, overgrazing and frequent drought have led to the degradation of large parts of these lands. There is a need to rehabilitate the land through reforestation, terracing and other reclamation measures, as well as to ensure that systems exist to support smallholder food production and welfare. In more arid areas, suitable only for livestock, AID will assist in developing and implementing grazing schemes for nomadic pastoralists,

including development of necessary supporting infrastructure.

AID will continue support to smallholder food production programs. The gains of the past have been impressive, yet there is still great potential, especially in the so-called "non-progressive" smallholder ranks. These include an estimated 1.5 million smallholders who have no, or only limited, access to credit, extension, input supply and marketing facilities. AID will expand upon its ongoing program to improve the extension service through training, to provide better access to markets, and to improve efficiency and outreach of the credit and cooperatives systems.

AID will increase its efforts to improve health care in Kenya. Only 16 percent of the rural population live within two miles of a health facility. Health facilities which do exist are overcrowded, poorly equipped, and poorly staffed. This, combined with a population growth rate of 3.5 percent, widespread incidence of preventable disease (especially in children), and a lack of emphasis on nutrition, make a strong case for increased intervention in the health/family planning sector. AID can assist in construction and renovation of simple rural health delivery points, development of health information systems, and training, especially of paramedical personnel. Planning assistance may be necessary.

AID will continue support of programs directed at alleviating the manpower constraint. The IBRD has identified this as the most serious long-term development problem facing Kenya. Both quantitatively and qualitatively the public service (especially at the middle-level tier) is unable to perform efficiently the basic technical, administrative and planning tasks expected of it. AID can assist through traditional participant training, development of in-country institutions, and direct assistance in planning and management both within ongoing or proposed agriculture and health sector activities and, possibly, through assistance to the formal education sector itself.

3. Alternatives

In selecting the preferred strategy, the Mission has opted for an approach which is consistent with U.S.-Kenyan priorities and capabilities, and which represents a pragmatic framework within which to program development assistance. The preferred strategy is essentially a logical extension of the strategy which arose from the 1974 DAP and the 1975 DAP Supplement. These analyses are now three-to-four years old, and have been amplified by additional studies, e.g., agriculture manpower, research, and education; and

the marginal lands pre-investment study. These works have confirmed the validity of a strong program in agriculture. Thus, we are suggesting a continued multi-pronged approach in three sub-sectors: livestock, arid and semi-arid land development (formerly described as marginal lands) and smallholder food production. In health the Mission will broaden its support for family planning into integrated rural health care. The pervading theme of the health approach will be to improve delivery of services through support for establishment of additional rural health delivery points, training of staff and training of trainers, and assistance in improving delivery and planning systems. Title X activities will continue to play an important role as part of the integrated program. Also, USAID will continue efforts to integrate Kenya's small PL 480, Title II program within a broad-based rural health network.

Education assistance may be a third area of emphasis. Readers familiar with the Kenya AID program are aware that formal education and human resources sector activities have not been areas of concentration in the past although projects, such as the Agriculture Systems Support Project and Family Planning, do address Kenyan needs. The Mission has pointed out the seriousness of the manpower constraint and has proposed for FY 1979 funding a manpower project to address management problems within the public sector. The GOK, too, is more aggressive in its desire for U.S. assistance to the formal education sector. Of several "feelers" before the Mission now, we believe the development of an in-service management and administration training unit for education personnel may merit further consideration for funding in FY 1980.

Finally, we propose to complement the AID bilateral program with OPG's, centrally funded projects, and HIG's where it can be demonstrated that these activities contribute to the resolution of Kenya's development problems and are in accord with the Mission's sectoral interests.

On a cautionary note, this "alternatives" analysis is hampered by several factors: first, the delay in conducting the "program review" for Kenya which would have evaluated the current program and the goals and objectives of Kenya's new development plan and recommended a strategy for future U.S. economic assistance to Kenya. A second factor is the lack of a comprehensive health sector analysis, which the Mission had hoped to have by now but, given the extremely late arrival of two AID-financed health planners, the earliest this analysis can be produced would seem to be the fall of 1978. A third factor relates to the recent approaches for assistance in the formal education sector, an area in which there is little resident expertise within the Mission—a sector analysis would seem to be called for, particularly given the recent release of a report containing Kenya's

own self-appraisal of its education system.

Further, one must remember that, when speaking of formulating strategies for achieving objectives, considerations must not only be given to the absorptive capacity of the GOK, but also to AID's role vis-a-vis other donor programs which operate in Kenya.

The Mission has considered other alternative approaches carefully but believes the one outlined above is preferable. One possibility broached by the GOK entails the geographic division of the country into donor spheres of interest. AID has shied away from this, partly because of the political implications of such a shift (political boundaries are based on tribal land rights) and partly because we assume one donor alone cannot comprehensively serve the needs of all of one target group. To be sure, within certain projects, e.g., roads, livestock, and (possibly) arid and semi-arid land development, AID has confined its efforts to specific geographic areas. The livestock and roads programs are, however, multi-donor supported national programs with the combined donors adhering to a common set of goals and objectives and effecting nation-wide coverage. This is quite different from each donor conducting its own, separate, area development project. Overall, AID's bilateral program is nation-wide in scope.

A second alternate approach considered is changing AID's sector emphasis to, say, more health, more education, and less agriculture, or some other combination. However, agriculture is, and will continue to be for some time, the dominant sector of the economy. Conversely, education on the whole represents a mixed picture of a surfeit of donors, financial constraints imposed by the Treasury that present real problems of growth, and a just-completed self-analysis by the Kenyans on educational policies and objectives. That analysis, while recommending a number of new approaches and policies, all of which have serious recurrent budget implications, does not seem to face the issue of Treasury's guidance, nor is it clear just how much of the report's recommendations will be implemented. Turning to health, the Ministry of Health, from past experience, is capable of handling only limited amounts of external assistance. Indeed, a possible issue in the development of major new initiatives in rural health will be the capacity of that Ministry to implement broad new programs in the rural areas, without the addition of complementary planning and management support.

4. Accomplishments

This discussion is in part based on a "program impact" paper prepared for possible use in the FY 1979 Congressional Hearings,

and the reader is referred to that document for a more exhaustive presentation (E. Wilson to AA/AFR Goler Butcher letter of February 10, 1978, attached).

In marginal lands development progress to date has included the mounting of an intensive resources inventory of selected marginal areas of Kenya. The study, to be completed in August, 1978, will be the basis for AID's proposed Marginal Lands Development project in the Kitui area of Kenya. A second GOK request for a resources inventory and project identification work in other areas of Kenya is being developed into a PP-like document requesting further funding.

Part C of ASL I is a program designed to reach "non-progressive" small farmers, defined as having gross annual family incomes from farming of less than \$100 and without prior access to other agricultural services, but who have the potential to move upward. In the first 18 months of the program, 13,000 farmers (about 23 percent of whom were women) were trained in the use of improved technological packages. From the group of trainees, 8,968 received loans, averaging about \$300, for cash and in-kind inputs of seeds and fertilizers. Food production increases and income generation will be measured later this year, but they are believed to have been significant. In candor, the Part C program has faced difficulties—mostly of a management and organizational nature - in part brought about by a unique approach toward a unique target group.

AID's livestock activities in Kenya have concentrated on ranch development in the Rift Valley and Coast Provinces, and grazing block (range) development in the North Eastern Province. Through 1977 65 ranches and 11 (out of a planned total of 15) grazing blocks have been planned by GOK/USDA planning teams. Eight of the grazing blocks are now operating. These developed grazing blocks have both permanent and seasonal water facilities designed to make possible year-round rotational grazing by the nomadic pastoralists residing in the Province. Assured year-round grazing contributes to improved annual beef production and increased sales and incomes. Local participation is high since each block is administered by a committee consisting of the local chief, 12-14 Somali elders, and the GOK District Officer.

It is the GOK's plan to provide MCH/FP services through a network of service delivery points. Through the multi-donor, including AID, Family Planning project 302 SDP's have been established to date, offering MCH/FP services on a daily basis. AID has trained 27 participants. This is a dramatic change from the situation in 1973 when family planning advice and guidance in the rural areas were

offered on a biweekly or, at best, weekly, basis, if at all, and few trained personnel were available.

Participant training is incorporated within each AID project as appropriate, and U.S. training is highly valued by Kenyans. The AID training program has an excellent record of participants returning to the job for which trained, with almost no drop-outs or non-returnees. Of 985 Kenyans who have returned from overseas training since 1959, an estimated 90 percent are still working in the same or similar positions for which trained. After a lull in the early Seventies, the training component of the AID Kenya program is increasing. For example, since FY 1974, when only 26 new project participants were funded, AID participant training has grown apace with the entire program so that 61 new trainees were funded in FY 1977. The Mission is also turning toward use of local institutions to meet some project-related training needs as such training is available and appropriate.

5. Section 102(d), Human Rights, and Defense Expenditures

AIDTO Circ A-143 requests that these three points be addressed in the Decision Unit Overview. USAID's Nairobi 340 is our latest, most comprehensive commentary on Section 102(d). Further, AIDTO Circ A-35, which transmits the Agency's 102(d) report to Congress, indicates that detailed guidance on the indicators will be forthcoming to the field. That guidance has not yet been received, nor is this the appropriate place in which to respond to each of the 102(d) criteria. The Country Development Strategy Statement, to be submitted shortly, will respond in more depth. USAID believes that Kenya's development achievements to date have had a positive impact on Section 102(d) concerns and that its development policies do seek to direct the benefits of development to the poor majority. One example, cited earlier, is the basic human needs and the alleviation of poverty themes of the 1979-83 Development Plan. Further, the GOK is consciously seeking ways to reorient development efforts and agriculture systems such as extension, research, cooperatives and so on toward those small farmers who are not now served by them. Finally, Kenya's Physical Quality of Life Index rating is 40, very near the average of 39 for 49 low income countries, as calculated by the Overseas Development Council.

Kenya has a good record on human rights. There have been no "gross violations" of human rights; although the Kenya Constitution does provide for detention without trial on national security grounds, this clause is infrequently invoked.

The Mission has considered Kenya's defense spending posture vis-a-vis development expenditures. Up to the current fiscal year,

Kenya's expenditures on defense averaged a very modest 4-7 percent of the total budget, reflective of a conscious policy decision to emphasize development. The situation in the Horn of Africa and Kenya's military weakness compared to neighboring Somalia and Uganda has resulted in the decision to expand and modernize the armed forces. As part of this effort Kenya has made FMS purchases from the U.S. and received assistance from other Western donors. Consequently, GOK defense expenditures in 1977/78 will approximate 14 percent of the budget. The modernization program may continue at least for several years. To date Kenya has opted for both increased defense and development spending. The inflationary impact of this policy is only now becoming apparent, and future spending will need to be monitored closely.

6. Commentary on Personnel and Operating Expenses

FY 1979 USDH Mission-specific personnel levels are projected as 40 for the end-of-year ceiling and, for FY 1980, end-of-year ceilings are 44, 45, or 46 depending upon the decision package level. During the FY 1979-1980 period, FNDH levels will go from 59 to 62. FYI, this discussion omits mention of the AAG's staff of 10, which staff is included within the USAID's operating expense budget. AAG ceilings are set by AAG/W, and MODE levels for AAG are a result of direct discussions between the Ambassador and AAG/AFR.

Increases in the USDH staff are directly related to the projected growth of the program accounts. The \$49.9 million FY 1978 Agriculture Systems Support Project will itself consume about 1.3 PY in FY 1978 and, with implementation beginning in FY 1979 will require an estimated 4.5 PY of effort in that year. Further, the design and implementation of new FY 1979 and FY 1980 activities--Marginal Lands (Kitui), Marginal Lands (North Eastern Province), two health projects, ASSP expansion activities, and at least one, possibly two, human resources development projects--will require additional manpower. (Table III of the ABS shows the distribution of USDH personnel by activity, by year). All these new activities imply a workforce additive to the existing staff, as very few projects will phase out during the same period. For example, while the Family Planning project will terminate in FY 1979, it will be replaced (in a workload sense) by two rather complex health projects. Two OPG's will also terminate during the FY 1978-1980 period, but we expect that this drop will be negated by a greater number of PVO requests for OPG's. By FY 1980 the total value of the Mission's portfolio of active projects could be as high as \$235 million.

Prudent management of the projects in AID's portfolio dictates a medium-to-high level of personnel intensity for each project. Nearly all projects are carried out in rural areas, and nearly all projects have significant elements of participant training and contractor/PASA personnel, all of which require considerable monitoring. The Mission is using host country contracts (three to date), but these require considerable monitoring by AID due to the Kenyans' inexperience with AID procedures and requirements.

The Mission has also considered the possibility of using additional local personnel either in lieu of USDH or to reinforce USDH. We see no change in the near future from our current practice of using USDH project managers. While we recognize the cost savings of using FNDH in lieu of USDH, the experience of managing AID Projects, the technical skills required for monitoring, and the basic foundation in programmatic knowledge of AID policies and procedures are simply not available in the Kenyan community. A more detailed assessment of semi-professional and professional FNDH past performance and potential for their greater use will be the subject of the Mission's response to an OAS survey on this subject. The tentative conclusion drawn by the Mission is that, aside from GSO and financial services, there is little likelihood of significant increases in FNDH's assuming greater responsibility, particularly with respect to project management functions. USAID does hope, however, to use FNDH or local contractors increasingly for social service project work.

The USDH (and FNDH) personnel levels of the Mission's operating expenses budget are also subject to factors completely unrelated to the Kenya bilateral AID program. The Mission's Executive Office, for example, while budgeted for within the Mission's operating expenses, supports not only Mission USDH (and by 1980 40-50 contractors and PASA's), but personnel associated with the complex of AID regional offices in Nairobi: AAG (10 USDH), REDSO/EA (27 increasing to 33) and RHUDO (2 increasing to 3). EXO support services are communications control, procurement, personnel, and housing. EXO also provides some procurement assistance to three neighboring AID offices: Rwanda, Burundi, and Somalia. The USAID Controller (again, part of the Mission's Operating Expenses) serves a much broader function than that of Controller to USAID/Kenya. As the East African Accounting Center the Controller performs financial control and reporting services for the above-cited regional offices based in Nairobi, as well as for nine other AID Missions or Offices: Burundi, Djibouti, OSARAC, Rwanda, Somalia, Sudan, Tanzania, Turkey and Zambia.

Therefore USAID/Kenya's personnel projections must be viewed in the context of the objective the Mission has set for itself--to significantly increase assistance to Kenya over the next several years. In this regard the Mission cannot responsibly propose larger, more management intensive programs without proposing the workforce levels required to carry out these programs effectively. In addition consideration must be given to the fact that a substantial portion of the personnel budgeted for financial management and management support services are required for non-Kenya Mission specific activities and programs.

RF

Pliny

February 10, 1978

Mrs. Goler Butcher
Assistant Administrator
Bureau for Africa
Agency for International Development
Department of State
Washington, D.C. 20523

*LEG 6
ADM-AD/W
unclassified*

Dear Mrs. Butcher:

This letter constitutes the Mission's response to DAA/AFR Haven North's cabled request to the field (State 10819) for a report on AID's program impact. We are pleased to respond and have an input into the Congressional hearings on AID.

Before going into the "impact" statements and responses to other information requested, it may be helpful as background to draw a profile of the target group in Kenya to which the AID program is addressed. Of Kenya's population of 14 million 90 percent live in the rural areas, and 86 percent derive their incomes from agriculture, the dominant sector of the economy. An estimated 75-80 percent of on-farm agriculture labor is provided by women. Indeed, the bulk of the AID program in Kenya is directed toward agriculture with particular concentration on low-income producers, including both small farmers, and, in the case of our livestock activities, nomadic pastoralists. In the small farmer subsector, there are an estimated 1.2 million small holdings (50 acres or less), of which over half are less than five acres in size. The mean per capita income of this smallholder group is about \$69 per year and the median per capita income (below which half of the group falls) is \$45. These figures contrast sharply with GDP per capita of \$232 in current prices and \$217 in constant (1972) prices for Kenya as a whole. About 25 percent of all rural households are headed by women. Access to health, social, and other services varies: 83 percent of the households are within two miles of a primary school; only 37 percent live within two miles of a market, and only 16 percent within that radius of a health center. (See 77 Nairobi 13951 and 77 Nairobi 12302.)

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Interestingly, most of the data given above is one outgrowth of a recently completed, AID/W-and USAID-financed project at the GOK Central Bureau of Statistics. Although the main focus of the project was to establish the CBS demographic unit, the U.S. advisors did assist in developing the methodology and procedures for the National Integrated Survey Sample Programme and its Integrated Rural Survey, which is the Government's principal mechanism for continuous, socio-economic data gathering in the rural areas of Kenya.

The impact statements, followed by a brief discussion on manpower and GOK development policy trends, follow.

I. Agriculture

- A. Agriculture Credit, G15-0148. The project was started in 1971 for the general purpose of improving the capability of the Agricultural Finance Corporation (AFC) to provide credit to all classes of farmers and ranchers. (AFC is the largest, most significant, provider of agriculture credit in Kenya.) From project inception to the end of FY 1977, 24,490 loans were made to small-scale farmers; loan processing time was shortened from four-to-five months to three weeks, and delinquency rates on small farmer loans were reduced from 49 percent (1971) to the present level of 20 percent. By the end of the project in early 1979, we expect the delinquency rate to fall to around 10 percent. Although small-scale farmers still receive only about one-fourth of AFC's total loan funds, it is significant that the AFC allocated more credit to small farmers in 1977 than it provided to all borrowers in 1974. FYI, the above reflects the findings of an outside evaluation by Dimpex, Inc. carried out in late CY 1977.

AFC categorizes a "small farmer" loan as one of under \$1,375; the loanee generally has fewer than 50 acres and a gross annual family farm income of less than \$1,250. AFC's small farmers are "progressive" in the sense that they operate within the cash economy, utilize available extension and marketing services, and qualify for credit, i.e., have title to their land which can be used for securing the loan.

- B. Agriculture Sector Loan I, C15-0171. Part C of this FY 1975 loan is an innovative approach to reaching the subsistence farmer subsector. Working through 11 cooperative unions and 31 member societies, the program is directed at "non-progressive" farmers who have gross annual family incomes from farming of less than \$100 and have never had access to credit or other agricultural services, such as marketing or extension, but who do have the potential to move upward. In the first 18 months of the program, 12,000 farmers (about 23 percent of whom were women) were trained in the use of improved technological packages. From the group of trained farmers, 8,968 received loans, averaging about \$300, for cash and in-kind inputs of seeds and fertilizers. Food production increases and income generation were significant. (The exact details will not be known until July when the results of a resurvey of the baseline target group are to be available.)

Part C also works toward the improvement of the cooperative movement with the addition of marketing services in the unions and societies as an innovation of this activity. Also, as part of the project 10 Peace Corps Volunteers have assisted participating unions and societies in upgrading their management capabilities.

The training group, as noted above, included 23 percent women, quite close to the national average of 24 percent of rural households headed by females and higher than the estimated norm of 5-20 percent for women's attendance per para. 3.B.(3) of 77 Nairobi 12302. The week-long training was held away from the farms, at residential centers, and women experience difficulties in being away from their farm and other household and family responsibilities for that period of time. Steps are being taken by ASL I program management to address this problem.

The Part C program does have serious problems, however. Loan repayment rates are at an unacceptably low level; the extension service and field assistants are proving ill-equipped to provide adequate assistance to the loanees; there is pressure from the Ministry of Agriculture to increase the number of loanees at a rate faster than the cooperatives can reasonably be expected to manage, and confusion - even competition - exists over a similar, yet distinct, IERD project. The USAID, IERD and GOK recognize

that there are serious problems, and USAID has agreed to the GOK's recent request to renegotiate the Part C program although specifying this should occur within the terms of the current loan agreement. USAID will use the renegotiations to institute corrective actions to improve this very important program. In addition to the Part C "non-progressive" farmer program, ASL I Parts A and B allocated loan funds to large farmers for seasonal production credit for food crops (\$6.7 million) and to small "progressive" farmers for food crop loans (\$3.4 million). Part A funds were disbursed rapidly, while only about one half of the Part B funds have been disbursed. Documentation problems, which are holding up the release of the balance, will also be examined in the course of the upcoming renegotiations.

- C. National Range-Ranch Development, 615-0157, and Livestock Development Loan, 615-0160. In the livestock subsector USAID is one of several donors assisting the Phase II Livestock Development Program initiated in 1974. AID's participation covers ranch development activities in portions of Kenya's Rift Valley and Coast Provinces, and range development in almost all of the North Eastern Province. AID loan and grant funds assist the GOK with the planning and development of ranches and rangeland, and with initial implementation of the ranch plans and range grazing blocks. The North Eastern Province area is a vast arid and semi-arid zone principally inhabited by nomadic pastoralists with average per capita incomes of less than \$50 per year.

With AID planning assistance most of the North Eastern Province has been divided into 15 grazing blocks, covering about 15 million acres. These blocks have both permanent and seasonal water facilities designed to make possible year-round rotational grazing. This, in turn, is to contribute to improved annual beef production and increased sales and incomes. (In this multi-donor effort the UK is developing marketing facilities for purchase of cattle from the pastoralists.)

Boundaries of each grazing block accord with traditional tribal or clan boundaries, and each is administered by a grazing block committee consisting of the local chief, 12-14 elders, and the GOK District Officer. The Committee, which is the means for local participation in project implementation, is responsible for administering the wet-dry season grazing system. To date 11 of the 15 grazing blocks have

been planned, and eight are now fully operational. Aside from the income benefits which accrue to the 42,000 nomadic and semi-nomadic families of the North Eastern Province their "settlement" within the grazing blocks will enable the GOK to make available such social infrastructure as roads, schools and health facilities.

The project also finances development of group, company, and cooperative ranches in the Coast and Rift Valley Provinces. AID technical assistance has been used for the planning of ranches and implementation of the plans. Loan funds are used to finance 20 percent of ranchers' cattle purchases. (IFRD funds finance the other 80 percent.) Through December 1977 two AID/GOK planning teams (one each for the Coast and Rift Valley Provinces) had planned 65 ranches, of which 31 are operating, having received loans.

A third component of the project was the loan-financed study of the meat industry in Kenya. The study, conducted by a U.S. consulting firm in 1977, made recommendations for improved marketing systems for livestock and for increases in meat prices. As a result of the study and donor representations on prices, USAID expects the GOK to announce new price arrangements for beef very soon. This is long overdue and will be a major factor in raising pastoralists' and ranchers' incomes and in making more ranches economically viable.

Finally, as a result of AID-financed training, the GOK is now well-equipped to carry out much of the planning and management of ranch and range development activities. Forty-two participants have been trained in the U.S. and returned to Kenya, with about half the participants earning a B.S. in range management. They now hold positions of District or Provincial Range Officers or higher level positions in the Ministry of Agriculture. AID-financed range and ranch planners were phased out in FY 1977 and the responsibility assumed by Kenyan planning personnel.

- D. Rural Planning, C15-0162. This project supports two closely related activities which assist the GOK in planning and executing development projects/programs. Assistance to the Ministry of Agriculture is in the form of a contribution to a multi-donor technical assistance "pool" in which AID funds represent 37.6 percent of the total. In just under two years, the "pool" advisors provided by the Harvard Institute for International Development have completed commodity demand and supply analyses, including pricing and marketing considerations, for sugar cane, dairy products, and animal feeds;

assisted in the preparation of a major project proposal (Machakos Integrated Development) for EEC financing, and are actively participating in the drafting of portions of the agriculture and rural development sections of the new 1979-83 national Development Plan.

In the Ministry of Finance and Planning three AID-financed advisors in the Rural Planning Unit are assisting in implementation of a system for decentralized planning throughout Kenya and for coordinating the input from local development plans with national priorities and programs. This is being done at the District level through the establishment of District Development Committees (DDC's) in each of 40 Districts composed of MP's, district level GOK officials, and chiefs. Each committee is responsible for drafting a District Development Plan which will be used to formulate specific activities for the next Development Plan. In addition to the foregoing the AID advisors have also completed a preliminary analysis of the Rural Development Fund. The Fund is a "pot" of money made available from central GOK funds to District Development Committees for their use in financing small development activities in their Districts. A more in-depth study of the fund is now under way with the aim of making major recommendations for improving procedures and policy guidelines. The DDC's and their district level planning efforts with the RDF are two mechanisms through which the GOK is attempting to initiate a means of local participation in national development planning.

- E. Rural Water Development, 615-0166. This project, an FY 1975 Operational Program Grant to CARE, was completed in December 1977. The purpose of the project was to make water supplies more accessible to villages. In Kenya women are responsible for providing water for household and farm use, a task which in dry areas may require carrying water in "debes", or five gallon cans weighing about 45 lbs. when full, for considerable distances. Through CARE's provision of pumps, pipes, and cement and other commodities needed to build storage tanks, combined with the villages' own self-help funds and labor, and with GOK technical design inputs, 49 locations installed permanent water at or near their villages. The project directly benefited 341,000 villagers of whom about 34,000 women now spend an average 1/2-1 hour per day transporting water as opposed to 3-4 hours previously. The women may use this time for agriculture or household tasks, care of children, leisure, etc., as they feel necessary and/or important.

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II. Health/Family Planning

A. Family Planning, 615-0161. Begun in FY 1974, this AID project along with other donor inputs assists the GOK in the implementation of its first five-year maternal-child health/family planning (MCH/FP) program by providing training to Kenyan staff, establishing an infrastructure to carry out family planning programs, setting up clinics in rural areas for the provision of full-time MCH/FP services, and financing recurrent costs. Through FY 1977 the GOK had established over 290 "service delivery points" offering MCH/FP services on a daily basis. This is a dramatic change from the situation in 1973 when family planning advice and guidance in the rural areas were offered on a biweekly or, at best, weekly, basis, if at all, and few trained personnel were available. The project has since its beginning in 1974 trained 602 nurses in MCH/FP, and 391 field educators, a new personnel category, in family planning education and motivation. Of the 290 delivery points established, 250 are in rural areas and reach approximately 1,250,000 people. Overall, 13 participants have returned to Kenya with degrees in public health and are now serving as District and Provincial level medical officers.

The project has also developed an institution to deal effectively with a development problem. Prior to 1974 there was no one, central organization (in or out of Government) charged with direction of family planning policy and implementation of related programs in Kenya. This first five-year family planning program has created the National Family Welfare Center within the Ministry of Health. The Center has trained and hired a total 1,070 persons (nurses, doctors, administrators, and information-education staff) to administer the program overall and the service delivery points. To assist the health education section of the Center, AID recently ordered \$336,000 worth of commodities--a printing press, photographic supplies, books, and art equipment. A coordinating committee, incorporating other Government ministries and concerned private organizations has also been formed.

Putting a delivery infrastructure in place, as impressive as Kenya's progress has been, has not yet had a visible impact on the population growth rate. While almost 213,000 persons have become acceptors of family planning services throughout the program, the annual number of new acceptors is still low, i.e., 58,778 in 1976 reflecting prevailing

attitudes in favor of large families and lack of knowledge, thus underlying the importance of information-education efforts.

- B. Rural Blindness Prevention, 615-0173. Implemented under an Operational Program Grant to the International Eye Foundation (IEF), the project has since its inception in the FY 1976 Transition Quarter set up three mobile blindness prevention units in rural areas of the country. The prevention units, staffed with IEF-trained Kenyan paramedical personnel, perform screening and referral services, principally for school children and patients at MCH/FP clinics. The prevention units also carry out health education. In the 15 months of actual operations through December 1977 two of the prevention units (the third began operations this month) screened a total of 103,000 people. Given that about 10 percent of the total population, about 1.4 million Kenyans) experience some sort of serious ocular problem, the potential to increased productivity by preventing eye disease is enormous.

The project is an excellent example of cooperation between the Kenyan Ministry of Health, the Kenya Society for the Blind (an indigenous PVO), and the IEF. Coordination is ensured by regular meetings of the Prevention of Blindness Committee. As there is an acute shortage of trained ophthalmologists in Kenya, urban areas are first priority for the GOK. The GOK relies on the KSB and IEF for professional personnel in the rural areas; the GOK supports their work by providing salaries of clinical officers, ungraded medical assistants, facilities, and supplies and drugs. By the end of the project (FY 79) training in ophthalmology for Kenyans will have advanced far enough so that Kenyans will be able to replace IEF personnel as Provincial Ophthalmologists.

III. Kenyan Manpower Capability

By measurement against other African emerging nations, Kenya seems relatively better off with regard to numbers of manpower. Nevertheless, there are problems. The IBRD has identified manpower as the most serious long-term development constraint while USAID believes manpower is the most significant problem affecting agriculture development. Although the transfer from an expatriate-laden civil service to a Kenyan one (the public service is now 93 percent "Kenyanized") has

resulted in competent leadership at the upper levels of Government, the levels of technical, planning and administrative expertise at the middle level are widely acknowledged to be "thin". Further, there is a qualitative dimension to the problem. As the Kenyans increasingly redirect development programs toward the rural areas, it is apparent that GOK project planners and implementors lack the skills to effectively carry out rural development projects. USAID's experience with the subsistence farmer program of ASL I (Part C) clearly bears this out. The GOK itself is concerned as evidenced by its December 1977 proposal that AID assist in establishment of a management education and training program to train a pool of Kenyans to manage development projects. (See 77 Nairobi 16576.) Also a National Commission on Education has proposed a significant revamping of Kenya's education system to give more emphasis to technical training and to make education content more relevant to the needs of the country and its people (see below).

The Mission will continue to incorporate training within each appropriate project. In fact since FY 1974 when only 26 new project participants were funded, AID participant training has grown apace with the entire program so that 61 new trainees were funded in FY 1977. From 1959 to 1977 inclusive, 985 Kenyans had returned from AID-financed training overseas. Of these, 496 received training in agriculture or related disciplines. Of all returnees, an estimated 90 percent are still working in the same or similar positions for which trained. The Mission is also turning toward use of local institutions to meet some project-related training needs. Under the National Range-Ranch Development project, for example, AID sponsored in FY 1977 training at Egerton College for five students in range management (this is to increase to 10 in FY 1978) and in FY 1978 proposes to finance up to three students in equipment maintenance at the Kenya Polytechnic. Upon graduation, the range management students will be employed as grazing block managers, and the Polytechnic graduates as heavy equipment supervisors.

IV. Government Development Policy

The 1974-78 GOK Development Plan, published in early 1974, embodied a significant reorientation in Kenya's development approach, representing a change from the former growth-oriented strategy focused mainly on manufacturing, export, (or cash crop) and commercial agriculture, and education development. That Plan set forth a pragmatic, economic

restructuring program based on the evident problems and Kenya's considerable development achievements during the first 10 years of independence. It was directed toward minimizing income differentials and increasing employment through developing rural areas, and especially the agriculture sector through raising production and incomes of small farmers. As such, the Plan adopted the majority of the recommendations of two significant series of studies requested by the GOX itself--one a 1973 study by the ILO of Employment, Incomes and Equality, and the other an agriculture sector survey and an in-depth macro-economic study by the IBRD in 1973 and 1974, respectively. Thus, the GOX's reorientation occurred in the same general time period during which the U.S., the IBRD, and other donors were adopting equity, employment generation, and the rural poor as their development targets.

Also as indicated above, in 1974 Government initiated its five-year family planning program. While Kenya's adoption of a national FP policy came in 1967, the first sub-Saharan African country to do so, the five-year program is the first concerted GOX effort to implement that policy.

Subsequent to Plan publication Kenya was hard hit by accelerating world inflation, including rising oil prices (Kenya is classed by the UNDP as a country "most severely affected" by energy price increases), and resultant severe balance of payments deficits. In response the GOX instituted measures to reduce imports and increase exports while moving ahead to implement Plan programs more rapidly. Some of the actions taken to implement these programs and address the inflation-caused problems are:

- Devaluation of the Kenya shilling in 1975.
- Increases in 1975, 1976 and 1977 in farm gate prices for several crops to near world market parity, including the staple food maize. Two results of this measure were increased incomes for farmers and virtual self-sufficiency in food production. Concurrently, these price increases contributed to a serious rise in the cost of living which affected low income consumers the most.
- Efforts to reduce the growth in recurrent expenditure, including a successful attempt to hold educational recurrent expenditure to 29 percent of total GOX recurrent expenditure.

- Slowing the growth in development expenditure while shifting its composition from infrastructure to agriculture and water development. In the 1972/73 budget year, before the Plan period began actual development expenditures for agriculture, water, and the related cooperatives development totalled Kf9.2 million, or 14.5 percent of all development expenditure. By contrast, the 1977/78 development budget proposes expenditure of Kf69.2 million for these same ministries, representing 32 percent of the total development budget.
- A shift away from construction of major roads, bridges and buildings within the Ministry of Works to favor rural roads. This has been effected through reduced funding for the former, and for the latter, initiation and funding with donor, including AID, support of the labor-intensive Rural Access Roads Program and the secondary and minor roads improvement program.
- Redistribution of incomes from urban to rural areas. This, it appears, may have occurred to some degree in 1976 and to small farmers' benefit because of producer price increases and ceilings on increased wages for higher income groups. However, it is unclear whether the redistribution has been maintained given the sharp rise in domestic inflation in 1977 due to coffee price increases. It also appears income distribution within (as opposed to between) urban and rural areas is now more askew than before because the wealthier inhabitants of both have been better able to withstand rising prices and to take advantage of development benefits.
- The carrying out of an in-depth review of Kenya's education system per the 1974-78 Plan by a broadly based National Commission on Education. The NCE report, now being reviewed within the COX, recommends a complete restructuring of the education system so as to make education more relevant and to gear it toward employment realities. The report's recommendations may run contrary to educational concepts inherited from Europe and also may accept terminal points in education for the majority at the end of primary and/or secondary school, contrary to prevailing and widespread popular aspirations. It is unknown whether the report will be accepted or how much of it will be implemented.
- Involvement of local people in the development process. Besides activities mentioned under the Rural Planning

Mrs. Butcher

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project, the GOK has assigned to DDC's initial responsibility for selecting roads under the two rural roads programs cited above. However, per Nairobi 1507 the Kenyan governing elite deeply believes they are responsible for, and representative of, the rural dwellers. Therefore, achievement of this objective will be a decidedly long-term effort.

Government is already preparing the 1979-83 Development Plan which will have as its goal alleviation of poverty. It will continue to give primary attention to developing rural areas, albeit with more attention than in the past being given to the urban poor as well. Specific development programs will be directed to meeting human needs for food and nutrition, water, education, shelter, and health. Within the agriculture sector, which under the next Plan will continue to be a high priority sector, development of marginal lands is to receive considerable emphasis in contrast to the 1974-73 document which stressed intensifying production in high potential areas. This particular policy shift probably is attributable in part to AID support for marginal lands development which was first initiated in FY 1975. For more information on the fourth Plan see the Program Officer's February 9 letter to the Kenya Desk Officer.

The new Plan in its sharpened focus on poverty and adoption of the basic needs concept may embody a more effective approach to poverty and equity problems than does the current one. Like donors, the GOK is having to learn from experience in trying to address these issues effectively.

The above is a quite lengthy, even over lengthy, response to State 10819. The USAID does not expect all of it will be utilized in the Congressional testimony; however, we have tried to be complete and to meet a range of possible inquiries. We have also not tried to disregard or gloss over problem areas although on the whole we recognize this impact statement is quite favorable, reflecting our beliefs that the AID program in Kenya is a good one and that Kenya itself is a very positive, forward looking and pragmatic host country in which an aid donor can work.

Sincerely yours,

EW
Ernest Wilson
Acting Director

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: KenyaDECISION PACKAGE: Minimum and MarkACTIVITY DESCRIPTION

This decision package provides for FY 1980 funding of four ongoing incrementally funded projects, as well as \$19 million for an ASSP PP revision for construction of the Coastal Agricultural Institute. Implementation will continue in FY 1980 on 14 other ongoing projects and the Title II program. Design work will proceed for those activities appearing in higher level decision packages, with a view toward obtaining FY 1981 funding for some or all such activities (additional ASSP activities, Marginal Lands - North East, Rural Market Centers, Rural Health Administration, and KESI).

RESOURCE REQUIREMENTS	1980				CUMULATIVE TOTAL
	1978	1979	THIS PACKAGE	1980	
Food and Nutrition	\$53,106	\$29,328	\$20,733	\$20,733	\$20,733
Population	1,004	594	216	216	216
Health	2,047	15,000	-	-	-
Education	-	7,740	-	-	-
Other - Disaster Relief	100	-	-	-	-
Total Program	\$56,257	\$52,662	\$20,949	\$20,949	\$20,949
PL 480 Title II (non-add)	(2,700)	(4,300)	(4,300)	(4,300)	(4,300)
Housing Guaranties (non-add)	(-)	(-)	(-)	(-)	(-)
Employment - Full-time Permanent					
U.S. Direct Hire	39.5	48.1	53.6	53.6	53.6
Foreign Nationals	52.7	59.5	61.8	61.8	61.8
TDY	-	-	-	-	-
Total	92.2	107.6	115.4	115.4	115.4
FIVE YEAR PROJECTIONS					
Program (\$ Million)	1980	1981	1982	1983	1984
Personnel (workyears)	20.9	80.0	80.0	120.0	120.0
Mission - US	53.6	55.0	58.0	61.0	61.0
- FN	61.8	63.0	65.0	68.0	71.0
TDY - USDH	-	-	-	-	-

DECISION UNIT: Kenya

DECISION PACKAGE: Minimum and Mark

Short-term Objectives

Funding for the four ongoing activities--NVED, Rural Planning, Rural Roads Systems, and the Population Studies and Research Center--will allow for continuance of grazing block and ranch development, construction of additional rural roads and measurement of their impact, and the final year of support to both the PSRC and the MOA/MOFP Rural Planning Project. Dependent upon a feasibility study to be financed by ASSP, the balance of the decision package (\$19 m.) will fund construction of a Coastal Agricultural Institute through a PP revision to ASSP. The Institute will have a capacity of 660, producing about 200 "certificate holders" annually. The graduates will be the farmer contract agents of the extension service; the additional manpower is justified in the ATAC report on manpower and training.

Impact on Major Objectives

This decision package will allow for modest impact on all major objectives cited in the Decision Unit Overview, primarily through the continuation of prior year funded activities. Funding for construction of the Coastal Agricultural Institute will have an impact on smallholder production in later years, i.e., once graduates are produced. Acceptance of this package could have an adverse impact on achievement of other major objectives. Valuable momentum will be lost in rural health and marginal lands development should these projects (which appear in the expansion package) be deferred until FY 1981 or later. The Mission has carefully weighed the option of putting health and marginal lands in the minimum/mark package in lieu of the Coastal Agricultural Institute, and, while that option has its merits, we believe the Coastal Agricultural Institute can contribute more in the long run to the major objectives of the Decision Unit, given the Institute's expected impact on all smallholders.

Other Information

This \$20.9 million package is both the minimum and mark. It is the minimum because adoption of anything less would be totally unfeasible in the Mission's view. Even this \$20.9 level stands in sharp contrast to FY 1977's \$29.9 million program and the \$50+ million programs proposed for FY 1978 and 1979. Any drastic reduction below the mark would return the AID program to the levels of the early Seventies and would be going in the opposite direction of other donor programs. Nor would it be consistent with the U.S. stand at recent Consultative Group meetings, or with Kenya's external assistance requirements. Further it would not contribute to APR's aim of tripling aid levels within the planning period.

Lower personnel levels would have an adverse impact on the Mission's ability to prudently manage the projects in the package and to design new FY 1981 projects. In particular, monitoring and evaluation would suffer. Impediments to achieving the proposed FY 1980 personnel levels include failure to obtain MODE approval and availability of skilled USDH, particularly agriculturalists. Further, if the Mission is to enter the education sector, USDH personnel will be needed, as the Mission has no such skills on the present staff.

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: Kenya

DECISION PACKAGE: Expansion

ACTIVITY DESCRIPTION

This expansion package will allow for the activities described in the minimum/mark package plus (a) additional ASSP expansion activities resulting from FY 1978 feasibility studies (University of Nairobi Faculty of Agriculture, Cooperative College expansion, and a food storage project), (b) a rural health administration project, and (c) a comprehensive arid and semi-arid lands development activity in Kenya's North Eastern Province.

RESOURCE REQUIREMENTS	1980					CUMULATIVE TOTAL
	1978	1979	THIS PACKAGE			
Food and Nutrition	\$53,106	\$29,328	\$43,000			\$63,733
Population	1,004	594	-			216
Health	2,047	15,000	3,180			3,180
Education	-	7,740	-			-
Other - Disaster	100	-	-			-
Total Program	\$56,257	\$52,662	\$46,180			\$67,129
PL 480 Title II (non-add)	(2,700)	(4,300)	(-)			(4,300)
Housing Guaranties (non-add)	(-)	(-)	(-)			(-)
Employment - Full-time Permanent						
U.S. Direct Hire	39.5	48.1	0.9			54.5
Foreign Nationals	52.7	59.5	1.5			63.3
TDY						
Total	92.2	107.6	2.4			117.8
<u>FIVE YEAR PROJECTIONS</u>						
Program (\$ Million)	1980	1981	1982	1983	1984	
Personnel (workyears)	67.1	75.0	90.0	120.0	150.0	
Mission - US	54.5	58.0	61.0	64.0	67.0	
- FN	63.3	67.0	72.0	76.0	81.0	
TDY - USDH						

Short-term Objectives

The increment presented in this decision package will contribute to the objectives of increased smallholder food production, marginal lands development and health improvement. It is premature to quantify the benefits, given that much of the package is related to three ASSP feasibility studies: food storage, cooperatives manpower, and University of Nairobi Faculty of Agriculture expansion. These studies will commence upon authorization of ASSP. Similarly, arid and semi-arid lands development is linked to a resources inventory of the area, which the Mission expects will be initiated in early FY 1979. Tentatively, we would expect the design from the resources inventory to recommend water and conservation activities in appropriate areas of the North Eastern Province with the possible outcome of settling a number of Somali nomadic pastoralists, as well as providing ancillary infrastructure. In health, the Rural Health Administration project will complement the FY 1979 Rural Health Delivery project by improving the planning capacity of the MOH, building a data collection and epidemiological surveillance system, and designing systems for decentralized health planning and administration.

Impact On Major Objectives

Acceptance of this package will meet to a considerable extent the Mission's major objectives, especially when linked to the programs developed for FY 1978 and FY 1979 funding. Complete ASSP expansion (as this package provides for) will allow for a greatly strengthened GOK capacity to train various cadres of agricultural manpower, especially those levels dealing with smallholders (extension service and cooperatives agents). Additional marginal lands development will allow for rehabilitation of and optimal production systems for key arid zones of North Eastern Province. Assistance in rural health will provide improved nationwide access to basic preventive health care, including MCH/FP, immunization, and nutrition programs. The GOK's manpower constraint will be addressed through the FY 1979 Human Resources Development project and of course, through ASSP and other project specific participant training programs.

FY 1980 ANNUAL BUDGET SUBMISSION
(in \$000)

DECISION UNIT: KenyaDECISION PACKAGE: ProposedACTIVITY DESCRIPTION

This proposed package will allow for those activities described in the expansion package plus (a) the Rural Market Centers project and (b) the Kenya Education Staff Institute Project.

	1980					CUMULATIVE TOTAL
	1978	1979	THIS PACKAGE	1983	1984	
<u>RESOURCE REQUIREMENTS</u>						
Food and Nutrition	\$53,106	\$29,328	\$12,550			\$76,283
Population	1,004	594	-			216
Health	2,047	15,000	-			3,180
Education	-	7,740	4,400			4,400
Other - Disaster Relief	100	-	-			-
Total Program	\$56,257	\$52,662	\$16,950			\$84,079
PL 480 Title II (non-add)	(2,700)	(4,300)	(-)			(4,300)
Housing Guaranties (non-add)	(-)	(-)	(-)			(-)
Employment - Full-time Permanent						
U.S. Direct Hire	39.5	48.1	0.9			55.4
Foreign Nationals	52.7	59.5	0.0			63.3
TDY	-	-	-			-
Total	92.2	107.6	0.9			118.7
<u>FIVE YEAR PROJECTIONS</u>						
Program (\$ Million)	84.1	50.0	80.0	120.0	160.0	
Personnel (workyears)	55.4	58.0	61.0	64.0	67.0	
Mission - US	63.3	67.0	72.0	76.0	81.0	
- FN						
- USDH						
TDY						

DECISION UNIT: Kenya

DECISION PACKAGE: Proposed

Short-term Objectives

The increment presented in this decision package will address increased smallholder food production objectives and health and shelter considerations. The proposed Rural Market Centers project will upgrade rural market centers in Nyanza and Western Provinces by providing improved marketing outlets for foodstuffs, storage facilities (in conjunction with ASSP), health and environmental sanitation facilities (in conjunction with Rural Health Delivery) and possibly address shelter needs through sites and services schemes. Secondly, this increment includes assistance for the training of teachers and educational administrators through establishment of a staff development institute. Assistance to the formal education sector would represent a new area for the AID program in Kenya, and any investment in this sector will be preceded by a sector analysis.

Impact On Major Objectives

Acceptance of this package will allow for an impact on all major objectives. This package is superior to the expansion level in that the development of rural market centers approaches an area development concept in a geographic zone having a high concentration of smallholders, and because there are important linkages between the ongoing rural roads programs, ASSP (both FY 1978 and FY 1980 expansion activities) and Rural Health Delivery. The net effect of all these programs--smallholder development, arid and semi-arid lands development, and health--should be of considerable import in raising incomes of the rural poor and providing their basic human needs. With respect to education, assistance to the Staff Institute is expected to be a significant factor in addressing the manpower constraint facing Kenya through orienting the educational system toward providing more relevant education to Kenya's present and potential school population.

TABLE V - PROPOSED PROGRAM RANKING

NAME OF DECISION PACKAGE SET

DECISION UNIT

615 KENYA

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	APPROPRIATE AGENCY	PERSONNEL	MISSION	OPERATING EXPENSES	WORKYEARS (XX, X)	RESOURCE REQUIREMENTS	
							PROGRAM ACCOUNT	PROGRAM FUNDING
	DESCRIPTION	ACCT	INT'L	TDY			INCREMENT	CUMULATIVE
DECISION PACKAGE - MINIMUM & MARK								
1	0169 Agricultural Systems Support Project (L&GO)	FN	H	5.9	28.0	19,000	19,000	19,000
2	0157 National Range Ranch Development (GO)	FN	H	0.9	8.0	998	998	19,998
3	0160 Livestock Development Loan (LO)	FN	H	0.9	2.0	-	-	19,998
4	0168 Rural Roads Systems (L&GO)	FN	M	0.8	3.5	348	348	20,346
5	0162 Rural Planning (GO)	FN	M	0.4	6.0	387	387	20,733
6	0186 Arid and Semi-Arid Lands Dev. (NEP) (L&GN)	FN	M	0.7	0.0	-	-	20,733
7	0187 Rural Health Administration (GN)	HE	M	0.7	0.0	-	-	20,733
8	0182 Rural Market Centers (L&GN)	FN	M	0.5	0.0	-	-	20,733
9	0181 Arid and Semi-Arid Lands Pre-Inv. Study (NEP) (GO)	FN	M	0.7	5.3	-	-	20,733
10	0165 Population Studies and Research Center (GO)	PN	M	0.5	3.0	216	216	20,949
11	0177 Rural Health Delivery (L&GO)	HE	M	1.0	3.0	-	-	20,949
12	0183 Kenya Education Staff Institute (GN)	EH	M	0.4	0.0	-	-	20,949
13	0178 Human Resources Development (GO)	EH	M	1.0	6.0	-	-	20,949
14	0172 Marginal Lands Development (Kitui) (L&GO)	FN	M	1.5	0.6	-	-	20,949
15	0170 Roads Gravelling (L&GO)	FN	M	0.9	3.5	-	-	20,949
16	0171 ASL I (LO)	FN	M	0.6	0.4	-	-	20,949
17	0161 Family Planning (GO)	PN	M	0.1	0.0	-	-	20,949
18	0180 Food Crops Research (GO)	FN	H	1.0	6.0	-	-	20,949
19	0179 AMREF OPG (GO)	HE	L	0.1	4.0	-	-	20,949
20	0185 CODEL OPG (GO)	HE	L	0.1	0.0	-	-	20,949
21	0184 Technoserve OPG (GO)	FN	L	0.1	4.0	-	-	20,949

TABLE V - PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY/SUPPORT ITEM	APPROPRIATE ACCT	PERSONNEL INTENSITY	MISSION	TDY	RESOURCE REQUIREMENTS			
						WORKYEARS (XX, X)	PROGRAM FUNDING (\$ '000)	INCREMENT/CUMULATIVE	
	DESCRIPTION					EXPENDING	PROGRAM ACCOUNT		
22	PL 480 Title II		L	0.3			0.0	(4,300)	20,949
23	Other Activities (see table III)		L	0.7			0.0	(1,125)	20,949
	Summary by Personnel Intensity: Low (5 projects)			(1.3)			(8.0)	(5,425)	
	Medium (14 ")			(9.8)			(31.3)	(951)	
	High (4 ")			(8.7)			(44.0)	(19,998)	
	Total			(19.8)			(83.3)	(26,374)	
	<u>DECISION PACKAGE - EXPANSION</u>								
24	0169 Agricultural Systems Support Project (L&G)	FN	H	0.2			0.0	31,000	51,949
25	0186 Marginal Lands Development - NE (L&GN)	FN	M	0.4			0.3	12,000	63,949
26	0187 Rural Health Administration (GN)	HE	M	0.3			0.0	3,180	67,129
	Summary by Personnel Intensity: Low (0 projects)			(-)			(-)	(-)	
	Medium (2 ")			(0.7)			(0.3)	(15,180)	
	High (1 ")			(0.2)			(0.0)	(31,000)	
	Total (Cumulative)			(20.7)			(83.6)	(72,554)	
	<u>DECISION PACKAGE - PROPOSED</u>								
27	0182 Rural Market Centers (L&GN)	FN	M	0.5			0.0	12,550	79,679
28	0183 Kenya Education Staff Institute (GN)	EH	M	0.4			0.0	4,400	84,079
	Summary by Personnel Intensity: Low (0 projects)			(-)			(-)	(-)	
	Medium (2 ")			(0.9)			(0.0)	(16,950)	
	High (0 ")			(-)			(-)	(-)	
	Total (Cumulative)			(21.6)			(83.6)	(89,504)	

USAID/Kenya

MISSION OPERATING EXPENSE FUNDED PERSONNEL REQUIREMENTS
(in work years xx.x)

MISSION SPECIFIC PERSONNEL	FY 78 Estimated Actual		FY 79 Estimated		FY 80 Mark/Minimum		FY 80 Expansion		FY 80 Proposed	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Directly Related to Activities*	11.6	5.0	18.2	6.2	19.8	7.3	20.7	8.3	21.6	8.3
Policy, Direction & Management	6.7	3.1	8.0	4.0	10.2	4.5	10.2	5.0	10.2	5.0
Financial Management	3.1	15.1	4.0	16.0	4.3	16.0	4.3	16.0	4.3	16.0
Mission Support	7.1	28.5	7.7	31.5	8.1	32.0	8.1	32.0	8.1	32.0
IDI's	1.0		0.2		1.0		1.0		1.0	
OTHER (Specify)										
TOTAL	29.5	51.7	38.1	57.7	43.4	59.8	44.3	61.3	45.2	61.3

Total	34 + 55 = 89	40 + 59 = 99	44 + 60 = 104	44 + 60 = 104	46 + 62 = 108
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END OF YEAR CEILING

NON-MISSION SPECIFIC PERSONNEL

Auditor General & IIS	10.0	1.0	10.0	1.8	10.2	2.0	10.2	2.0	10.2	2.0
Other (Specify):										
TOTAL	10.0	1.0	10.0	1.8	10.2	2.0	10.2	2.0	10.2	2.0

Total	10 + 2 = 12				
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END OF YEAR CEILING

*From Table V.

OPERATING EXPENSE BUDGET

USAID/Kenya

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		PROPOSED
				UNITS	\$	UNITS	\$	UNITS	\$	
PERSONNEL	01				2165.1	2470.3			2986.1	3031.6
U.S. Direct Hire	02		USDI Workyears	39.5	1849.8	48.1	2099.3		54.5	2627.7
U.S. Citizens Basic Pay	03	110	USDI Workyears	39.5	1097.8	48.1	1493.0		53.6	1673.0
Part-time, Temp. U.S. Basic Pay	04	112	USDI Workyears							
Differential Pay	05	116	USDI Workyears							
Living Allowances	06	118	USDI Workyears							
Other Pay	07	119			4.5					
Education Allowances	08	126	No. of Dependents	43	136.7	57	153.8		73	187.6
Retirement	09	120	USDI Workyears	39.5	76.9	48.1	104.5		53.6	117.1
Transportation/Travel	10									
Post Assignment - Travel	11	212	No. of Movements	23	69.4	10	34.0		12	39.0
Home Leave	12	212	No. of Movements	25	89.3	15	68.1		26	178.3
Post Assignment/Home Leave Freight	13	22			307.6		160.0			242.5
R & R	14	213	No. of Movements							
Education Travel	15	215	No. of Movements	9	10.5	11	13.2		8	9.6
Medical Travel	16	215			18.1		20.0			23.0
Other Travel	17	215			7.8		10.0			12.0
Other Personnel Benefits	18				31.2		47.7			47.2
Local Employees	19		FNMI Workyears	52.7	305.3	59.5	371.0		63.3	398.4
Basic Pay	20	114	FNMI Workyears	52.7	255.8	59.5	328.8		63.8	352.8
Overtime, Holiday Pay	21	115	FNMI Workyears	4.0	28.4	4.5	30.0		4.5	33.0
Other Pay	22	119			1.5					
Personnel Benefits	23	129	FNMI Workyears	52.7	10.4	59.5	12.2		63.8	12.6
Benefits for Former Personnel	24	13			9.2					
Contract Personnel	25		Workyears	0.8	10.0					
PASA Technicians	26	258	Workyears							
Other Reimbursable Details	27	111	Workyears							
Experts and Consultants	28	113	Workyears	0.8	7.4					
Other Technicians	29	235	Workyears	0.8	2.6					
HOUSING	30				590.0	716.1			794.6	862.2
Acquisition of Land and Structures	31	320	No. of Residential Units						832.7	

OPERATING EXPENSE BUDGET

USAITD/KENYA

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		PROPOSED UNITS
				UNITS	\$	UNITS	\$	UNITS	\$	
HOUSING Continued										
Rent	32	235	Nb. of Residential Units	44	362.2	49	449.7	53	524.2	
Utilities	33	235	Nb. of Residential Units	44	35.7	49	63.5	53	81.6	
Renovation	34	259	Nb. of Residential Units	13	15.1	7	10.5	4	6.0	
Maintenance	35	259	Total Square Feet	81620	55.0	90895	75.0	98315	87.5	
Residential Furnishings and Equipment	36									
Additions to Inventory	37	31V/266	Nb. of Residential Units	6	46.3	4	46.0			
Replacement	38	31V/266						31.7		
Transportation	39	22			48.3		40.0	30.0		
Quarters Allowance	40	127	Nb. of Residential Units	N/A	18.0		8.6	9.9		
Mission Director	41									
Rent	42	235					13.9	13.9		
Utilities	43	235			1.6		2.0	2.2		
Renovation of Residence	44	259								
Maintenance of Residence	45	259			3.2		1.5	1.7		
Supplies and Materials	46	26					0.3	0.3		
Furniture Procurement	47	311								
Official Residence Allowance	48	254			2.1		2.1	2.1		
Representation Allowance	49	252			1.5		1.5	1.5		
Vehicles	50									
Acquisition	51	312								
Operation/Maintenance	52	259			1.0		1.5	2.0		
Portion of Lines 31-52 for Program Funded People	53									
OFFICE OPERATIONS	54				627.8		717.6	791.5		812.8
Acquisition of Land and Structures	55	327								
Rent	56	234			145.1		150.3	166.7		
Utilities	57	234			4.5		5.0	6.0		
Renovations	58	259			1.3		2.0	3.5		
Building Maintenance	59	259			9.1		14.0	16.5		
Office Furnishings and Equipment	60									
Additions to Inventory	61	310			15.3		9.0	12.5		
Replacement	62	310			2.7					

OPERATING EXPENSE BUDGET
USAID/Kenya

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		MARK/MIN \$	UNITS	EXPANSION \$	UNITS	PROPOSED \$	UNITS
				UNITS	\$	UNITS	\$	UNITS	\$						
OFFICE OPERATIONS Continued															
Other Equipment	63	319													
Transportation (Freight)	64	22		18.5		9.0			7.0						
Communications	65	230		30.0		35.0			39.0						
Security (Guard Services)	66	259		54.0		70.1			87.4						
Printing and Reproduction	67	24		2.5		3.0			3.3						
Operational Travel	68														
International	69	210		141.7	1	180.0			205.0						
Domestic	70	210		15.0		20.0			22.0						
Charter/Contract Transportation	71	259													
Vehicles	72														
Addition	73	312	No. of Vehicles			2	15.5								
Replacement	74	312	No. of Vehicles			2	12.5		13.0						
Maintenance	75	259	No. of Vehicles		10	5.7	7.0	12	8.0						
Automotive Supplies and Materials	76	26	No. of Vehicles		10	7.8	9.0	12	10.0						
Other Supplies and Materials	77	26	No. of Vehicles			70.1	75.0		80.0						
FAAS	78	257				32.9	36.2		41.6						
Other U.S. Government Reimbursements	79	258													
Other	80	259		57.6		65.0			70.0						
Portion of Lines 53-80 for Program Funded People	81														

NOTE: Costs shown against line Nos. 37-39; 56-65; 67; and 73-80 represent USAID/Kenya's pro-rated share of total costs related to number of units shown.

Costs shown on line No. 66 include Guard Services for residences as well as for Mission offices.

OPERATING EXPENSE BUDGET

USAID/Kenya

EXPENSE CATEGORY	LINE NO.	FY 1978	FY 1979	HANK/MIN	F Y 1 9 8 0	
					EXPANSION	PROPOSED
TOTAL OPERATING EXPENSE BUDGET	82	3,382.9	3,904.0	4,513.8	4,623.9	4,706.6
Reconciliation						
Deduct from item 82 items not funded from Mission's allotment:						
Object Class 11	83	1,102.3	1,493.0	1,673.0		
Object Class 12	84	102.7	145.4	162.2		
Object Class 13	85					
Net FAAS (from line 78)	86	32.9	36.2	41.6		
Other - Explain on Attachment Storage Charges - Line 1	87		22.3	34.7		
Net Allotment Requirements	88	2,145.0	2,207.1	2,602.3		
Operational Year Allotment Requirement						
by Quarter						
First Quarter	89		494.5			
Second Quarter	90		589.3			
Third Quarter	91		509.7			
Fourth Quarter	92		613.6			

ADDITIONAL SCHEDULES AND ANALYSES	Attached	
	Yes	No
Use of Trust Funds		X
ADP Equipment	X	
Budget Line 31 Detail		X
Budget Line 55 Detail		X
Budget Line 80 Detail	X	

USAID/KENYA

DATA ON ACQUISITION, OPERATION, AND USE OF AUTOMATIC DATA PROCESSING (ADP)

EQUIPMENT, SERVICES, AND SYSTEMS

1. Narrative Statement

USAID/Kenya acquired from FY 1977 funds a new NCR-499 machine for use by the East Africa Accounting Center (EAAC), to replace the existing Burroughs L-5000 machine. The machine was delivered in late Calendar Year 1977. It should be noted that the acquisition of the NCR-499 machine was negotiated under "Worldwide" contract between NCR and USG (GSA), to take advantage of the special price. EAAC had intended to convert and use the existing programs currently being used by USAID/Colombia, and to make the new machine fully operational by March, 1978. However, due to late receipt of necessary instructions on operation of these programs from USAID/Colombia, the machine will not be fully operational until the end of FY 1978. In the meantime, NCR/Nairobi has just finished the Foreign National Payroll Program and it is now operational. EAAC is currently payrolling all foreign-nationals of eight posts and expects to take over additional posts as soon as the new program is fully operational.

EAAC is presently providing all financial, accounting, and reporting services to more than fifteen country missions and/or regional organizations. Due to increase in number of newly established posts in Africa, there has been a significant increase in workload as well as in demand of EAAC services from these posts. The present Burrough's L-5000 is not adequate to meet this increased demand. EAAC believes that the acquisition of the new NCR-499 will provide enough capacity and flexibility to meet client posts requirements in a more timely and satisfactory manner. EAAC also plans to utilize the new machine for various other purposes like property records, project performance tracking, etc.

USAID/KENYA

DATA ON ACQUISITION, OPERATION, AND USE OF AUTOMATIC DATA PROCESSING (ADP)

EQUIPMENT, SERVICES, AND SYSTEMS

2. Report on Obligations and Inventory of ADP Systems

	FISCAL YEAR (IN \$000.0)					
	1978		1979		1980	
	TF	TOTAL	TF	TOTAL	TF	TOTAL
1. <u>Capital Investments</u>						
A. Purchase of ADP Equipment	-	-	-	-	-	6.0
B. Purchase of Software	-	-	-	-	-	-
C. Sub-total	-	-	-	-	-	6.0
2. <u>Personnel</u>	1	-	-	-	-	-
None	-	-	-	-	-	-
3. <u>Equip. Rental & Other Operating Costs</u>						
B. Supplies	2.0	2.0	3.0	3.0	3.0	3.5
4. <u>Commercial Services</u>						
A. ADP Service Bureau	-	-	-	-	-	-
B. Systems Analysis & Prog.	3.0	3.0	1.0	1.0	1.0	1.0
C. ADPE Maintenance	3.0	3.0	7.0	7.0	6.5	6.5
D. Sub total	6.0	6.0	8.0	8.0	7.5	7.5
5. <u>Total Obligations</u>	8.0	8.0	11.0	11.0	16.5	16.5
6. <u>Interagency Services</u>	-	-	-	-	-	-
None	-	-	-	-	-	-

FY 1980 OPERATING EXPENSE BUDGET SUBMISSION

USAID/KENYA

DETAIL OF EXPENSES BUDGETED ON BUDGET LINE 80

<u>Purpose</u>	<u>Amount (In \$000.0)</u>		
	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
Medical Expenses	8.1	9.0	10.0
In-Service Training	1.5	2.0	2.0
Office Equipment Repairs/Maintenance	8.5	9.5	10.5
HH Equipment Repairs/Maintenance	6.4	7.0	7.7
Temporary Secretarial/Clerical Services	14.2 (2.1 Workyears)	15.0 (2.5 Workyears)	15.0 (2.5 Workyears)
Local Employees' Group Medical & Life Insurance Premium	6.0	7.9	8.7
Electrician/Maintenance Man Contract	5.3 (1 Workyear)	6.1 (1 Workyear)	6.8 (1 Workyear)
Miscellaneous	7.6	8.5	9.3
Total	57.6	65.0	70.0

USAID/KENYA

BASIS USED AND ASSUMPTIONS MADE IN BUDGET COMPUTATIONS

I. PERSONNEL

A. U.S. Direct Hire

1. Salaries and related benefits for employees currently on board or nominated are computed at their current salary grade and step level as shown on SELs or nomination cables, plus one step each in FY 79 and FY 80, except for those who have reached step 7. No promotions budgeted. For vacant or new positions and replacements for whom no nominations received, these costs are budgeted at the middle step level of the salary grade established for such positions.
2. Education allowances and travel are computed on the basis of actual number of dependent children for the employees currently on board or nominated. For vacant or new positions and replacements for whom no nominations received, these costs are computed at the rate of two children, except for secretarial positions.
3. Post assignment and home leave travel/transportation costs are computed on the basis of actual number of travellers for employees currently on board or nominated. For new or vacant positions and replacements for whom no nominations received, costs are computed at the rate of employee, spouse, and two children, except for secretarial positions, from mid-point U.S.A. to Kenya. For employees who will complete two tours of duty, the travel cost has been budgeted for Home Leave and transfer to AID/W.

USAID/KENYA

BASIS USED AND ASSUMPTIONS MADE IN BUDGET COMPUTATIONS

I. PERSONNEL (CONTD.)

B. Local Employees

1. Salaries for employees currently on board are computed at the rate of their current grade and step level, plus one step each in FY 1979 and 1980. For vacant or new positions, salaries are computed at the rate of grade level established for such positions. No promotions budgeted.
2. Provision of 10% general wage increase has been made in FY 79 and FY 80.
3. Overtime and holiday pay are computed on the basis of current rate of overtime work performed.
4. Personnel benefits include employer's contributions for CSR for 12 employees and Kenya National Social Security Fund for the remaining employees. The contributions to Kenya N.S.S.F is currently 10% of the basic salary up to the maximum of K.Shs.80/- (Equiv. U.S.\$10.00) per month per employee.
5. Medical and life insurance benefits are currently provided under Group Insurance Policy with American Life Insurance Co., and for which no deductions are made from employees' salaries. The cost of this insurance premium has been budgeted and included on budget line 80.

USAID/KENYA

BASIS USED AND ASSUMPTIONS MADE IN BUDGET COMPUTATIONS

C. Contract Personnel

Cost budgeted in FY 78 represents one Personal Services Contract for a Highway Engineer. AID/W is currently in process of converting this position to USDH position, and PSC incumbent is expected to be on board as USDH beginning last quarter of FY 78.

II. HOUSING

1. Rental cost for current valid leases is computed at the rate of presently agreed rent through the date of expiry of these leases. An increase of 40% in the rent has been budgeted when these leases are due for re-negotiation. For new leases, the rent of \$12,000 for the house and \$9,000 for apartment has been budgeted based on the present rates of housing rents prevailing in Nairobi. It should be noted that these costs are substantially above previous estimates.
2. Renovation cost has been budgeted at the rate of \$1,500 per house for each new lease.
3. Maintenance cost has been budgeted on the basis of current rate of expenditures, plus 10% increase in cost in each FY 1979 and 1980.

USAID/KENYA

BASIS USED AND ASSUMPTIONS MADE IN BUDGET COMPUTATIONS

II. HOUSING (CONTD.)

4. Based on presently available HH furniture and equipment in Mission warehouse, Mission will need additional sets of furniture, appliances, and other furnishings to furnish total of ten houses prior end of FY 1979. Based on increase in number of personnel in USAID/Kenya and REDSO/EA, cost to furnish six houses has been budgeted in FY 1978 and four houses in FY 1979. Cost shown on budget lines 37, 38, and 22 represents only the USAID/Kenya pro-rated share of the total cost. In FY 1980 cost for two additional houses has been budgeted for two additional positions under "Proposed Level," and one under "Expansion Level", cost for nominal routine replacements has been budgeted. No replacements required in FY 1978 and 1979, as nearly all furniture and furnishings were recently replaced.

5. Cost budgeted on budget line 40 represents temporary lodging allowance for one week for each new arrival.

6. No rental cost budgeted in FY 78 for Mission Director's house as the rent was paid in advance in FY 77 beyond FY 78. Nor is any increase in rental cost budgeted in FY 79 and FY 80 as the current lease expires after FY 1980.

III. OFFICE OPERATIONS

1. No increase in office rent has been budgeted as the present lease does not expire until 1982. However, an increase of 40% in warehouse rent plus rent for additional space of 5,000 sq. ft. have been budgeted in FY 1979 and 1980. An increase of 10% in Xerox photocopying machines' rental has also been budgeted in FY 1979 and 1980.

2. Renovation cost budgeted mainly represents the cost of re-positioning and re-partitioning of some of the present offices to provide space for additional personnel.

USAID/KENYA

BASIS USED AND ASSUMPTIONS MADE IN BUDGET COMPUTATIONS

III. OFFICE OPERATIONS (CONTD)

3. Office furnishings and equipment cost budgeted represents the cost of additional office furniture and equipment required for new personnel. In FY 1980, the amount of \$6,000 has been budgeted for additional ADP equipment (2 NCR 7200 Terminals).
4. Reasonable increase in operational travel cost has been budgeted in FY 1979 and FY 1980 to cover (a) the increased air-fare cost due to lack of direct travel links between some of the countries in Africa (for AAG travel); (b) continuous increase in per-diem rates; and (c) increase in number of trips due to increase in number of travellers. Provision is also made for reasonable number of trips for AID/W consultations; trips to attend conferences; and TDYs from other missions.
5. Cost for two additional vehicles for Mission motor-pool has been budgeted in FY 1979, increasing the present fleet of ten vehicles to twelve vehicles. This increase is necessary to meet increased demand of motor-pool services due to increase in field trips to various project sites by USAID and ~~UNEP/UNEP~~ personnel. In addition, due to lack of efficient vehicle repairs/maintenance service at present, an average of one to two vehicles are always grounded. Due to this reason, it has recently been necessary for the Mission to use rented vehicles very frequently. The additional two vehicles include one four-wheel/^{drive}vehicle. Replacement of two vehicles in each FY has been budgeted for regular replacements.
6. All office operations costs shown in the budget represent the USAID/Kenya pro-rated share of the total cost.

USAID/KENYA

BASIS USED AND ASSUMPTIONS MADE IN BUDGET SUBMISSION

IV. INFLATION FACTOR

Inflation rate of 10% has been used in FY 1979 and FY 1980 for all locally procured goods and services, which mainly includes local transportation and accessorial services; communications; utilities; repairs and maintenance; guard services; cleaning and janitorial services; supplies and materials, etc. No inflation factor has been used for overseas procurement.

V. FY 1978 COSTS

The current estimate shows an increase of \$53,400 over the currently approved budget level; although it shows an increase of \$240,700 in net allotment requirements over the currently approved allotment level. This increase mainly results from the increase in post assignment/HL travel and transportation costs due to unexpected personnel movements originally not budgeted for (additional costs of \$106,600) and the estimated assignment of three additional U.S. Direct Hire personnel (costs of \$95,900); and due partly to significant increases in housing rental costs and partly to under-estimated housing rental costs in the January, 1977 revised budget submission. In addition, one position of Highway Engineer was previously budgeted as USDH position for full year, now budgeted as PSC for nine months and only three months as USDH. This resulted in shifting of funds from AID/W costs to Mission costs.

VI. FY 1979 COSTS

The current estimate shows an increase of \$282,200 over the January 1978 budget submission. Of this increase, \$150,900 is for Mission net allotment requirements, mainly due to five additional U.S. Direct Hire personnel plus revised estimates for residential rental costs.

WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 003

MODE LEVEL	AUTHORIZED	BUDGETED	REQUESTED	NON-CEILING	TOTAL FILLED	TOTAL VACANT
POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS
003	32	40	44	34	0	0
004						
005						
013						
014						
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016						
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WORKFORCE REQUIREMENTS - SCHEDULE 1 - (EXISTING POSITIONS 001) USAID KENYA

MODE LEVEL	AUTHORIZED	HUNGRED	REQUISITED	NON-C	CELLING	TOTAL	FILLED	VACANT	REMARKS
SY 78	SY 78	SY 78	SY 78	SY 78	SY 78	SY 78	SY 78	SY 78	
L	013	013	013	013	013	013	013	013	11023
H	014	014	014	014	014	014	014	014	11024
E	015	015	015	015	015	015	015	015	11025
M	016	016	016	016	016	016	016	016	11026
D	017	017	017	017	017	017	017	017	11027
018	018	018	018	018	018	018	018	018	11028
019	019	019	019	019	019	019	019	019	11029
020	020	020	020	020	020	020	020	020	11030
021	021	021	021	021	021	021	021	021	11031
022	022	022	022	022	022	022	022	022	11032
023	023	023	023	023	023	023	023	023	11033
024	024	024	024	024	024	024	024	024	11034
025	025	025	025	025	025	025	025	025	11035
026	026	026	026	026	026	026	026	026	11036
027	027	027	027	027	027	027	027	027	11037
028	028	028	028	028	028	028	028	028	11038
029	029	029	029	029	029	029	029	029	11039
030	030	030	030	030	030	030	030	030	11040
031	031	031	031	031	031	031	031	031	11041
032	032	032	032	032	032	032	032	032	11042
033	033	033	033	033	033	033	033	033	11043
034	034	034	034	034	034	034	034	034	11044
035	035	035	035	035	035	035	035	035	11045
036	036	036	036	036	036	036	036	036	11046
037	037	037	037	037	037	037	037	037	11047
038	038	038	038	038	038	038	038	038	11048
039	039	039	039	039	039	039	039	039	11049
040	040	040	040	040	040	040	040	040	11050
041	041	041	041	041	041	041	041	041	11051
042	042	042	042	042	042	042	042	042	11052
043	043	043	043	043	043	043	043	043	11053
044	044	044	044	044	044	044	044	044	11054
045	045	045	045	045	045	045	045	045	11055
046	046	046	046	046	046	046	046	046	11056
047	047	047	047	047	047	047	047	047	11057
048	048	048	048	048	048	048	048	048	11058
049	049	049	049	049	049	049	049	049	11059
050	050	050	050	050	050	050	050	050	11060
051	051	051	051	051	051	051	051	051	11061
052	052	052	052	052	052	052	052	052	11062
053	053	053	053	053	053	053	053	053	11063
054	054	054	054	054	054	054	054	054	11064
055	055	055	055	055	055	055	055	055	11065
056	056	056	056	056	056	056	056	056	11066
057	057	057	057	057	057	057	057	057	11067
058	058	058	058	058	058	058	058	058	11068
059	059	059	059	059	059	059	059	059	11069
060	060	060	060	060	060	060	060	060	11070
061	061	061	061	061	061	061	061	061	11071
062	062	062	062	062	062	062	062	062	11072
063	063	063	063	063	063	063	063	063	11073
064	064	064	064	064	064	064	064	064	11074
065	065	065	065	065	065	065	065	065	11075
066	066	066	066	066	066	066	066	066	11076
067	067	067	067	067	067	067	067	067	11077
068	068	068	068	068	068	068	068	068	11078
069	069	069	069	069	069	069	069	069	11079
070	070	070	070	070	070	070	070	070	11080
071	071	071	071	071	071	071	071	071	11081
072	072	072	072	072	072	072	072	072	11082
073	073	073	073	073	073	073	073	073	11083
074	074	074	074	074	074	074	074	074	11084
075	075	075	075	075	075	075	075	075	11085
076	076	076	076	076	076	076	076	076	11086
077	077	077	077	077	077	077	077	077	11087
078	078	078	078	078	078	078	078	078	11088
079	079	079	079	079	079	079	079	079	11089
080	080	080	080	080	080	080	080	080	11090
081	081	081	081	081	081	081	081	081	11091
082	082	082	082	082	082	082	082	082	11092
083	083	083	083	083	083	083	083	083	11093
084	084	084	084	084	084	084	084	084	11094
085	085	085	085	085	085	085	085	085	11095
086	086	086	086	086	086	086	086	086	11096
087	087	087	087	087	087	087	087	087	11097
088	088	088	088	088	088	088	088	088	11098
089	089	089	089	089	089	089	089	089	11099
090	090	090	090	090	090	090	090	090	11100
091	091	091	091	091	091	091	091	091	11101
092	092	092	092	092	092	092	092	092	11102
093	093	093	093	093	093	093	093	093	11103
094	094	094	094	094	094	094	094	094	11104
095	095	095	095	095	095	095	095	095	11105
096	096	096	096	096	096	096	096	096	11106
097	097	097	097	097	097	097	097	097	11107
098	098	098	098	098	098	098	098	098	11108
099	099	099	099	099	099	099	099	099	11109
100	100	100	100	100	100	100	100	100	11110

21615025 CIVIL ENG ADV FR 04 D - 10-78 NR 081001

216154016 BUR/ACCTG OFF FR 04 D - 9-78 NR 050401

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Work force Requirements - Schedule 2 - New Positions Thru FY 79 001 Country/Organization 002

Direct-Hire Only USAID/KENYA

LINE	Position Title	PP AL YA ND E	G R A D E	Est. Date SPAR to be sent to AID/W	Date Employee required on duty		Required AOSC's for new position			New ceiling required		Mode clearance required		Will IDI graduate be assigned to position		Remarks	
					Earliest	Latest	Primary	Secondary	Tertiary	Yes	No	Yes	No	Yes	No		
								012	013	014	016	017	019	020	022	023	
000		004	000	007	009	010											
	Asst. Prog. Off.	FR	05		10-01-78	10-01-78	034503				X		X		X		FY 78 on-board IDI (FJSNO 298155077) will fill this position
	Asst. Agr. Dvl. Off.	FR	02		10-01-78	10-01-78	013621				X		X				
	Asst. Agr. Dvl. Off.	FR	04		01-01-79	01-01-79	013621				X		X				
	Behavioral Sci. Adv.	FR	04		01-01-79	01-01-79	010141				X		X				
	Secretary	FS	07		01-01-79	01-01-79	031801				X		X				
	Asst. GSO	FR	05		10-01-78	01-01-79	034203				X		X				
	IDI-Controller	FR	06		04-01-79	06-01-79	050519						X		NA	NA	

TABLE VI - FUNDING FOR SPECIAL CONCERNS

PROJECT NUMBER AND TITLE	DECISION UNIT Kenya						
	APPROP CODE	SPECIAL CONCERN CODE	OBLIGATIONS (\$ 000)			BY: 1980 PROJECT TOTAL	SPECIAL CONCERN
			FY: 1978 PROJECT TOTAL	SPECIAL CONCERN	CY: 1979 PROJECT TOTAL		
Agricultural Systems Support Project	FN	CODC	49,771	2,932	-	50,000	13,000
Marginal Lands Development (Kitui)	FN	ENVR	-	-	21,000	-	-
Arid and Semi-Arid Lands Development (NEP)	FN	ENVR	-	-	-	12,000	3,000
Agriculture Systems Support Project	FN	LTRG	49,771	22,000	-	50,000	45,000
CODEL (OPG)	HE	PARA	380	75	-	-	-
AMREF Kibwezi Health Care (OPG)	HE	PARA	816	200	-	-	-
Food Crops Research	FN	RESA	431	431	5,175	-	-
Agriculture Systems Support Project	FN	RESA	49,771	3,298	-	50,000	-
Food Crops Research	FN	XIIB	431	431	5,175	-	-
Agriculture Systems Support Project	FN	XIIB	49,771	45,000	-	50,000	32,000

DECISION UNIT: KENYA

PERIOD COVERED: FY 1978 - FY 1980

DATE: May, 1978

Mission Evaluation Plan

(1) Project Title (Number, Grant(G) or Loan(L))	(2) Number and Date of Last PAR/PES	(3) Proposed Date of Next PES	(4) Period to be Covered	(5)-(6) Special Evaluations and Remarks
<u>Food & Nutrition</u>				
Vihiga Rural Development (0147, G)	PES 77-10, 9/77	NA	NA	PES 77-10 was terminal PES
Agriculture Credit (0148, G)	PES 78-2, 5/78	4/78	Life of Project	PES 78-2 was external evaluation. Next PES to be terminal evaluation.
NRRD (0157, G)	PAR 77-5, 4/77	9/78	4/77 - 9/78	Next PES to be external evaluation.
University of Nairobi Veterinary Faculty (0158, G)	PAR 77-6, 8/77	8/78	8/77 - 8/78	Next PES to be terminal evaluation.
Livestock Development (0160, L)	PAR 77-5, 4/77	9/78	4/77 - 9/78	Next PES to be external evaluation.
Rural Planning (0162, G)	-	7/78	7/76 - 6/78	Next PES to reflect part multi- donor, part "in-house" evaluation.
Rural Roads Systems (0168, G&L)	-	6/78	7/77 - 4/78	Next PES to reflect report of multi- donor supervision mission (4/78)
Agriculture Systems Support (0169, G&L)	-	12/79	9/78 - 12/79	New FY 1978 Activity.
Roads Graveling (0170, G&L)	-	12/78	9/77 - 12/78	
Agriculture Sector Loan I (0171, L)	I.R. 77-7, 8/77	8/78	8/77 - 7/78	
PFP Rural Enterprise Dev. (0174, G)	-	9/78	4/77 - 8/78	
CARE Water Development (0175, G)	see remarks	7/78	7/76 - 7/78	External evaluation completed in June, 1976 (no PAR submitted). Next PES to be terminal evaluation.

(1) Project Title (Number, Grant (G) or Loan(L))	(2) Number and Date of Last PAR/PES	(3) Proposed Date of Next PES	(4) Period to be Covered	(5)-(6) Special Evaluations and Remarks
Food Crops Research (0180, G)	NA, 6/75	6/78	6/75 - 5/78	External evaluation completed in May, 1978. PES to be submitted in June, 1978.
Marginal Lands Development (0172, CAL)	-	5/80	5/79 - 5/80	New FY 1979 activity
<u>Population Planning/Health</u>	PAR 77-1, 3/77	NA	NA	PAR 77-1 was terminal PAR.
POPLABS (141.2, G)	PAR 77-2, 4/77	7/78	4/77 - 7/78	PAR 77-2 represents multi-donor Supervision Mission report.
Family Planning (0161, G)	-	6/78	6/76 - 6/78	External evaluation scheduled for June, 1978.
Population Studies and Research Center (0165, G)	-	6/79	7/77 - 6/79	PAR 77-3 represented external evaluation.
IPF Rural Blindness Prevention (0173, G)	PAR 77-3, 6/77	7/80	6/79 - 6/80	New FY 79 activity.
Rural Health Delivery (0177, CAL)	-	9/78	12/77 - 8/78	Next PES to be terminal evaluation.
<u>Disaster Relief</u>	PES 78-1, 12/77	10/78	9/77 - 9/78	
Marginal/Semi-Arid Lands Pre-Investment Study (0164, G)	PAR 77-4B, 9/77	10/78	9/77 - 9/78	
HIG's	PAR 77-4A, 9/77	9/78	9/77 - 8/78	In addition, CRS self-audit completed in March, 1978.
Nairobi City Council (MO-003)	PES 77-9, 9/77			
National Housing Corporation (MO-004)				
<u>PL 480, Title II</u>				

Mission Evaluation Plan - Narrative

Mission evaluation performance varied over the past year. Although 13 PAR/PES's were submitted over the past twelve months, only two FY 1978 PES's have been completed. A just completed (May 1978) external evaluation of the Food Crops Research project will have its PES completed soon after the ABS submission. As with last year, the bulk of our upcoming evaluations will occur during the June-October (1978, in this case) period. This "bunching up" is a reflection of workload, staff shortage, and, this year in particular, heavy staff turnover. The timing of each evaluation is however scheduled around key project events and critical points of decision.

Of special note in the past year: the 1975 HIG's both went through their initial evaluations, and the CRS Title II program was evaluated for the first time in its 17-year history. Also, as noted on the foregoing schedule, several of USAID's project evaluations were linked to multi-donor reviews or were conducted by outside specialists. Finally, the program determination discussed in last year's Mission Evaluation Plan has been delayed, but may be conducted in late FY 1978 or FY 1979.

The USAID also carried out in October-November 1977 and April-May 1978 two separate sets of "project reviews" covering each active project or program. The purpose of these sessions was to assess current status and problems with senior Mission management and to determine needed actions or solutions. As such, they principally focussed on implementation questions without examining in much detail broader design concepts. Each project meeting centered on an issues paper prepared by the responsible Project Manager. While not formal evaluations in the strictest sense, these reviews did address many of the points covered in a formal project evaluation and thereby met that requirement to a considerable extent.

USAID/Kenya Mission Order 10-3 of July 14, 1977 follows. The Order provides comprehensive guidelines on evaluation procedures, substance and administration. The Order will be revised upon issuance of the evaluation chapter of HB 3 to incorporate necessary changes.

MISSION ORDER

US AID Mission to Kenya

SUBJECT: Project and Program Evaluation ORDER NO. 10-3 CHRON No. _____

DATE ISSUED 7-14-77 DATE EFFECTIVE 7-14-77

SUPERSEDES M.O. 10-3 of 3-21-75

AUTHORITY: M.O. 1026.1 AIDTO Circ A-603 (8-28-74) PAGE 1 OF 5 PAGES

I. Purpose: The purpose of this Mission Order is to establish revised procedures for both regular and special evaluation of USAID/K loan and grant assistance projects. Evaluation is viewed by USAID/Kenya as being a means not only for reviewing progress to date in reaching targets for delivery of inputs and production of outputs, but as a means for reassessing the validity and appropriateness of a project and its design. In carrying out the entire evaluation process, information should be generated that can contribute to project redesign, if necessary, as well as to problem-solving so as to result in improved implementation and greater assurance that the project purpose and output targets can be achieved. Underlying this approach are three basic principles:

A. Evaluation results should be utilized in planning for future project implementation actions, including budgeting, as well as for redesign.

B. Government of Kenya participation in the evaluation process is an essential part of the Mission's collaborative approach to providing development assistance to Kenya.

C. Evaluation generates information on positive project achievements as well as identifying problems of implementation or design. It does not seek to place blame on individuals, offices or agencies for problems that may arise, but instead seeks to develop solutions to problems.

II. Responsibilities:

A. The Mission Evaluation Officer has the overall responsibility for overseeing the USAID/K evaluation program. In so doing he/she will develop annual evaluation plans; schedule Project Appraisal Reports (PAR's) and special evaluations and follow-up to ensure these are done;

assist responsible Mission technical specialists to conduct both annual and special evaluations; assist Mission staff in carrying out evaluations of loan activities; and draft memoranda summarizing the discussions and decisions of the Senior Evaluation Committee. He/She also chairs the Senior Evaluation Committee.

B. USAID/Kenya technical specialists will carry out evaluations of the bilateral grant projects for which they have been assigned responsibility, including actual review of project progress against Project Paper or other planning targets, review of the performance of implementation agents, and assessment of the validity of project design; drafting of memoranda summarizing their findings, conclusions and recommendations to be used by the Senior Evaluation Committee as the basis of its meetings, and preparation of PAR's.

C. USAID/Kenya Project Backstop Officers for AID/W-managed activities will, in accord with the provisions of Mission Order 10-2, carry out such evaluation responsibilities as requested by the responsible AID/W officer. When USAID/Kenya is asked to evaluate a centrally funded project, the process to be followed will be the same as that for a Mission-funded bilateral activity.

D. For special evaluations the evaluators, selected from an outside source, have full responsibility for carrying out the review, for formulating recommendations and for preparing their reports to be presented to the USAID and the GOK. The responsible Mission technical specialist should provide information and other kinds of assistance as needed and prepare a PAR utilizing the special evaluation findings for submission to AID/W simultaneously with distribution of the special evaluation report.

E. In evaluating loan projects the chairman of the Mission loan committee charged with the responsibility for overseeing implementation should take the lead in carrying out the evaluation. He/she should seek the assistance of the other committee members from USAID/Kenya, and other AID organizations as appropriate, and the Mission Evaluation Officer.

III. USAID/Kenya Evaluation System:

A. Timing

1. Regular evaluations of both grant and loan financed activities ideally are to be conducted annually, and evaluations will be so scheduled to the degree workload and personnel availabilities (as affected by such things as home leave, reassignment, etc.) permit. When possible, evaluations

shall be scheduled so as to coincide with project audits and/or submission of contractor performance evaluations.

2. Special evaluations will generally be scheduled as needed although these may occur about once every three years. Generally, such evaluations will be scheduled for projects which are identified as having particular problems of implementation or design, or which are of longer than usual duration ("usual duration" being defined for the purpose of this Mission Order as three-to-five years in length), or which in the Mission's judgement have important lessons to offer AID, Government and other donors in Kenya or for AID activities elsewhere in Africa or the world.

B. Senior Evaluation Committee:

1. Composition - The Senior Evaluation Committee will consist of the Director, Assistant Director, Program Officer, the technical specialist(s) for the loan and/or grant project being reviewed, General Development Officer, Project Support Officer, Evaluation Officer and Controller. Additional Mission or other AID organizations personnel, having expertise of particular relevance to the project being evaluated, will be added to the Committee as appropriate. GOK officials may be asked to participate, as appropriate, in Committee meetings on specific evaluations.

2. Function - The Senior Evaluation Committee will review issues raised by the technical specialist and Evaluation Officer, the need for project redesign, follow-up actions to address implementation problems, and decide on proposed actions to be taken by the USAID, GOK, J.S. implementing agent, or AID/W. The basis for the Committee review will be a memorandum to the Director prepared by the responsible technical specialist summarizing the findings of his/her evaluation regarding project status, appropriateness of its design, and the continuing validity of key assumptions made in the PP; identifying specific problems/issues to be addressed, and recommending actions to be considered by the Committee. Attached as back-up materials will be copies of evaluation worksheets and/or other materials developed in the course of the technical specialist's evaluation. The results of the Committee meeting shall be included in a memorandum to the files to be drafted by the Mission Evaluation Officer.

3. Chairman - The Mission Evaluation Officer shall act as chairman of the Committee and shall be responsible for calling all meetings, and distributing about one week in advance of each meeting the technical specialist's memorandum mentioned above.

4. Special Evaluations - As necessary and appropriate the Committee shall review special evaluations. In such instances the responsible technical specialist need not prepare a memorandum for the Committee but should ensure that the evaluation report is distributed to Committee members sufficiently in advance of the meeting for them to have read the report before the session.

C. PAR's - PAR's will be prepared by the responsible technical specialist after the Senior Evaluation Committee has met so as to incorporate its decisions.

R. Grant Project Budget Reviews - While not strictly a part of the Mission evaluation system, annual project budget reviews do touch upon it. Annually as part of the preparation of the Annual Budget Submission, and as time permits, the Mission shall hold a series of individual project reviews to develop guidelines for actions which must be undertaken in the following year and to focus on requirements for personnel, participants, commodities, and other project inputs which must be included in the budget for the following fiscal year and, consequently, in the Annual Budget Submission. Evaluation results and recommendations will need to be fed into these reviews. Therefore, evaluations, to the degree possible, should be scheduled to be completed prior to such meetings.

IV. Government of Kenya Role: Government of Kenya participation in, and contribution to, the evaluation process is considered desirable and, in most circumstances, necessary. GOK inputs may be obtained through one or both of the following procedures:

A. Attendance at Senior Evaluation Committee meetings by representatives of the participating GOK technical ministry and the External AID Division (EAD), Ministry of Finance and Planning. Copies of evaluation materials prepared for the Committee should be sent to the GOK representatives in advance of the meeting along with the request that they attend the review session.

B. Presentation of copies of completed evaluation reports to officials of the involved GOK ministry and the EAD followed by a meeting or meetings to review the evaluation findings, to discuss the resulting recommendations, and to reach agreement on follow-up actions, and/or project redesign.

V. Designation of Mission Evaluation Officer: An Assistant Program Officer, as designated by the Program Officer, shall serve as Mission Evaluation Officer.

VI. Training: Mission personnel having evaluation responsibilities shall be trained in AID evaluation techniques at Mission expense when they have not previously received such training. Attendance at training courses held either in AID/W or other African Missions shall be scheduled in accord with consideration for workload, timing and priority of the individual's training needs.

Similar training may be provided to appropriate GOK personnel to the degree funding availabilities and mechanisms exist.

Distribution: G, K.

PL 480, Title II

The FY 1980 Title II program in Kenya will be administered by the Catholic Relief Services (CRS). The program plan of operations prepared by CRS follows this commentary, and covers operations for both FY 1979 (updated) and FY 1980. The FY plan was updated from the presentation in last year's ABS so as to conform to the FY 1979 AER, presented to the Mission in May 1979.

A summary of CRS's requests follows:

<u>Recipient Category</u>	<u>Number of Recipients</u>	
	<u>Approved FY 1979 Plan (original)</u>	<u>CRS Request, per FY 1979 AER, FY 1979 Plan (revised) and FY 1980 Plan</u>
MCH - Mother	35,000	35,000
MCH - Child	70,000	70,000
OCF	0 ^{1/}	5,000
PSCF - Nurseries	11,000	13,000
FFW - Workers	0	3,000
FFW - Dependents	0	12,000
Other - Christian Children's Fund	0	5,000
	<u>116,000</u>	<u>143,000</u>

There are several obvious differences between the approved FY 1979 plan and that now proposed for FY 1979 and FY 1980. Chief among these are the reinstatement of the Other Child Feeding Program, the introduction of a Food-for-Work program, and the introduction of a feeding program run through the Christian Children's Fund.

The Mission has scheduled a project review session for June 1978 to consider the changes in the CRS request. Although not an evaluation, the project review session will "flag" for senior Mission management Title II-related issues and recommendations from the staff. At that time concurrence or non-concurrence will be given for an expanded FY 1979/1980 program as set forth in CRS' Plan of Operation below and in their FY 1979 AER.

In addition to the reinstatement and introduction of certain recipient categories, other issues likely to arise are:

--CRS Managerial Capacity. The Mission's 1977 evaluation acknowledged many of the management improvements initiated by CRS/Kenya leadership. A new Director has since taken over

1/ Originally 9,000 but reduced to zero following USAID's September 1977 evaluation and CRS agreement. Per that agreement the OCF program was to cease in June 1978.

and, although we expect he will continue the progressive steps taken by his predecessor, the Mission also recognizes that the CRS self-audit of March 1978 faulted the planning capability of CRS and took issue with other assorted management-related concerns. Further, the CRS-proposed program requests additional recipient categories, and a 40 percent increase in food tonnage (due to additional recipients plus increased ration levels), and two additional types of commodities.

- School Feeding. In January 1978, CRS submitted a FY 1978 supplemental AER for a School Feeding program of 78,000 recipients for FY 1978, growing to 250,000 by FY 1983. The Mission reacted with a series of questions in February, and there has been no formal response from CRS. The new CRS/Kenya leadership has indicated that the matter will not be resumed in the immediate future.
- Food for Work. This new activity is featured as a line item in the FY 1979 AER and is mentioned in the CRS program plan. The Mission may be willing to consider a modest program but unfortunately, CRS has yet to formulate any specific actionable projects, a prerequisite to USAID endorsement. One possible option for the Mission would be to approve the FY 1979 AER line item for Food-for-Work but to withhold call forward approval until specific FFW project plans are in hand and approved. A second issue regarding FFW is the applicability of AID's environmental procedures (Regulation 16 et. al.) to the individual projects. Neither HB 9 nor Regulation 16 specifically address the matter, and the Mission is consulting the Regional Legal Advisor and will be guided by his advice.
- Bellmon Amendment. CRS's statements on the adequacy of storage capacity appear satisfactory, but their response or disincentives to food production may need to be expanded.
- Ration Levels. Increases from FY 1978 to FY 1979 range from 0 to 100 percent. CRS' justification will be analyzed.
- Multi-year Planning. The Mission elects to defer preparation of a multi-year plan until the next ABS. The Mission is acutely aware of the need to incorporate Title II within the overall country development strategy, but such a movement must be based on sound data, cogent planning and coordinated with the Government of Kenya. We expect significant forward movement on all these fronts within the next twelve months through the AID-financed health planners, CRS' own negotiations toward a CRS-GOK agreement, and enunciation by the GOK of a nutrition policy and plan in the forthcoming 1979-1983 Development Plan. The Mission will include a logical framework within the context of a multi-year program plan.

CRS-GOK Written Agreement

There is no written, formal agreement between CRS and the GOK governing Title II operations. Although USAID has approached the Ministry of Finance and Planning on numerous occasions in the past about such an agreement, the GOK refused to conclude an agreement with CRS. In large part this was a result of their reluctance to set a precedent by negotiating a blanket agreement with the voluntary agency when no such agreements existed or seemed to be required with any other volag operating in Kenya. The GOK saw nothing to be gained by such an agreement and, further, noted that CRS continued to operate effectively without an agreement. There probably has been no change in this position, although CRS is reopening the issue with the GOK, and hopes to sign an agreement in FY 1979. USAID hereby certifies that the CRS program can operate effectively in the absence of a formal, written agreement, and that the criteria specified in HB 9, Chapter 4I.2.a, including duty-free entry of commodities, sales tax remission, and assistance in implementing the program, are being met by the GOK.

The Mission-prepared Title II statistical table is on the next page, followed by the CRS-prepared Plan of Operation.

Country: Kenya

Sponsor's Name: Catholic Relief Services

A. Maternal and Child Health Total Recipients: 105,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
105	CSM	2,898	\$1,330
105	Bulgar	1,713	278
105	Veg Oil	1,134	799
<u>Total MCH -</u>		<u>5,745</u>	<u>\$2,407</u>

B. Pre-School Feeding Total Recipients: 13,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
13	CSM	164	\$ 75
13	Bulgar	105	17
13	Veg Oil	53	37
13	S.F. Sorghum Grits	135	26
<u>Total Pre-School Feeding -</u>		<u>457</u>	<u>\$155</u>

C. Other Child Feeding Total Recipients: 5,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
5	CSM	104	\$ 48
5	Veg Oil	20	14
5	S.F. Sorghum Grits	99	19
<u>Total Other Child Feeding -</u>		<u>223</u>	<u>\$ 81</u>

D. Food For Work Total Recipients: 15,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
15	Veg Oil	90	\$ 63
15	Rice	1215	364
<u>Total of Food For Work -</u>		<u>1305</u>	<u>\$428</u>

E. Other: Christian Children's Fund (CCF) Total Recipients: 5,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
5	Veg Oil	20	\$ 14
5	S.F. Sorghum Grits	99	19
5	W.F.D. Milk	63	35
<u>Total Other-</u>		<u>182</u>	<u>\$ 68</u>

Total Recipients: 143,000
 Total FAS Value: \$3,139,000
 Total CIF Value: \$4,300,000 (est.)

PL 480 TITLE II

PLAN OF OPERATION FOR FISCAL YEARS 1979 AND 1980
Submitted By CRS/Kenya

A. IDENTIFICATION

1. Name of Distribution Agency: Catholic Relief Services - USCC
2. Country: Republic of Kenya
3. Date Submitted: May 18, 1978
4. Name and Address of Agency counterparts in foreign country:
 - a. Ministry of Health, P.O. Box 30016, Nairobi
 - b. Ministry of Housing and Social Services,
P.O. Box 45958, Nairobi
 - c. Eight C.R.S. Area Co-ordinators and 3 Sub-area co-ordinators.
5. American citizen representative:

Mr. John G. Mathews, Director
Catholic Relief Services
P.O. Box 49675
Nairobi, Kenya

B. AGENCY AGREEMENTS:

1. Catholic Relief Services does not operate under a "blanket" agreement negotiated between the Kenya Government and the U.S. Government.
2. Catholic Relief Services' written agreement with the Kenya Government relating to Title II food distribution has expired. However, the provisions of the original agreement are still fully honored through normal Government of Kenya administrative procedures and regulations which:
 - a. Provide for duty-free entry of PL 480 foods and other relief supplies per Customs Tariff (Remission) Order 1968.
 - b. Provide that the Kenya Government through an annual grant-in-aid pays a modest portion of the cost of food handling at the port and inland transportation. Receiving agencies bear other costs that exceed the Kenya Government's grant-in-aid.

- c. Grant Sales Tax exemption on all PL 480 foods, and other goods imported by CRS for the needy (Legal Notice No. 1632 of 1974).
- d. Give CRS and its counterpart agencies freedom of action and permit close supervision.
- e. Enable CRS to confiscate foods found in unauthorized channels.
- f. Exempt CRS from taxation under the Income Tax Act of 1973.
- g. Provide U.S. Government and CRS inspectors authority at all times to control and inspect foods at any stage of the distribution process.
- h. Allow appropriate publicity to inform people that the foods are a gift from the American people to the people of Kenya.

Negotiations are currently under way for renewal of the CRS/GOK agreement and it is expected that a new agreement will be approved during FY 1979.

- 3. The CRS/Kenya operation, as detailed herein, is complementary and supportive of GOK policy in general and specifically as follows:
 - a. It is targeted to lower income groups.
 - b. It provides them nutritious, low-cost food.
 - c. It encourages curative and preventive health strategies.
 - d. It aims to change dietary habits.
 - e. Through demonstration (kitchen) gardens it stimulates the production of local high protein foods as well as the raising of chickens and rabbits for home consumption.

C. AREA - SCOPE - CONDITIONS OF OPERATIONS:

- 1. The program is nation-wide.
- 2. Distribution:
 - a. Mothers/Pre-school Aged Children:

This category of recipients is served through selected voluntary-agency and government-sponsored centers that conduct a specialized program in pre-school health and nutrition education.

CRS/Kenya's present emphasis is on the above named group. An essential part of the program is education and training, especially of the mothers to make them better able to utilize locally available food resources to the best advantage of each member of the family, particularly the under-five children. This program, therefore, is directed to mothers who will attend organized clinic sessions together with all of their children up to the age of five years. The following methods of operation have been adopted:

- Registration of children in the 0-5 age group.
- Weighing of each child, and recording the weight on both a Master Chart for the group of children and on individual charts for each child. The individual weight chart is kept by the mother and returned with each monthly visit. The Master Chart is sent to the CRS office every month for monitoring and evaluation.
- Interpretation of the data on the individual child's chart to the mothers. The chart serves as an educational device, indicating to the mother whether or not the growth of her child is satisfactory. She is given relevant individual advice accordingly.
- The general appearance of the child is checked. Minor ailments are treated and, if necessary, the child is referred to a hospital or dispensary for further examination or treatment. Illnesses and diseases are recorded on the charts.
- Innoculations and immunizations are administered and anti-malarials provided to the children whenever possible in accordance with the recommendations of medical authorities. These are also recorded on the charts.
- Education of mothers is given through lessons in nutrition, hygiene and child-care and through practical demonstrations in preparing food that is particularly valuable for young children. Emphasis is placed on local foods, supplemented by foods made available through CRS, which might best be used for this age group. Mothers are encouraged to participate in this preparation and serving of food. They are also encouraged to grow more of the nutritionally valuable foods for their families' use.

- Distribution of P.L. 480 foods (CSM, bulgur wheat and oil) to serve as a supplement to the common diet of the children and mothers.
- Mothers and their pre-school aged children are expected to attend these clinic sessions at monthly intervals.
- Each participating mother contributes U.S. 0.40 per child and per mother, per visit. These funds are used to pay transport charges from the port of entry to the respective center. They are also used to defray the cost of personnel engaged in the preschool program.

Satisfactory implementation of the program and the continuous evaluation of its effectiveness, calls for periodic supervision of its various aspects to be carried out by trained and experienced personnel. To be sure that the mothers understand the instructions and are able to apply in their own homes the advice given to them, follow-up visits are made. Discussion with the mothers help to determine whether the advice given at the clinic is being followed and if there is need for adjustment in methods of approach.

The extent to which mothers adopt the recommended foods in feeding their children helps to determine the educational aspects of the program. Changes in food production and types of food being produced and consumed indicate whether the advice given has been acceptable to the people and is within the possibility of implementation.

A comprehensive evaluation of the national program is presently being prepared. The data being compiled for end of CY 1978 publication will cover the following:

1. The number and percentage of regular attendance of mothers and their children.
2. The mean weights and standard deviations of the children attending.
3. The percentage of children below 80% of the standard rate of growth.
4. The monthly progress of the whole group of children attending each center.

Essential data of relevance to the program, concerning the child's status of health and the socio-economic conditions of the family, will be gathered to provide a basis for the continuous evaluation of the program as it develops and expands.

b. Other Child Feeding:

i. Nurseries

It has become an accepted practice, especially in areas of high concentration of population, that a child should have attended a nursery school as a condition for acceptance into a primary school. Further, other nursery schools have been established so that working mothers can leave their children in proper day-care centers. CRS/Kenya encourages and supports these activities which, as yet, have received no government assistance, by providing one nutritious meal per child per day. The popularity of this program has grown considerably in a short time.

ii. Institutions:

There are a number of special boarding institutions throughout Kenya that care for the medical, social and educational needs of the younger child. Of particular interest to CRS are the orphanages and homes for the physically disabled including the deaf, dumb and blind. Most receive a minimum vote of government funds annually and must supplement their budgets with grants and donations from various voluntary agencies. The PL 480 foods which they receive through CRS is often the single factor responsible for their remaining in operation.

In this category are the institutions sponsored by the Christian Children's Fund (CCF). Sponsorships are provided for the children consisting of monthly cash donations from individual donors. CRS will provide food for these sponsored children so that the funds donated can be used for education, clothing, medicine and especially for the facilities which are needed for handicapped children. In this way the money can go much further in assisting needy children. CCF also uses weight charts for growth surveillance so that the nutritional impact of donated foods can be measured.

The Government of Kenya indirectly pays inland transportation and port handling costs to the extent of funds voted by Parliament. These funds are then allocated to many recipient centers as "operational grants." Most hospitals, maternity centers, orphanages, homes for the handicapped, etc. receive such annual grants.

However, there does not yet exist any plan of the GOK to compensate institutions receiving CRS food assistance in the event of its discontinuation. Negotiations will have to be conducted with the GOK until agreement is reached on taking over this responsibility from CRS.

c. Food For Work

This is a new program for self-help type projects designed to have an economic and or social impact on the community. This will be primarily a rural program and agricultural production will be given highest priority. Water projects - wells, irrigation ditches, water storage tanks, etc., land clearance, soil conservation, erosion and flood control and other activities of benefit to agriculture will be encouraged.

Construction projects of benefit to the community such as schools, low cost housing, community centres, small bridges and access roads will also be considered.

D. CONTROL RECORDS - RECEIPTING PROCEDURE/AUDITING:

CRS forwards distribution instructions with other shipping documents to the forwarding agent for filing with the customs prior to the notified date of arrival of foods at port.

When foods arrive the forwarding agent moves the food inland according to CRS distribution. He sends duplicate copies of the waybill to the CRS office in Nairobi and on receiving these CRS mails the copy of the waybill to the receiving agent along with a receipt form to be completed and signed upon the actual receipt of food and returned to the CRS office in Nairobi. It is thereby assured that the foods are sent according to CRS instructions and in proper quantities. Copy of the waybill sent to the receiving agent is intended to assist him in making inquiries at his receiving end in case of delay in receiving his supplies.

CRS maintains the right to audit the food program at any agency at any level at any time with or without notice. This right is also reserved for United States Government inspectors.

Losses during and after discharge are handled in the following manner:

1. Short-landed units. These are recorded on the survey.
2. Units landed in defective or damaged condition are taken to a "breakage room" for resewing or rebagging. After these have been weighed and recorded on the survey, port examination vouchers, copies of which CRS/Kenya forwards to CRS/New York for the purpose of claims against the carriers, are issued.
3. Railroad Delivery - Differences between quantities railed and received are settled with the railways.
4. Area Warehouses - A monthly "Central Warehouse Control Record" is sent to the CRS office by each area co-ordinator.
5. Individual Center - "Monthly Inventory Report" by each pre-school center and a "Monthly Inventory Report" by all other recipient centers is sent to CRS Nairobi.
6. End-Use Checking.

In case of "1." the clearing agent, on CRS' behalf follows up queries in the first instance and lodges claims with the port authority. Finally, when the port authority officially declares short-landing, CRS files non-receipt declaration with the carriers' agents.

In the case of "3." claims control record is maintained for follow-up. Any funds accruing from the settlement of these inland claims are transferred to USAID/Kenya in accordance with the M.O. instruction.

E. PORT FACILITIES - PRACTICES:

1. Off-loading facilities at Mombasa are adequate to handle food required.
2. Cargo surveys are conducted on all Title II shipments.

F. STORAGE FACILITIES:

1. There are adequate storage facilities available in Kenya for quarterly imports of CRS Title II commodities.

There are 9 inland central warehouses and 8 sub-area warehouses as listed below:

a. Major Area Warehouses:

1. Gatanga
2. Isiolo
3. Kisii
4. Kisumu
5. Kitui
6. Machakos
7. Marsabit
8. Meru
9. Nairobi

b. Sub-Area Warehouses:

1. Karatina
2. Kiganjo
3. Kitale
4. Longonot
5. North Kinangop
6. Voi
7. Mombasa
8. Kyeni (No warehouse yet though food is distributed.)

In addition to these central storage points, unlimited storage facilities can be utilized in Mombasa through our clearing agents, Kenya Bonded Warehouse. Also in Nairobi CRS has contracted with Olympic Escort International Limited for unlimited warehousing.

Negotiations are presently underway with the GOK for a million shilling grant to be applied to the building of new warehouses and to inland transportation of Title II foods.

2. CRS retains control of all foods in storage.

G. INLAND TRANSPORTATION:

1. Rail and trucking facilities are available for inland distribution.
2. As in most African countries, inland transportation costs are high.

H. PROCESSING:

No foods are used to produce a new end-product.

I. FINANCING:

It is important to note the cash and kind contribution of local agencies which make possible the implementation of CRS/Kenya's PL 480 program.

Volagency - General Administration:	\$ 43,000
Volagency - Preschool Administration:	35,000
Inland Transport of Foods:	200,000
Preschool Clinics:	500,000
Additional Food Inputs:	160,000
Storage:	13,000
	<hr/>
	\$ 951,000

J. ACCEPTABILITY OF AVAILABLE FOODS & RATION LEVELS:

Bulgur, Corn Soya Milk (CSM) and Vegetable Oil have been used extensively in former CRS/Kenya programs and have been found to be quite acceptable. S.F. Sorghum Grits is a new product which has not yet been distributed.

The following ration level has been requested for each of the following recipient categories:

1. Maternal Child Health: Mothers and Children

<u>Commodity</u>	<u>Kilos per Month</u>
C.S.M.	2.3
Bulgur	1.36
Veg. Oil	0.90

2. Other Child Feeding-Nurseries:

<u>Commodity</u>	<u>Kilos per Month</u>
C.S.M.	1.4
Bulgur	0.90
S.F.S.G.	1.15
Veg. Oil	0.45

3. Other Child Feeding - Institutions

<u>Commodity</u>	<u>Kilos per Month</u>
C.S.M.	2.3
Veg. Oil	0.45
S.F.S.G.	2.2

4. Other Child Feeding - Christian Childrens Fund (CCF)

<u>Commodity</u>	<u>Kilos per Month</u>
S.F.S.G.	2.2.
Milk	1.4
Veg. Oil	0.45

5. Food For Work

<u>Commodity</u>	<u>Kilos per Month</u>
Rice	9 X 5 = 45 per family
Veg. Oil	0.68 X 5 = 3.4 per family

K. PROGRAM PUBLICITY

Recipients are informed of the source of foods through periodical issuance by CRS of information bulletins and through personal visits by CRS field representatives. News releases in the local press also serve to inform recipients of the U.S.-donated foods.

L. TITLE II FOODS NO DISINCENTIVE:

Importation of Title II foods into Kenya does not create a disincentive to local food production.

The Government of Kenya has just recently placed a ban on export of corn because local demand could not be met. Corn is the staple food of Kenyans and local production is sufficient. No commercial imports of corn are needed. However, the ban on export of corn indicates that no significant surpluses are available.^{1/}

Blended food is not produced in Kenya. Furthermore, CRS beneficiaries have no purchasing power. Therefore, CRS input of CSM increases consumption and has no effect on the market nor does it interfere with the market.

Kenya produces wheat in sufficient quantities to meet local needs of commercial market. However, the entire production is utilized for sale as bread flour and atta for chapatis. Bulgur is not produced in Kenya. The same statement can be made with regard to bulgur as CSM, that consumption of beneficiaries is increased and local market is unaffected.

Kenya imports edible oil but the GOK would not reduce imports of oil because CRS imports of oil are too small to have an impact.

Sorghums are also grown in Kenya but the small amount imported by CRS would not act as a disincentive to local production because there is no market competition from sorghum grits distributed by CRS to beneficiaries who have no purchasing power.

In summary, CRS Title II imports are on too small a scale to be a disincentive. GOK would not reduce food imports because of Title II commodities imported by CRS. Consumption is increased by CRS food inputs to beneficiaries without purchasing power.

^{1/} USAID believes this paragraph may be inaccurate. It is true that the GOK has banned maize (corn) exports, but the reason is that the current world market price for corn is significantly lower than the price at which the GOK Maize and Produce Board (the authorized marketing authority) purchases from producers. The GOK is not prepared at this time to incur potentially high losses.

STATISTICAL SUPPLEMENT FOR
VOLUNTARY AGENCIES AND INTERGOVERNMENTAL ORGANIZATIONS
FY 1979/80 TITLE II PROGRAMS

I. Maternal/Child Health

- A. Number of mothers participating - 35,000
- B. Number of children participating (age 5 and under) - 70,000
- C. Number of persons served prepared foods through health clinics and nutritional education centers - None
- D. Number of persons served bulk commodities for home consumption through clinics and nutrition education centers - 105,000.

II. Pre-School Child Feeding (Pre-school and Other Child Feeding

List the outlets by type and cite the number of participants in each age group (i.e. preschool, primary, secondary school age):

	<u>Preschool</u> <u>Age</u>	<u>Primary</u> <u>Age</u>	<u>Secondary</u> <u>Age</u>	<u>Total</u>
1. Nurseries	13,118	-	-	13,118
2. Orphanages	210	2,668	176	3,054
Home for Disabled	35	1,761	150	1,946
Training Centers	-	-	255	255
CCF Centers	1,320	3,365	90	4,775
			TOTAL	<u>23,148</u>

The break-down in paragraph II above is an estimate as CBS records do not show actual division of age groups.

PROGRAM STAFFING AND MANAGEMENT

CRS Kenya has five American citizens on its staff:

Mr. John G. Mathews	Director
Ms. Susan Rozmus	Program Assistant
Mr. Mike McDonald	Program Assistant
Ms. Patty Kiefer	Program Supervisor
Sr. Mary Bowes	Program Supervisor

There are ten Kenyan staff members and CRS is hiring a Food for Work Supervisor and End-Use Checker to monitor food programs. There are two Kenyan Pre-school supervisors this year.

The Christian Childrens' Fund (CCF) Centers for which food has been requested have their own staff which is adequate to monitor their own portion of the food program.

A self audit of the CRS/Kenya Title II Program was conducted in February 1978 and the CRS/Kenya Program Director and staff are addressing themselves to the recommendations which were made in the audit. CRS/Kenya has improved the Commodity Status Report (CSR) and Recipient Status Report (RSR) which are now prepared accurately and on time. These reports are based on monthly stock and distribution reports from the field which have also improved in timeliness and completeness of reporting.

Call Forwards are now based upon the CSR and RSR every quarter. Care is being taken to call forward sufficient foods to maintain a smooth flow of commodities to all programs.

Improved port procedures and other program improvements are being put into effect and procedures are constantly being reviewed so that improvements can be made as needed.

Program Analysis for the Oral and Condom Supplies Needed to Achieve Full Availability

	1977	1978	1979	1980	1981	1982
A. "Full Supply Analysis						
1. Married women of reproductive age - (See Annex A)	2,145	2,216	2,289	2,364	2,442	2,523
2. 65% of line A1 (Contracepting women required to achieve replacement fertility)	1,394	1,440	1,488	1,537	1,587	1,640
3. 50% of line A1 (Contracepting women utilizing orals and condoms)	1,072	1,108	1,144	1,182	1,221	1,261
4. Annual stock requirements for "full availability"						
a. Orals-90% of line A3 x 13 monthly cycles*	12,542	12,964	13,385	13,829	14,286	14,754
b. Condoms-10% of line A3 x 100 units*	10,720	11,080	11,440	11,820	12,210	12,610
B. Annual New Supply From Non-AID Bilateral Sources						
1. Private Commercial Sector						
a. Orals	94	103	113	124	137	151
b. Condoms	864	1,037	1,244	1,493	1,792	2,150
2. Other Donors						
a. Orals	1,662	1,282	1,552	1,821	2,092	2,340
b. Condoms	285	61	67	73	81	90
3. Host Country Government Procurement						
a. Orals	-	-	-	-	-	-
b. Condoms	-	-	-	-	-	-
4. Total In-Country Stock						
a. Orals	1,756	1,385	1,665	1,945	2,228	2,500
b. Condoms	1,149	1,098	1,311	1,566	1,873	2,250
C. Gap to be filled to Achieve "Full Availability"						
1. Orals (line A4a less line D4a)	10,786	11,579	11,720	11,884	12,058	12,254
2. Condoms (line A4b less line B4b)	9,571	9,982	10,129	10,254	10,337	10,360
D. AID Bilateral Supply Objectives						
1. Orals	-	-	-	-	-	-
2. Condoms	-	230	237	-	-	-
E. Total New Supply						
1. Orals (line B4a plus line D1)	1,756	1,385	1,665	1,945	2,228	2,500
2. Condoms (line B4b plus line D2)	1,149	1,328	1,548	1,566	1,873	2,250
F. Remaining Supply Gap						
1. Orals (line A4a less line E1)	10,786	11,579	11,720	11,884	12,058	12,254
2. Condoms (line A4b less line E2)	9,571	9,752	9,892	10,254	10,337	10,360
G. People Gap						
1. Orals (line F1 divided by 13)	830	891	901	914	928	943
2. Condoms (line F2 divided by 100)	96	97	99	102	103	104
3. Total (line G1 plus line G2)	926	988	1,000	1,016	1,031	1,047

*Percentage changed to reflect actual practice in Kenya.

AID Bilateral Logistic and Financial Analysis
of Orals^{1/}

A. AID Inventory Analysis	Calendar Year				
	1978	1979	1980	1981	1982
1. Beginning of year stock					
2. Add: Scheduled deliveries (See Annex B)					
3. Less: Expected Use					
4. End of Year Stock					

To be completed by AID/Washington

B. Financial Analysis (FY 78)

1. CY 1979 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 78 (to be determined by AID/W)

C. Financial Analysis (FY 79)

1. CY 1980 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (To be determined by AID/W)
3. Estimated total cost for FY 1979 (To be determined by AID/W)

1/ Not required for Kenya

AID Bilateral Logistic and Financial Analysis
of Condoms

A. AID Inventory Analysis

	Calendar Year				
	1978	1979	1980	1981	1982
1. Beginning of year stock	0	230	237	-	-
2. Add: Scheduled deliveries (See Annex B)	230	237	-	-	-
3. Less: Expected Use	0	230	237	-	-
4. End of year stock	230	237	-	-	-

To be completed by AID/Washington

B. Financial Analysis (FY 78)

1. CY 1978 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 78 (to be determined by AID/W)

C. Financial Analysis (FY 79)

1. CY 1979 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 1979 (to be determined by AID/W)