

UNCLASSIFIED

# Annual Budget Submission

## FY 1984

### KENYA

BEST AVAILABLE



June 1982

Agency for International Development  
Washington, D.C. 20523

UNCLASSIFIED

**ANNUAL BUDGET SUBMISSION**

**FY 84**

**USAID/KENYA**

**June 2, 1982**

USAID/Kenya  
FY 1984 Annual Budget Submission

Table of Contents

	<u>Page</u>
1 Chief of Mission Approval.....	1
2. Table I - Long Range Plan.....	2
3. Table III - Project Obligations by Appropriation Account...	3
4. Table IV - Project Budget Data.....	4
5. New Project Narratives	
A. 615-0218 Agricultural Policy Development.....	9
B. 615-0219 Kitui Primary Health Care II - CODEL (OPG)...	11
C. 615-0220 Agricultural Enterprise Development.....	13
D. 615-0221 Agricultural Research and Extension.....	15
E. 615-0222 Egerton College.....	17
F. 615-0223 Population and Health Co-Financing.....	19
G. 615-0224 Enterprise Development Co-Financing.....	22
H. 615-0225 Housing Guaranty Technical Assistance.....	24
6. Table V - Proposed Project Ranking.....	27
7. Proposed Project Ranking Narrative.....	28
8. Workforce and Operating Expenses	
A. Operating Expense Narrative.....	32
B. Table VIII - Operating Expense Summary.....	37
C. Automatic Data Processing (ADP)/Word Processing (WP) Narrative.....	49
D. Tables VIII(a) and VIII(b) - ADP and WP Systems Inventory.....	50
9. P.L. 480	
A. Title I - Narrative.....	52
B. Table XI - Title I Requirements.....	55
C. Table XII - Title I Supply and Distribution.....	56
D. Title II - Narrative.....	57
E. Table XIII - P.L. 480 Title II.....	68
10. Addendum - Non-Bilateral Funded Activities in Kenya.....	69

CHIEF OF MISSION APPROVAL

I approve the program and workforce levels for fiscal years  
1983 and 1984 for USAID/Kenya as presented in the FY 1984  
Annual Budget Submission.



Robert G. Houdek  
Charge' d'Affairs a.i.

Date: 28 May 1984

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

DEVELOPMENT ASSISTANCE	Country/Office <u>Kenya</u>					
	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	Planning Period		
				1985	1986	1987
Agriculture, Rural Development & Nutrition						
Grants	8,000	23,274	26,200	36,000	34,000	33,000
Loans	8,000	18,274	16,200	24,000	20,000	17,000
	-	5,000	10,000	12,000	14,000	16,000
Population	4,500	-	4,500	2,000	5,000	4,000
Grants	4,500	-	4,500	2,000	5,000	4,000
Loans	-	-	-	-	-	-
Health	9,523	4,726	-	6,000	6,000	17,000
Grants	4,893	2,000	-	6,000	6,000	17,000
Loans	4,630	2,726	-	-	-	-
Education	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Selected Dev. Activities	2,252	-	5,000	-	5,000	-
Grants	2,252	-	5,000	-	5,000	-
Loans	-	-	-	-	-	-
TOTAL DA ACCOUNTS	24,275	28,000	35,700	44,000	50,000	54,000
Grants	19,645	21,274	25,700	32,000	36,000	38,000
Loans	4,630	6,726	10,000	12,000	14,000	16,000
Economic Support Fund	10,000	30,000	30,000	30,000	30,000	30,000
Grant	10,000	30,000	30,000	30,000	30,000	30,000
Loans	-	-	-	-	-	-
TOTAL DA AND ESF	34,275	58,000	65,700	74,000	80,000	84,000
PL 480 (non-add)						
Title I	15,000	15,000	5,000	-	-	-
Title II	4,282	3,000	3,300	3,600	4,000	4,000
Housing Guaranties (non-add)	-	18,000	-	25,000	-	25,000
TOTAL PERSONNEL:						
USDH (work years)	26.3	26.7	25.3	26	24.1	24
FNDH (work years)	36.5	34	30	30	30	30

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
FY 1982 to FY 1984 (\$ thousands)

		Country/Office <u>KENYA</u>		
<u>APPROPRIATION ACCOUNT</u>		<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>
<u>Agriculture, Rural Development and Nutrition</u>		<u>8,000</u>	<u>23,274</u>	<u>26,200</u>
615-0169	Agriculture Systems Support Project	G 7,000*	5,677*	-
615-0172	Arid and Semi-Arid Lands	G -	6,822*	-
615-0180	Drylands Cropping	G 1,000*	2,000*	-
615-0189	Rural Planning II	G -	775*	-
615-0191	ASAL Roads Networks	G -	1,500	-
615-0191	ASAL Roads Networks	L -	5,000	-
615-0218	Agriculture Policy Development	G -	1,500	-
615-0220	Agricultural Enterprise Development	L -	-	10,000
615-0221	Agricultural Research and Extension	G -	-	9,200
615-0222	Egerton College	G -	-	7,000
698-0135	PD&S (non-add)	G -	( 300)	( 300)
<u>Population</u>		<u>4,500</u>	<u>-</u>	<u>4,500</u>
615-0193	Family Planning II	G 4,000	-	-
615-0216	Family Planning Management Research Program - OPG	G 500	-	-
615-0223	Population and Health Co-Financing	G -	-	4,500
698-0135	PD&S (non-add)	G -	( 32)	( 10)
<u>Health</u>		<u>9,523</u>	<u>4,726</u>	<u>-</u>
615-0177	Community Water	G -	1,500	-
615-0177	Community Water	L -	2,726	-
615-0206	Kitui Rural Health	G 4,893	-	-
615-0206	Kitui Rural Health	L 4,630	-	-
615-0219	Kitui Primary Health Care II - OPG	G -	500	-
698-0135	PD&S (non-add)	G -	( 81)	( 65)
<u>Selected Development Activities</u>		<u>2,252</u>	<u>-</u>	<u>5,000</u>
615-0184	Increase Employment Income Productivity - OPG	G 200	-	-
615-0208	Small Business Development - OPG	G 1,377	-	-
615-0212	Small Towns HG-DA	G 675*	-	-
615-0224	Enterprise Development Co-Financing	G -	-	3,000
615-0225	Housing Guaranty Technical Assistance	G -	-	2,000
698-0135	PD&S (non-add)	G -	( 140)	( - )
TOTAL ALL DA APPROPRIATION ACCOUNTS		<u>24,275</u>	<u>28,000</u>	<u>35,700</u>
<u>Economic Support Fund</u>		<u>10,000</u>	<u>30,000</u>	<u>30,000</u>
615-0200	Commodity Import Program	G 10,000	-	-
615-0213	Agribusiness Development	G -	30,000	30,000
TOTAL DA AND ESF		<u>34,275</u>	<u>58,000</u>	<u>65,700</u>

\*\*\*\*\*

\* Indicates mortgage

FY 1984 ANNUAL BUDGET SUBMISSION

Country/Office  
KENYA

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST * AUTH PLAN	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS			ITEM #
			INITIAL	FINAL			OBL	EXP	OBL	EXP	1984 AAPT.	1985	1986	
	Agriculture, Rural Development and Nutrition													
615-0148	Agriculture Credit	G	71	76	2,200	27	-	-	-	-	-	-	-	-
615-0157	National Range and Ranch Development	G	73	80	6,170	1,394	-	781	-	-	-	-	-	-
615-0160	Livestock Development	L	74	74	12,937	2,624	-	-	-	-	-	-	-	-
615-0162	Rural Planning	G	76	80	2,648	4	-	-	-	-	-	-	-	-
615-0168	Rural Roads Systems	G	77	80	1,748	806	-	150	600	-	-	-	-	-
615-0168	Rural Roads Systems	L	77	77	13,000	9,461	-	1,500	4,800	-	-	-	-	-
615-0169	Agriculture Systems Support Project	G	78	83	26,200	5,932	7,000	6,044	5,677	3,825	-	-	-	-
615-0169	Agriculture Systems Support Project	L	78	79	23,600	13,152	-	8,100	-	3,000	-	-	-	-
615-0170	Roads Graveling	G	77	77	1,400	**619	-	545	74	-	-	-	-	-
615-0170	Roads Graveling	L	77	77	7,700	**2,108	-	1,160	948	-	-	-	-	-
615-0171	Agriculture Sector Loan I (PC)	L	75	75	13,500	512	-	-	-	-	-	-	-	-
615-0172	Arid and Semi-Arid Lands Development (Kitui)	G	79	83	13,000	5,613	-	2,140	6,822	3,000	-	-	-	-
615-0180	Drylands Cropping Systems Research	G	79	83	6,000	2,185	1,000	1,240	2,000	1,500	-	-	-	-
615-0184	Increase Employment Income Productivity - OPG TECHNOSEKVE (U.R.)	G	78	78	500	45	-	45	-	-	-	-	-	-

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

MEMBER	PROJECT TITLE	O/R	OBLIGATION DATE		LIFE OF PROJECT COST	CDB PIPELINE AS OF 9/30/81	FY 1982		FY 1983		1984 A.A.P.L.	FUNDED TO MONTH	FY OBLIGATIONS			ITEM #	
			INITIAL	FINAL			OBL	EXP	OBL	EXP			1985	1986	1987		FUTURE YEAR
	Agriculture, Rural Development and Nutrition																
615-0189	Rural Planning II	G	80	83	3,575	2,800	-	960	775	1,290	-	-	-	-	-	-	
615-0190	On-Farm Grain Storage (PC)	L	81	81	7,800	7,800	-	500	-	1,500	-	-	-	-	-	-	
615-0191	ASAL Roads Networks	G	83	83	*1,500	-	-	-	1,500	100	-	-	-	-	-	-	
615-0191	ASAL Roads Networks	L	83	83	*5,000	-	-	-	5,000	100	-	-	-	-	-	-	
615-0218	Agriculture Policy Development	G	83	83	*1,500	-	-	-	1,500	600	-	-	-	-	-	-	
615-0220	Agricultural Enterprise Development (PC)	L	84	84	*10,000	-	-	-	-	-	10,000	LOP - Funded	-	-	-	-	
615-0221	Agricultural Research and Extension	G	84	84	*9,200	-	-	-	-	-	9,200	LOP - Funded	-	-	-	-	
615-0222	Egerton College	G	84	84	*7,000	-	-	-	-	-	7,000	LOP - Funded	-	-	-	-	
	Appropriation Total				176,178	55,082	8,000	23,165	23,274	21,332	26,200	-	-	-	-	-	
	Grant				82,641	19,425	8,000	11,905	18,274	10,988	16,200	-	-	-	-	-	
	Loan				93,537	35,657	-	11,260	5,000	10,348	10,000	-	-	-	-	-	
	Population Planning																
615-0161	Family Planning	G	75	79	2,110	**194	-	173	-	-	-	-	-	-	-	-	
615-0165	Population Studies and Research Center	G	76	80	2,692	**1,162	-	640	-	350	-	-	-	-	-	-	
615-0193	Family Planning II	G	82	82	*4,000	-	4,000	200	-	1,200	-	-	-	-	-	-	
615-0216	Family Planning Management Research Program - (PC IMREP (U.S.) and AMREP (I.N.))	G	82	82	*500	-	500	50	-	150	-	-	-	-	-	-	

Country/Office

KENYA

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

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST AUTH. PLAN	CUM. PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS				ITEM #				
		INITIAL	FINAL			OBL	EXP	OBL	EXP	1984 AAPT	FUNDED TO MOYR	1985	1986		1987	FUTURE YEAR		
		ESTIMATED U.S. DOLLAR COST (\$000)																
615-0223	Population Planning Population and Health Co-Financing	G	84	84	-	4,500	-	-	-	-	-	-	-	-	-	-	-	-
	Appropriation Total				1,356	14,002	4,500	1,700	1,700	4,500	4,500	-	-	-	-	-	-	-
	Grant				1,356	14,002	4,500	1,700	1,700	4,500	4,500	-	-	-	-	-	-	-
	Loan				-	-	-	-	-	-	-	-	-	-	-	-	-	-
												LOP -						
												Funded						
615-0177	Health																	
615-0177	Community Water	G	83	83	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-
	Community Water	L	83	83	-	2,726	-	-	-	-	-	-	-	-	-	-	-	-
615-0179	Kibwezi Primary Health Care - (PVO) IMREF (U.R.) and AMREF (I.N.)	G	79	79	492	818	-	420	72	-	-	-	-	-	-	-	-	-
615-0185	Kitui Primary Health Care - (PVO) CODEL (U.R.)	G	79	79	175	413	-	125	50	-	-	-	-	-	-	-	-	-
615-0187	Health Planning and Information	C	79	81	2,141	2,450	-	1,070	900	-	-	-	-	-	-	-	-	-
615-0203	Rural Blindness Prevention II OPG - IEF (U.R.)	G	80	81	970	1,870	-	570	400	-	-	-	-	-	-	-	-	-
615-0206	Kitui Rural Health (PC)	G	82	82	-	4,893	4,893	225	1,375	-	-	-	-	-	-	-	-	-
615-0206	Kitui Rural Health (PC)	L	82	82	-	4,630	4,630	25	3,000	-	-	-	-	-	-	-	-	-
615-0219	Kitui Primary Health Care II OPG - CODEL (U.R.)	G	83	83	-	500	-	-	100	-	-	-	-	-	-	-	-	-
	Appropriation Total				3,778	19,800	9,523	2,435	5,897	4,726	4,726	-	-	-	-	-	-	-
	Grant				3,778	12,444	4,893	2,410	2,997	2,000	2,000	-	-	-	-	-	-	-
	Loan				-	7,356	4,630	25	3,000	2,726	2,726	-	-	-	-	-	-	-

FY 1984 ANNUAL BUDGET SUBMISSION

Country/Year/Type  
KENYA

TABLE IV. PROJECT CUMULATIVE DATA

PROJECT NUMBER	PROJECT TITLE	C/F	OBLIGATION DATE		EST. OF PROJECT COSTS (U.S. DOLLARS)	CUM. PEOPLE AS OF 9/30/83	FY 1982		FY 1983		IV OBLIGATIONS						
			INITIAL	FINAL			OBL	EXP	OBL	EXP	1984 APL	FINISHED TO 10/31	1985	1986	1987	FISCAL YEAR	
																	ESTIMATED U.S. DOLLAR COSTS (\$'000)
615-0214	Education and Human Resources Technological Training Appropriation Total Grant Loan	G	81	81	500	500	-	50	-	450	-	-	-	-	-	-	-
615-0184	Selected Development Activities Increase Employment Income Productivity - OPC TECHNOSERVE (U.R.)	G	78	82	200	-	200	-	-	-	-	-	-	-	-	-	-
615-0202	Savings Union Support - OPC CUNA (U.R.)	G	80	80	425	111	-	-	-	-	-	-	-	-	-	-	-
615-0205	Renewable Energy Development (PC)	G	80	81	4,800	4,796	-	1,300	-	2,000	-	-	-	-	-	-	-
615-0208	Small Business Development - OPC's (U.R.)	G	82	82	1,377	-	1,377	100	-	600	-	-	-	-	-	-	-
615-0209	Law in Development (PVO) PIP (U.R.)	G	81	81	150	101	-	80	-	21	-	-	-	-	-	-	-
615-0212	Small Towns HG-DA (PC)	G	81	82	865	190	675	200	-	150	-	-	-	-	-	-	-
615-0224	Enterprise Development Co-Financing	G	84	84	3,000	-	-	-	-	-	3,000	LOP - Punded	-	-	-	-	-
615-0225	Housing Guaranty Technical Assistance Appropriation Total Grant Loan	G	84	84	5,000	-	-	-	-	-	-	-	2,000	9/85	3,000	-	-
					15,817	5,198	2,252	1,991	2,771	2,771	5,000	-	5,000	-	3,000	3,000	3,000
					15,817	5,198	2,252	1,991	2,771	2,771	5,000	-	5,000	-	3,000	3,000	3,000

FY 1984 ANNUAL BUDGET SUBMISSION

COUNTRY/OFFICE  
KENYA

TABLE IV. PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST	CON PIPELINE AS OF 9/30/81	FY 1982		FY 1983		1984 AAPT	FINDED TO MO/YR	FY OBLIGATIONS			FUTURE YEAR
		INITIAL	FINAL			OBL	EXP	OBL	EXP			1985	1986	1987	
615-0200	Economic Support Fund Commodity Import Program	G	80	82	5,679	10,000	5,679	-	10,000	-	-	-	-	-	-
615-0213	Agribusiness Development	G	83	83	-	-	-	30,000	30,000	30,000	9/85	30,000	30,000	30,000	30,000
	Appropriation Total				5,679	10,000	5,679	30,000	40,000	30,000		30,000	30,000	30,000	30,000
	Grant				5,679	10,000	5,679	30,000	40,000	30,000		30,000	30,000	30,000	30,000
	Loan				-	-	-	-	-	-		-	-	-	-
	Program Total				286,297	71,593	34,383	58,000	72,155	65,700		30,000	33,000	30,000	30,000
	Grant				185,404	35,936	23,098	53,000	58,807	55,700		30,000	33,000	30,000	30,000
	Loan				100,893	35,657	11,285	5,000	13,348	10,000		-	-	-	-

\*Indicates planned amount.  
 \*\*Change resulted from re-examination of accrued expenditure estimates.  
 \*\*\*USAID/Kenya considers this an on-going project through FY 1987.  
 (U.R.) U.S. registered PVOs.  
 (I.N.) Indigenous non-registered PVOs.  
 (PC) Peace Corps - Personnel only provided by Peace Corps.

PROJECT NUMBER : 615-0218

PROJECT TITLE : Agricultural Policy Development

PROPOSED FUNDING : FY 1983 Grant \$ 1,500  
Loan \$ -  
Total \$ 1,500

(Thousands \$)

LOP Grant \$ 1,500  
Loan \$ -  
Total \$ 1,500

APPROPRIATION ACCOUNT: ARDN

Purpose: To strengthen the capability of the Ministries of Agriculture, Livestock Development and Planning to gather and analyze agricultural economic data and to help formulate agricultural policy recommendations for GOK decision makers.

Problem to be Addressed: The Kenyan Government has generally pursued sound policies in agriculture development as witnessed by the steady growth of this sector of the economy. In recent years, the combination of high population growth and limits on high potential land availability have complicated the development options. The single most important factor in the achievement of the CDSS goal of increased production, employment and income in rural areas is the ability of Government to identify and select agriculture policies that will promote rapid growth in agricultural output without deterioration of quality of life. In the past, while agriculture has performed quite well, the overall policy bias has been in favor of industry and the urban consumer. Government has recognized that the key to future development is rural growth and is taking steps to restructure the incentives, regulations and programs for agriculture. Attention now also needs to be given to the impact of agricultural policy on the nutritional status of farm families and the population as a whole. To put this into effect requires sound advice and trained personnel.

Host Country and Other Donors: The Government has addressed the problem through a refined planning structure in the Ministries of Planning, Agriculture, and Livestock. In the past, USAID has provided technical assistance and training primarily in the area of Agriculture and Planning. The current proposed program will continue this effort and extend it to nutrition planning to ensure that agricultural policies and programs do not have a negative nutritional impact.

Major Issues to be Addressed During Project Development: The primary issue is one of effectiveness in the use of such a high level expatriate team in extremely sensitive policy areas. Policy recommendations may at times be construed as interference in the internal affairs of Government. We need to reexamine the planning structure and policy review mechanisms to confirm our current perception that they can be effective.

Target Group: The decision makers at the highest levels of Government will be the direct beneficiaries of this assistance. Secondly, rational policies should benefit agricultural producers, suppliers and distributors throughout the country.

Outputs/Inputs: The main output will be the provision of high level policy analysts to the Technical Assistance Pool in the Ministries of Agriculture and Livestock Development. Their work will focus on the needs of senior decision makers who require sound economic analysis of development issues. To accomplish this, technical assistance and training in agriculture, nutrition planning and policy analysis will be provided to the Ministry of Agriculture, the Ministry of Livestock Development, and the Ministry of Economic Planning and Development (including the Food and Nutrition Planning Unit).

A.I.D. Policy: The project addresses the development thesis that countries must provide a favorable policy climate in which efforts of people combined with available resources can be mobilized. The lack of such a climate reduces private sector investment, impedes technology transfer and generally leads to stagnation. The project will focus upon the process of policy formulation and change and the institutionalization of that process.

PROJECT NUMBER : 615-0219

PROJECT TITLE : Kitui Primary Health Care II -  
(CODEL OPG)

PROPOSED FUNDING	:	FY 1984	Grant \$	500
(Thousands \$)			Loan \$	-
			Total \$	500
		LOP	Grant \$	500
			Loan \$	-
			Total \$	500

APPROPRIATION ACCOUNT: Health

Purpose: To provide preventive and promotive primary health care services to remote areas of Kitui District not presently being served by government or missionary hospitals.

Problem to be Addressed: Kitui District has a population of 464,000 and a population density of only 15 people per square kilometer. The rural health infrastructure established by the Ministry of Health and church health services does not provide the majority of Kitui's population reasonable access to fixed clinical facilities. Coordination in Development (CODEL), a U.S. PVO, has assisted the Catholic Diocese of Kitui to establish four mobile primary health care teams to provide health services to people who otherwise would not have access to such services. The teams for four Divisions serve the dispersed populations surrounding 64 rural market centers.

The mobile teams provide mother and child health care, immunizations, nutrition surveillance, health education, and the training of community leaders and traditional birth attendants (TBAs). A 1981 evaluation indicated that 19.6 percent of children under five years of age within Kitui District were covered by the program in 1980. There were 84,203 patient visits in 1980 at a cost of \$2.70 per patient visit.

In the second phase activity, emphasis will be placed on increasing community training and participation in project activities, promotion of natural family planning methods, development of more comprehensive health education activities and upgrading of mobile team members' skills. The grantee will improve data collection techniques to fully document the cost-effectiveness and health impact of mobile primary health care. The grantee and Diocese of Kitui will integrate project activities into the new USAID bilateral Kitui Rural Health Project which emphasizes community-based primary health care.

Host Country and Other Donors: The Ministry of Health provides the vaccines utilized by the mobile teams and has seconded a public health technician to Mutomo Hospital to provide support for the mobile teams. Government provides a modest annual grant to the Kenya Catholic Secretariat to distribute to Catholic health institutions throughout Kenya. Special efforts will be made to better coordinate MOH activities with those of Diocese of Kitui health institutions and mobile teams.

Major Issues to be Addressed During Project Development: (1) best strategy for integrating project activities into ongoing rural health activities; (2) cost-effectiveness of mobile rural health services to dispersed populations; (3) financial viability when USAID funding ceases; (4) cost-effectiveness and use-effectiveness of natural family planning; (5) extent of community involvement and cost sharing; and (6) adequacy of plans of health education activities.

Target Group: The primary beneficiaries are women of reproductive age and children under five years of age. Approximately 90,000 patient visits will take place annually.

Outputs/Inputs: Anticipated LOP outputs include: (1) four mobile units handling 90,000 patient visits annually at 64 market centers; (2) trained couple leaders instructing husbands and wives in natural family planning; (3) expanded preventive and promotive health education; (4) trained community leaders, women's groups and TBAs participating in community health care and sharing costs; (5) trained mobile team members; (6) impact evaluations reflecting changed health status of beneficiaries and cost-effectiveness data. LOP inputs financed by the grant include technical assistance, equipment, vehicle operation and maintenance, travel cost, and evaluation.

A.I.D. Policy: The proposed project will promote the involvement of the U.S. and Kenyan private sector, policy change favoring preventive and promotive health services, institutional development and transfer of appropriate health technology.

Special Concerns: The total \$500,000 will be obligated in FY 1983 for PVO activities.

PROJECT NUMBER : 615-0220

PROJECT TITLE : Agricultural Enterprise Development

PROPOSED FUNDING : FY 1984 Grant \$ -  
Loan \$ 10,000  
Total \$ 10,000  
(Thousands \$)

LOP Grant \$ -  
Loan \$ 10,000  
Total \$ 10,000

APPROPRIATION ACCOUNT: ARDN

Purpose: To stimulate the Kenyan private sector agribusiness community to provide production inputs and marketing services to farmers and to finance commercial agricultural production on farms.

Problem to be Addressed: The Kenyan small to medium scale private sector entrepreneurs and farmers lack adequate access to medium and longer term financing. Though this sector is dynamic and growing, the shortage of capital has restrained expansion. Available capital tends to flow to enterprises with substantial assets, favorable locations and good market ties. The absence of strong local companies providing production inputs and market outlets and processing facilities has fostered the growth of inefficient parastatals which further reduce competition and support for private producers.

An AID sponsored reconnaissance (PRE) has identified potential areas for businesses or expansion of existing facilities in the areas of seed, chemicals and fertilizer, machinery manufacture and distribution, hatcheries, flowers and horticulture for export, canning and other agriculture related activities.

AID is proceeding with plans for PRE-funded projects in FY 82 for a seed company expansion program and the financing of rural enterprises with the Kenya Commercial Bank (KCB). This project is expected to be a larger scale follow-up to the KCB project.

Host Country and Other Donors: The Kenya Government recognizes the important role of the private sector in development. There is significant donor involvement in small and middle scale industrial and commercial enterprise by Germany, Nordic countries, UNDP, IBRD including IFC and the Commonwealth Development Corporation. Donor support, however, has not been targeted specifically to agribusiness.

Major Issues to be Addressed During Project Development: While the demand for finance is strong, the problem will be to find the best method to service the needs. Commercial banks in Kenya are the most attractive prospects as intermediary institutions and AID has begun work in this area. Other possibilities need further review. Management capability of the targetted enterprises is also an important issue to be studied. Exploration of various types of enterprises that support the USAID development goals in Kenya will be undertaken. Short term consultants will be required to supplement USAID efforts in project development.

Target Group: The initial beneficiaries would be small to medium scale business persons and commercial farmers in the agriculture sector. Where increased rural employment is a spinoff from the project, the landless and the poor landholders who depend on off-farm employment for their well being stand to benefit in a substantial way.

Outputs/Inputs: Major outputs will include 50 to 100 new or expanded agriculture related enterprises. These firms and farms are expected to stimulate production and employment directly through forward and backward linkages in the economy.

Inputs will consist of capital, most likely through a financial intermediary. Should it prove desirable, technical assistance will also be provided.

A.I.D. Policy: This project will focus directly on promoting the goal of increased private sector involvement in Kenyan development. We plan to work closely with the PRE Bureau on this activity.

Special Concerns: Funding provided under this project will be for private sector activities.

PROJECT NUMBER	:	615-0221		
PROJECT TITLE	:	Agricultural Research and Extension		
PROPOSED FUNDING	:	FY 1984	Grant \$	9,200
			Loan \$	-
(Thousands \$)			Total \$	<u>9,200</u>
		LOP	Grant \$	9,200
			Loan \$	-
			Total \$	<u>9,200</u>

APPROPRIATION ACCOUNT: ARDN

Purpose: To institutionalize an effective extension and research system for the development and transfer of locally adapted technologies responsive to the requirements of small farmers.

Problem to be Addressed: Development and dissemination of new agricultural technology in Kenya has been directed mainly to large-scale commercial farmers as extension agents tend to interact with the larger farmer units. Small farmer participation in the development of technology appropriate to their ecological and socio-economic conditions has been limited. Information and recommendations that are developed tend to ignore the economic and social conditions of small farmers and other constraints that directly affect their production decisions.

Major problems that need to be addressed include: inadequacy of training and supervision of extension agents; the lack of small farm orientation of the research and extension establishment; inappropriate technology packages for meeting small farm needs; and the lack of adequate numbers of women extension agents to service the large proportion of women farm operators. There is a general need to modify current policies and procedures and administrative practices in the Ministries of Agriculture, Livestock, Cooperative Development and Natural Resources that adversely affect programs to reach small farmers.

The project will finance technical assistance and training to ensure that appropriate relationships linking research and extension are established and internalized. This will call for retraining all extension workers to improve their understanding and usage of improved extension methodologies.

Host Country and Other Donors: The project will be implemented through the Ministry of Agriculture (MOA). At the operating level, the MOA divisions of Manpower Development and Training, Extension and Research will provide budgetary support estimated at about 25 percent of total project cost. The USAID effort would be a part of a larger total project sponsored by the IBRD which is now under consideration.

Major Issues to be Addressed During Project Development: The project design team will need to analyze the impact of the project on GOK recurrent expenditures in future years. The capacity to provide counterparts, particularly women, the capacity of MOA to implement the project and the feasibility of interfacing with IBRD and other donors must also be assessed.

Target Group: The ultimate beneficiaries of this project will be the nation's approximately 1.5 million small scale farm operators, many of whom are women.

Outputs/Inputs: The main LOP outputs are improved systems for: (a) identifying problems and developing farm tested solutions for small farm operations, and (b) for disseminating proven technologies to the target smallholder farmers. Other outputs include: (c) improved technology with recommendations tailored to the socio-economic and ecological conditions under which small farmers operate; (d) improved and expanded curricula in preservice and inservice agriculture training institutions and (e) improved management systems in the research and extension services. Also, short term extension training courses and syllabi will be developed for training of extension agents.

LOP inputs include technical assistance, training and commodities procurement for a total LOP cost of \$9,200,000.

A.I.D. Policy: This project focuses on institutional development, technology transfer and related Government policy changes that will be required to accomplish the project's purpose. The research program will be reoriented and the extension service activities directed toward more specific objectives.

PROJECT NUMBER : 615-0222

PROJECT TITLE : Egerton College

PROPOSED FUNDING : FY 1984 Grant \$ 7,000  
Loan \$ -  
Total \$ 7,000

(Thousands \$)

LOP Grant \$ 7,000  
Loan \$ -  
Total \$ 7,000

**APPROPRIATION ACCOUNT: ARDN**

Purpose: To enhance the institutional capability of Egerton College to reorient its curriculum and on-farm training program to training graduates that understand and support collaborative research and extension systems, development of relevant technologies and their transfer to rural sector production units.

Problem to be Addressed: The lack of suitably trained manpower in agriculture in Kenya remains as one of the key problems in increasing agricultural production. Overcoming this problem is a top priority within the GOK. The solution appears to be in the reorientation of agricultural training for the managers of agricultural research and extension systems. Curriculum development at Egerton is the most direct way to influence agriculture's future managers.

Host Country and Other Donors: The project will be implemented through Egerton College with the Ministries of Agriculture and Livestock Development. The Divisions of Manpower Development and Training and Extension and Research will also be involved. GOK will provide personnel, facilities and operating expenses.

Major Issues to be Addressed During Project Development: The project design team will have to carefully analyze the impact of the project on GOK recurrent costs. Other considerations are: (1) the content of the curriculum being taught, (2) the effectiveness of training facilities, (3) appropriateness of research activities, (4) management of the extension services, (5) the role of women in agricultural training, and (6) the role of the private sector. The design will also have to consider the institutional capability of the implementing agencies, relationships among research, extension and training institutions and the realities of staffing these institutions at minimal levels.

Target Group: The beneficiaries of this project will be the faculty and students of the college and the nation's 1.5 million small scale farming households.

Outputs/Inputs: The main LOP outputs are the improvement of institutional linkages and procedures to enable the research and extension system to obtain feedback from farmers on specific problems and develop and deliver technology to resolve these problems. LOP inputs will include technical assistance, participant training and supplies and equipment.

A.I.D. Policy: The project focuses on the enhancement of the institutional capability of an excellent agricultural education institution in Kenya. The government has given the activity high priority because Egerton graduates provide the bulk of middle management personnel to private sector agribusiness entities, parastatals and to government ministries. The curriculum by which they are trained and the teachers who do the training deserve special attention.

The Kenyan policy climate is conducive to changes in agricultural education. The school's principal and other staff are planning curriculum changes, but they need technical assistance and training. The latter will ensure that returned faculty will be willing and able to implement such changes as may be necessary. The basis for these changes are being provided today under the ASSP project which is financing a substantial TA and training component for Egerton.

An important consideration of the project is the necessity to reorient agricultural graduates to think and work in terms of an integrated research and extension service system focused on the small farm unit. There are inadequate linkages between the farm and the researcher, consequently little of relevance in technological packages is produced for dissemination to farmers.

We believe that the private sector can also serve as an important force for change. Kenya today has several successful examples of private extension services whose results are exemplary in this field: the barley and sugar cane production industries are only two of many examples where Egerton graduates are doing an outstanding job.

Institutional changes alone will not ensure the success of Egerton graduates. We recognize the need for pricing policy changes, more efficient marketing and distribution systems and access to agricultural input supplies. USAID, IBRD and other donors are working on these issues within the framework of other programs.

PROJECT NUMBER : 615-0223

PROJECT TITLE : Population and Health Co-Financing

PROPOSED FUNDING : FY 1984 Grant \$ 4,500  
Loan \$ -  
Total \$ 4,500

(Thousands \$)

LOP Grant \$ 4,500  
Loan \$ -  
Total \$ 4,500

APPROPRIATION ACCOUNT: Population

Purpose: To establish an institutional capacity in the private sector to manage the development and implementation of innovative approaches to delivery of family planning, health and nutrition services.

Problem to be Addressed: Kenya's rural health infrastructure is inadequate for the delivery of basic health, nutrition and family planning services to a population growing at the extraordinary rate of four percent annually. Eighty-five percent of Kenyans live in rural areas, but the Ministry of Health (MOH) spends 70 percent of its budget on hospitals, located mainly in urban areas where 15 percent of the population lives. Since the MOH's share of total Government expenditures was only 6.2 percent in 1981/82 and prospects for a significant increase are slim, it is necessary for Government to consider a number of desired policy changes which will facilitate an expansion of basic health, nutrition and family planning services.

Non-governmental organizations (NGOs) have a considerable potential for improving the availability of basic health, nutrition and family planning services to rural Kenyans. NGOs show a greater willingness to innovate than the MOH, but often lack the technical and management skills necessary for effective use of resources. NGO personnel are not well trained in project design, implementation and evaluation. Program objectives are not well articulated, cost-effectiveness is not measured and program impact is not assessed. USAID plans to identify a U.S. or Kenyan private voluntary agency (PVO) to manage a number of innovative sub-project activities to be implemented by NGOs. The grantee will have the necessary technical and managerial skills to assist the implementing agencies to design, implement and evaluate sub-project activities designed to stimulate the following sorts of policy change:

(a) Reorientation of private and public health care systems from static, curative and urban-oriented services to community-based, preventive and rural-oriented services;

(b) Reorientation of GOK policy that health services must be provided free to all by promotion of the concept of community responsibility for its own health care and promotion of greater assumption of health care costs through introduction of user fees and private health insurance/maintenance schemes;

(c) Demonstration of the feasibility of non-clinical contraceptive delivery systems to influence GOK policies that restrict contraceptive availability;

(d) Encouragement of the utilization of traditional birth attendants (TBA) by demonstrating feasibility of health, nutrition and family planning interventions by TBAs.

Host Country and Other Donors: Several U.S. and Kenyan PVOs or other NGOs will be selected to participate in this project. Each will provide at least 25 percent of the resources required to implement its share of project activities. Since the project is designed to demonstrate the feasibility of alternative delivery systems and to encourage policy change, the NGOs will attempt to involve the GOK in the design, implementation and evaluation of sub-project activities.

Major Issues to be Addressed During Project Development: As the project will provide funds to a U.S. or Kenyan PVO to support private sector sub-projects, the identification of a PVO with the necessary technical and managerial qualifications is crucial. Additional concerns to be addressed are: (1) size and scope of sub-project activities; (2) criteria for sub-project selection; (3) remuneration for community health workers and TBAs; (4) guidelines for distribution of drugs and contraceptives; (5) extent of Government involvement; (6) techniques for measuring impact; and (7) utilization of results to change policy.

Target Group: The primary beneficiaries are women of reproductive age and children under five years of age with limited access to health, nutrition and family planning services.

Outputs/Inputs: Anticipated LOP outputs include: (1) enhanced NGO capacity to design, implement and evaluate activities; (2) expanded availability of health, nutrition and family planning services; (3) trained community health workers and TBAs; (4) operations research on alternative service delivery systems; and (5) workshops and publications to disseminate results to policy makers.

First year outputs are additional grantee staff hired, three to five sub-project activities designed, three to five base-line surveys completed; community health workers and TBAs selected and trained for three to five sub-projects; and drugs and contraceptives procured.

LOP inputs financed by the grant include technical assistance, training, contraceptives and evaluation. First year inputs for technical assistance training and commodities will cost approximately \$2 million.

A.I.D. Policy: The proposed project will promote institutional development, involvement of the private sector, policy change and transfer of appropriate technology.

Special Concerns: Total life of project funding of \$4.5 million will be obligated in FY 1984 entirely for PVO and other NGO activities.

PROJECT NUMBER	:	615-0224		
PROJECT TITLE	:	Enterprise Development Co-Financing		
PROPOSED FUNDING	:	FY 1984	Grant \$	3,000
(Thousands \$)			Loan \$	-
			Total \$	<u>3,000</u>
		LOP	Grant \$	3,000
			Loan \$	-
			Total \$	<u>3,000</u>

APPROPRIATION ACCOUNT: SDA

Purpose: To accelerate the development of private enterprise activities in Kenya's rural sector.

Problem to be Addressed: As high potential agricultural land grows scarcer in the face of unprecedented population growth, rural Kenyans as individuals and in groups strive to increase farm family incomes through a wide range of activities. On average almost half of a family's income comes from activity off the home farm. The level of non-farm income is a key element in determining the productivity and output of a farming enterprise. It provides cash for purchase of modern agricultural inputs such as seeds and fertilizer. Considerable resources are available for rural enterprise, but much of the know-how to support sustained efficient small business development in Kenya is lacking.

Host Country and Other Donors: Promising non-governmental organizations (NGOs) will be selected to participate in this project. They will provide at least 25 percent of the resources required to implement their share of project activities. The government will also be involved to the extent that its existing and proposed policies and regulations are supportive of the development of rural enterprise.

Major Issues to be Addressed During Project Development: The project will provide funds in the mode of sub-projects to selected NGOs including PVOs to promote self-sustaining rural enterprise activity. A key issue will be to identify qualified NGOs and provide support to the NGOs in such a way as to minimize their dependence on USAID assistance, as well as to minimize the dependence of rural entrepreneurs on outside assistance. Additional topics to be addressed will be the size and scope of sub-projects each NGO undertakes, the type of criteria to be used to select, monitor and evaluate specific sub-project activities, and the type of operating style which will least threaten the essentially private character of rural enterprise efforts. An additional area to be addressed is the

utilization of local institutions, such as cooperative societies, women's groups and church groups to serve as intermediaries between the NGOs and recipients of the sub-project assistance. Use of such locally-based institutions may enable the NGOs to achieve a multiplier effect and improve the effectiveness of the participant selection process and of follow-up and evaluation activities.

Target Group: Rural households contain 85 percent of Kenya's 17.5 million population. NGOs are operating in all parts of the country, and a number of these provide assistance to rural groups and individuals in the development of rural enterprise. An estimated three to five NGOs selected to implement rural enterprise sub-projects under this project will operate in rural areas of significant population density and will reach up to 15,000 beneficiaries over the three year life of the project. Benefits will accrue to participants of groups involved in rural enterprise, as well as individual entrepreneurs. Women participants will be a special target of concentration, as will be activities which have linkages to additional areas of AID concern, e.g. family planning and employment generation.

Outputs/Inputs: The LOP input will be grant funds provided to NGOs capable of identifying, designing and implementing project activities. LOP output will be a series of sub-projects implemented by NGOs, each providing various appropriate forms of technical resources to local level institutions, groups and individuals selected for their potential to develop efficient rural enterprise activities.

A.I.D. Policy: The proposed project will directly address AID Kenya's major development objective: to increase rural production, employment and income. It will promote institutional development, involvement of the private sector, and the transfer of appropriate technology in the form of improved rural enterprise practices in the rural areas.

Special Concerns: All funds provided under this project will promote private sector activities including those of PVOs.

PROJECT NUMBER : 615-0225

PROJECT TITLE : Housing Guaranty Technical Assistance

PROPOSED FUNDING : FY 1984 Grant \$2,000  
Loan \$ -  
Total \$2,000  
(Thousands \$)

FY 1986 Grant \$3,000  
Loan \$ -  
Total \$3,000

LOP Grant \$5,000  
Loan -  
Total \$5,000

APPROPRIATION ACCOUNT: SDA

Purpose: To provide policy development and technical assistance to public and private housing finance and development agencies in Kenya which are or will be the key organizations in implementing five Housing Guaranty Projects with a total loan value of \$100 million.

Problem to be Addressed: Many of Kenya's urban centers are growing at rates of between 5-10 percent per year or more which has caused an unprecedented demand for affordable shelter, supporting community facilities, new and improved water and sewerage infrastructure, and employment. Public agencies are struggling to finance and implement programs which meet these needs, but they are constrained by a number of factors. One is the inability to generate the capital required on a sustained basis to finance and maintain these activities. Insufficient attention has been given to the development of pricing policies for shelter and related infrastructure which would permit surpluses to be generated for additional, non-donor financed production of housing. The efficiencies of the private sector have not yet been exploited in terms of its ability to mobilize the savings of lower-income wage earners, to originate and service mortgage and building material loans for lower-cost shelter and to develop lower-cost housing estates on publicly owned and serviced land. Finally, a critical shortage of both formally trained housing professionals and experienced paraprofessionals in both national and local level agencies has seriously impaired the GOK's ability to prepare and then effectively manage large-scale shelter and urban development programs. These constraints to a more effective delivery system in Kenya can be addressed by strengthening

those functions which the public sector should most suitably perform and by transferring to the private sector those activities which it has the potential to perform efficiently .

Five on-going and planned Housing Guaranty projects through FY 87 will provide the investment and policy framework for re-direction of Kenya's shelter sector. In addition, however, a supporting program of technical assistance and training is needed to facilitate the change from the present system to the future model. The proposed project is intended to serve as the bridge supporting a series of Housing Guaranty demonstrations aimed at addressing the constraints noted above. The Project will assist public agencies to manage the transition to greater private sector involvement. The Project will assist private agencies assess risks, handle higher business volume, and seek out new profit centers. A component of the Project will be available to act as a special reserve fund to meet extraordinary costs associated with the transition to private sector operation in this field.

Host Country and Other Donors: The Project will be implemented through both public and private institutions. Central government ministries and local authorities (including Nairobi City Council) will provide office space and equipment, counterpart and support personnel and operating expenses. In addition, private sector development and finance institutions will also contribute resources and counterpart staff to the Project. HABITAT is currently providing technical support for a project which will recommend strategies and formulate investment programs to bring about the participation of the private finance sector in lower cost shelter in Kenya. AID and the World Bank are also collaborating closely in a new generation of shelter and urban development projects in secondary and small towns to identify technical assistance and training needs and to rationally use scarce resources to achieve common purposes. The British Overseas Development Administration and the Commonwealth Development Corporation are also participating closely in discussions of technical assistance and training to prevent duplication of services.

Major Issues to be Addressed During Project Development: The project design team will have to pay particular attention to devising ways to bring the private housing finance and

development system into the mainstream of shelter production for households of below median income. The design team should investigate the institutional constraints in the present system and suggest the areas that need to be modified. The technical assistance and training components of this Project will constitute one of the primary means of modification. Therefore, the project design team should specify in what way Project advisors will interface with the different Kenyan shelter agencies. In addition to identifying the need for training, the design team should specify those agencies presently involved in training, the content of that training, and how the Project could most appropriately intervene. Finally, the project design team should note the various options available to USAID/Kenya and RHUDO/Nairobi to manage the Project's TA and training components.

Target Group: The target group will be households of below median income in Kenya's urban areas.

Outputs/Inputs: The principal LOP output will be the greater participation by the private sector in the development and finance of shelter for households of below median income. LOP inputs include technical assistance, training and capitalization of a low cost housing reserve fund.

Special Concerns: Role of the Private Sector. A goal of USAID/Kenya in the shelter sector is to get the GOK out of the business of planning, designing, financing, implementing and administering housing projects. The GOK has neither the financial nor human resources to accomplish these activities in a timely, cost effective manner. The more efficient private sector must be influenced through incentives and governmental policies to assume the responsibility of financing, developing and managing housing for households of below median income. This Project will directly support the expansion of the role of the private sector in Kenya's economy and is, therefore, directly supportive of the policy goals and commitments of the current Administration.

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

RANK	PROGRAM ACTIVITY		ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		Country/Office KENYA
	DESCRIPTION					INCR	CUM	
1.	615-0223	Population and Health Co-Financing	N	G	PN	4,500	4,500	
2.	615-0213	Agribusiness Development	O	G	ESF	30,000	34,500	
3.	615-0220	Agricultural Enterprise Development	N	L	ARDN	10,000	44,000	
4.	615-0224	Enterprise Development Co-Financing	N	G	ARDN	3,000	47,500	
5.	615-0225	Housing Guaranty Technical Assistance	N	G	SDA	2,000	49,500	
6.	615-0221	Agricultural Research and Extension	N	G	ARDN	9,200	58,700	
7.	615-0222	Egerton College	N	G	ARDN	7,000	63,700	
8.	PL 480 Title II		O	G	-	(3,300)	65,700	
9.	PL 480 Title I		O	L	-	(5,000)	65,700	

## I. Proposed Project Ranking Narrative

A. The proposed program for FY 1984 totaling \$35,700,000 in DA represents all "new starts" as USAID/Kenya will have completed funding for all ongoing projects. An additional \$30,000,000 in ESF is part of a continuing activity. The program is rank ordered based on the following rationale.

The U.S. assistance strategy is structured around three major development objectives: (1) reduced population growth, (2) increased rural production, employment and income, and (3) efficient delivery of basic social services. The emphasis of the FY 84 program is on the first two objectives.

Kenya's extraordinarily high fertility rate is the single most important development constraint. The opportunity for encouraging private sector initiatives in this field appears favorable at this time. The U.S. and other donors are also supporting a large government Integrated Rural Health/Family Planning project initiated in prior years.

The analysis section of USAID/Kenya's FY 1984 CDSS highlights the need to increase rural production, employment and income as prerequisites to a healthy and growing Kenyan economy. Because of the importance of this CDSS strategy objective, most of the project portfolio proposed for FY 1984 is aimed at this objective. The Agribusiness Development Project is ranked very high because its magnitude of \$150 million over the planning period is large enough to provide leverage in negotiating policy changes with Government as well as providing important balance of payments support. We believe that the potential positive impact upon production, employment and income of intelligent policy change is infinitely greater than most options for discrete technical assistance projects. The Agricultural Enterprise Development and Enterprise Development Co-Financing projects were ranked high because they are action oriented projects which are squarely in the private sector. The private sector holds a good deal of promise for efficient implementation of USAID financed projects that will have a quick and lasting impact upon rural production, employment and income.

The Housing Guaranty Technical Assistance project aimed at USAID's basic social service objective is ranked above two projects that contribute to rural production because the project is an integral part of a very large low cost housing guaranty program. Not funding the project would jeopardize the effective implementation of the planned five project \$100 million housing loan program.

The Agricultural Research and Extension and Egerton College projects are long term institution building projects, but they are also specifically directed toward development and delivery of improved technology to small farmers which will increase their productivity. USAID's current major project for the expansion of Egerton College will lead directly into the new project without a break.

1. Population and Health Co-financing will address Kenya's most serious problem which is its high fertility rate and resultant rapid population growth rate. The project will support private sector organizations prepared to initiate family planning programs and community based primary health care delivery systems. This strategy will also help shift recurrent costs for health and family planning to private sector users and away from the central government.
2. Agribusiness Development will finance commodity imports through the Economic Support Fund. The program is primarily designed to assist Kenya's balance of payments through the import of commodities that are key to food production. As part of the negotiations for this program, Government has agreed to try to move toward opening up distribution of fertilizers more fully to private sector firms and adopting more realistic pricing policies. Local currency generations from imports are jointly programmed for agricultural development activities and to help finance the cost to Government of policy changes designed to increase the role of the private sector in agricultural production and marketing.
3. Agricultural Enterprise Development will finance rural sector entrepreneurs and farm operators to expand production, generate employment and provide farmers with the necessary inputs to increase food production. The project addresses one of the primary CDSS goals: increased rural production, employment and income. Second only to the population growth rate, lack of adequate growth in employment opportunities and agricultural support services ranks as Kenya's major rural sector problem.
4. Enterprise Development Co-financing will finance rural oriented non-government organizations to establish innovative, employment intensive production

activities. This activity builds on five years of experience with similar pilot activities in the Kenya program. The project will focus special attention on indigenous entrepreneurs in rural areas who require management training, accounting and bookkeeping assistance and marketing skills.

5. Housing Guaranty Technical Assistance will provide expertise to local administrative bodies, the Ministry of Local Government, the National Housing Corporation and private organizations to enable them to expand their capacity to implement, manage, and maintain low cost shelter programs. The project provides technical assistance and training in support of Housing Guaranties, e.g., Umoja II, Small Towns and three future year private sector housing guaranties. This project seeks to shift the production and management of low cost housing to private sector institutions. USAID will provide technical assistance to those institutions which together with negotiated public policy changes should open the way for increased private sector participation in development of low cost housing.

6. Agricultural Research and Extension reflects USAID'S favorable assessment of Government's recent commitment to reform the Extension Service and the structural relationship between Research and Extension. Government and the World Bank are developing plans for a national extension project and USAID personnel are participating in these discussions with a view toward a possible multi-donor project.

7. Egerton College project is the interface to the Research and Extension project. The latter will require a highly disciplined cadre of managers at all levels of the public and private sectors. Further upgrading of Egerton College is necessary to enable its diploma graduates to participate knowledgeably in the development and implementation of a research and extension system that is farm production oriented toward smallholders.

8. P.L. 480 Title II, which is handled exclusively by Catholic Relief Services (CRS), is in need of re-orientation; e.g., better identification of its clientele, a clearer understanding of the purposes to be met by distribution of food commodities, and

increased participation by the Government of Kenya in the planning, implementation and evaluation of the program. The program will be limited over the planning period while USAID, the implementing agency and GOK identify ways to enhance the development impact of this food aid.

9. P.L. 480, Title I is used not only to meet food shortages and balance of payments deficits but also as a tool for inducing policy changes toward greater private sector participation in agricultural marketing, storage and distribution of food commodities.

B. USAID/Kenya's strategy for bringing about some of the necessary policy changes to provide incentives for the private sector include: continuation of prior years efforts to persuade government to expand private sector participation in agricultural inputs distribution, to open marketing and distribution systems to the private sector for agricultural commodities and to establish a market-oriented pricing system that takes into account seasonal and locational differentials. Within Government, we propose to help modify current policies that stifle free interchange among farmers, extension workers and researchers. Closely associated with these changes are curriculum initiatives at Egerton that focus on farm oriented problems with appropriate technological packages for smallholders.

In the private housing area we seek continuing adjustments in housing finance policies, investment amortization incentives and other policy changes to encourage the flow of private capital into low cost housing construction in Kenya.

USAID has identified Enterprise Development Cofinancing at \$3 million and agricultural Enterprise Development at \$10 million as private sector set-asides. The \$30 million ESF program is also directly oriented to the private sector.

I. Operating Expense Narrative:

A. Workforce Summary:

For U.S. Direct Hire personnel in FY 1982 the Africa Bureau has allocated 22 full time Mission specific and 3 "over programed" positions for USAID/Kenya. These 25 positions are encumbered. The allocation for Foreign National employees is 40 permanent positions and 1 part-time position. USDH positions have been reduced from 30 to 25 since 1980, and FSN positions from 47 to 40. For the planning period FY 1983 - 1987 USAID/Kenya plans a program expansion which in 1987 will be 2.45 times larger than FY 82. Personnel requirements are projected to remain at approximately the FY 1982 levels. The recent pattern of the USAID/Kenya program has been one of heavy mortgage payments and limited initiation of new projects.

The planned \$35.7 million in Development Assistance budgeted for FY 84 will be used entirely for new starts. Projects will have to be designed and their implementation begun. This phase of the design-implementation-evaluation cycle requires an intensive use of personnel. USAID/Kenya will be hard pressed to accomplish its program aims with current personnel levels. Since life-of-project funding is a firm USAID policy, a similar labor intensive pattern is projected for FY 1985-87.

Recent A.I.D. policy initiatives emphasizing economic analysis, host country policy change, private sector initiatives, and technology transfer will require attention. Staff economists will be necessary to investigate and analyse the Kenyan scene in order to incorporate USAID strategy and policy initiatives into the program planning and project design process.

Also included in the USAID/Kenya workforce levels is the Executive Office which provides administrative support for the six agency components, PASA employees, and long term personal services contractors located in Nairobi. The office also assists the USAID's in Somalia, Tanzania and Uganda with procurement, transport, customs, and medical support. The Executive Office will be called upon to provide support to an increased number of direct hire and contractor personnel.

The budget requested in Table VIII reflects the workmonths required to cover overlap due to personnel movements (e.g. 10 in FY 1983, 2 in FY 1984 and 7 in FY 1985).

We are requesting funds for workyears as follows:

	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>
USDH	26.3	26.7	25.3	26	24.1	24
USDH Positions	(25)	(25)	(25)	(25)	(24)	(24)
IDI	1	-	1	1	1	1
FSNDH	36.5	34	30	30	30	30
FSN Part Time	1	1	1	1	1	1
PSC	16	22	26	26	27	27

Looking ahead, USAID/Kenya will be able to reduce direct hire FSN positions in the future only by the use of other contractual arrangements. This assumes that the contracting for such services is not subject to greater restrictions than under present A.I.D. guidelines.

PERSONNEL SUPPORTED FROM USAID/K OE BUDGET

	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>
USDH Positions	(25)	(25)	(25)	(25)	(24)	(24)
IDI	1	-	1	1	1	1
Part Time	1	1	1	1	1	1
FSNDH	40	34	30	30	30	30
PSC	16	22	26	26	27	27
	<u>83</u>	<u>82</u>	<u>83</u>	<u>83</u>	<u>83</u>	<u>83</u>
RHUDO/E&SA: USDH	4	4	4	4	4	4
FSNDH	2	2	2	2	2	2
PSC	4	5	6	6	4	2
	<u>10</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>8</u>
RIG/A-RIG/II/N:						
USDH	11	11	11	11	11	11
FSNDH	1	1	1	1	1	1
Part-Time	0	0	0	0	0	0
PSC	0	0	0	0	0	0
	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
REDSO/EA: USDH	30	30	31	31	32	32
FSNDH	8	8	8	8	8	8
American PSC	7	6	7	7	7	7
Local PSC	3	5	6	6	6	6
	<u>48</u>	<u>49</u>	<u>52</u>	<u>52</u>	<u>53</u>	<u>53</u>
RFMC: USDH	4	6	5	5	5	5
FSNDH	21	22	22	22	22	22
American PSC	1	1	1	1	1	1
Local PSC	2	1	1	1	1	1
	<u>28</u>	<u>30</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
PASA:	<u>7</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>
GRAND TOTAL	<u>188</u>	<u>191</u>	<u>195</u>	<u>188</u>	<u>187</u>	<u>185</u>

B. Operating Expenses Summary:

The Regional Housing Office, the Regional Finance Center, and the Regional Economic Development Support Office have separate budgets for personnel, travel, communications and specialized equipment. They are dependent upon the operating expense portion of the USAID/Kenya budget for funding for office rents and expenses, housing rent and maintenance, local transportation and other general support services.

Table VIII sets forth the requirements for FY 1982 (actual), FY 1983 (revised) and the three funding levels (minimum, current and proposed) for FY 1984 for USAID/Kenya. The following table gives the costs attributable to each separate organization:

<u>Table VIII</u>	(\$000)	<u>FY 1982</u>	<u>FY 1983</u>	FY 1984	
				<u>Min/Current</u>	<u>Proposed</u>
(X) USAID/Kenya -		\$ 564.1	\$ 709.3	\$ 716.3	\$ 635.0
(Y) USAID/EXO		3,437.0	3,632.7	4,126.5	4,203.7
(Z) RIG/II/N -		298.9	317.3	353.3	353.3
TOTAL Table VIII					
(Mission Allotment)		\$4,300.0	\$4,659.3	\$ 5,196.1	\$5,192.0
		=====	=====	=====	=====

Trends in Operating Expense:

The combined O.E. budget for the USAID Mission in Kenya (excluding AID/W funded costs) for FY 1982 through projected FY 1984 increases at a rate of approximately 10 percent annually.

Operating costs in Kenya are actually increasing at 15 to 20 percent annually. Budget levels for FY 1983 and FY 1984 have been held to 10 percent because of a more favorable exchange rate of the dollar.

The FY 1984 exchange rate used in the OE budget was KShs.10.4 = \$1.00. To off-set the favorable appreciation of the dollar to the shilling, (a) inflation continues to climb in double digit figures and is expected to continue for the next four to six years, (b) required replacement of equipment which has not been replaced because of prior year budget constraints, (c) a build-up of expendable inventory supplies and material to a reasonable level, (d) an upgrading of the support and services capability for both the USAID Mission and assistance to surrounding Missions, and (e) expansion of the automated data word processing equipment as an integral part of the Mission operations, have all added to an increased budget requirement for FY 1984.

1. U.S. Personnel

In FY 1983, the USAID/Kenya Mission will have a 50 percent turnover in U.S. Direct Hire staff. Therefore, Post Assignment Travel costs increase sharply over FY 1982.

In the FY 1984 minimum and current submission, U.S. Personal Services Contractors are increased by two (2). This off-sets USAID/W's proposed ceiling reduction in U.S. Direct Hire staff. In the FY 1984 proposed budget the Mission requests funding for twenty-five (25) USDH and one IDI positions; thus AID/W personnel costs will be higher than in the minimum and current levels.

2. Foreign National Personnel:

The total number of FSN Direct Hire workyears is being reduced in FY 1982 through FY 1984 to reflect the reduction in FSN Direct Hire ceiling. Salaries were adjusted to reflect a twenty percent (20%) annual wage increase. This includes a four percent (4%) step increase and sixteen percent (16%) COLA adjustment.

The FNPSC level has been increased in proportion to the reduction of the FSN Direct Hire ceiling.

3. Housing Expense

Even with the favorable appreciation of the dollar against the shilling, housing costs continue to climb at an annual rate of between 10 to 15 percent. The Mission is attempting to negotiate minimum five year housing leases in Kenyan Shilling, thus serving as a buffer to the annual rate increase and tying the rent to the shilling rather than a dollar rate.

Also included in the housing expenses are maintenance, security and utilities. These costs are increasing at a rate of 20 to 25% annually. The ABS figures are based on actual usage costs and a projected inflation rate of 20 percent per year. USAID/Kenya has a two year contract with a local firm (Factory Guards) to provide security guard services. In FY 1983 the contract will be renegotiated. It is anticipated that the new contract will be an increase of 30 percent over the existing contract. \$210,485 has been budgeted for FY 1984.

4. Residential Furniture Purchase and Transportation

The Mission has established a replacement policy for residential furniture using a ten-year estimated life. Therefore, a minimum of five sets of replacement furniture is required each year. In addition, furniture should be reupholstered every 4 to 5 years. Ocean freight costs are estimated at 150 per cent of cost.

The original FY 1983 budget included fifteen (15) replacement sets of residential furniture. In the revised FY 1983 budget the number of replacement sets has been reduced to five sets.

5. Office Operation

In FY 1982 the Mission renegotiated the rent on its office space. The rent increased by over 100 percent over the previous terms and is now payable annually in advance. Therefore, in FY 1982 this line item reflects the CY 1982 and 1983 payments. The annual percentage increase for this rent beyond FY 1983 is approximately 5.3 percent per annum. Services charges and taxes are additive to the rent and are expected to increase.

Utilities costs have been projected at a 20 percent increase based on actual costs per annum.

Office furniture and equipment costs of \$130,600 covers replacement furniture plus \$48,000 for ADP word processing equipment.

Freight costs continue to climb. \$260,000 is projected for FY 1984, for off shore procurement of office supplies and equipment.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
J.S. DIRECT HIRE	2,202.0		1,715.8	38.3	2,210.4		1,671.8	37.7
P.N. DIRECT HIRE	393.5			42.7	328.8			35.2
CONTRACT PERSONNEL	84.8			XXXXX	130.5			XXXXX
HOUSING EXPENSES	1,659.7			87.0	2,080.0			77.0
OFFICE OPERATIONS	1,827.5		151.7	XXXXX	1,701.4		120.0	XXXXX
TOTAL	6,167.5		1,867.5	XXXXX	6,451.1		1,791.8	XXXXX
RECONCILIATION	1,867.5			XXXXX	1,791.8			XXXXX
MISSION ALLOWANCE	4,300.0			XXXXX	4,659.3*			XXXXX

\* Per State 132818

- FY-1983 Budget based on KSh.10.4 = \$1.00

- \$3,152.4 represent local currency costs

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

(\$000)

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	2,034.0		1,585.7	35.0	2,034.0		1,585.7	35.0
F.N. DIRECT HIRE	335.4			32.6	335.4			32.6
CONTRACT PERSONNEL	284.8			XXXXX	284.8			XXXXX
HOUSING EXPENSES	2,413.4			80	2,413.4			80
OFFICE OPERATIONS	1,838.2		124.0	XXXXX	1,838.2		124.0	XXXXX
TOTAL	6,905.8		1,709.7	XXXXX	6,905.8		1,709.7	XXXXX
RECONCILIATION	1,709.7			XXXXX	1,709.7			XXXXX
MISSION ALLOWANCE	5,196.1			XXXXX	5,196.1			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED					
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	
U.S. DIRECT HIRE	2,166.1		1,675.8	37.2	
F.N. DIRECT HIRE	335.4			32.6	
CONTRACT PERSONNEL	156.5			XXXXX	
HOUSING EXPENSES	2,484.0			83	
OFFICE OPERATIONS	1,849.8		124.0	XXXXX	
TOTAL	6,991.8		1,799.8	XXXXX	
RECONCILIATION	1,799.8	XXXXX	XXXXX	XXXXX	
MISSION ALLOWANCE	5,192.0	XXXXX	XXXXX	XXXXX	

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (x) USAID/Kenya Direct

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
J.S. DIRECT HIRE	1,277.7		978.0		1,284.9		946.2	
F.N. DIRECT HIRE	151.6		-		166.6			
CONTRACT PERSONNEL	-			XXXXX	22.5			XXXXX
HOUSING EXPENSES	31.8				31.3			
OFFICE OPERATIONS	81.0			XXXXX	150.2			XXXXX
TOTAL	1,542.1		978.0	XXXXX	1,655.5		946.2	XXXXX
RECONCILIATION	978.0			XXXXX	946.2			XXXXX
MISSION ALLOWANCE	564.1			XXXXX	709.3			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (x) USAID/Kenya Direct

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,076.6		860.1		1,076.6		860.1	
F.N. DIRECT HIRE	165.3				165.3			
CONTRACT PERSONNEL	168.8			XXXXX	168.8			XXXXX
HOUSING EXPENSES	33.9				33.9			
OFFICE OPERATIONS	131.8			XXXXX	131.8			XXXXX
TOTAL	1,576.4		860.1	XXXXX	1,576.4		860.1	XXXXX
RECONCILIATION	860.1			XXXXX	860.1			XXXXX
MISSION ALLOWANCE	716.3			XXYXX	716.3			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION  
 TABLE VIII (x) USAID/Kenya Direct

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,208.7		950.2	
F.N. DIRECT HIRE	165.3			
CONTRACT PERSONNEL	40.5			XXXXX
HOUSING EXPENSES	33.9			
OFFICE OPERATIONS	136.8			XXXXX
TOTAL	1,585.2		950.2	XXXXX
RECONCILIATION	950.2			XXXXX
MISSION ALLOWANCE	635.0			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (y) USAID/Kenya - EXO

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	344.3		233.7		236.0		184.7	
P.N. DIRECT HIRE	209.9				152.0			
CONTRACT PERSONNEL	84.8			XXXXX	106.5			XXXXXX 43
HOUSING EXPENSES	1,627.9				2,048.7			
OFFICE OPERATIONS	1,555.5		151.7	XXXXX	1,394.2		120.0	XXXXX
TOTAL	3,822.4		385.4	XXXXX	3,937.4		304.7	XXXXX
RECONCILIATION	385.4			XXXXX	304.7			XXXXX
MISSION ALLOWANCE	3,437.0			XXXXX	3,632.7			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (Y) USAID/Kenya - EXO

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	259.1		184.7		259.1		184.7	
P.N. DIRECT HIRE	158.8				158.8			
CONTRACT PERSONNEL	114.0			XXXXX	114.0			XXXXX
HOUSING EXPENSES	2,379.5				2,379.5			
OFFICE OPERATIONS	1,523.8		124.0	XXXXX	1,523.8		124.0	XXXXX
TOTAL	4,435.2		308.7	XXXXX	4,435.2		308.7	XXXXX
RECONCILIATION	308.7			XXXXX	308.7			XXXXX
MISSION ALLOWANCE	4,126.5			XXX	4,126.5			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (Y) USAID/Kenya - EXO

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	259.1		184.7	
F.N. DIRECT HIRE	158.8			
CONTRACT PERSONNEL	114.0			XXXXX
HOUSING EXPENSES	2,450.1			
OFFICE OPERATIONS	1,530.4		124.0	XXXXX
TOTAL	4,512.4		308.7	XXXXX
RECONCILIATION	308.7	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	4,203.7	XXXXX	XXXXX	XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (z) RIG/II/A/N

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
J.S. DIRECT HIRE	580.0		504.1		689.5		540.9	
F.N. DIRECT HIRE	32.0				10.2			
CONTRACT PERSONNEL	-			XXXXX	1.5			XXXXX
HOUSING EXPENSES	-				-			
OFFICE OPERATIONS	191.0			XXXXX	157.0			XXXXX
TOTAL	803.0		504.1	XXXXX	858.2		540.9	XXXXX
RECONCILIATION	504.1			XXXXX	540.9			XXXXX
MISSION ALLOWANCE	298.9			XXXXX	317.3			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (z) RIG/II/A/N

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	698.3		540.9		698.3		540.9	
F.N. DIRECT HIRE	11.3				11.3			
CONTRACT PERSONNEL	2.0			XXXXX	2.0			XXXXX <sup>4</sup>
HOUSING EXPENSES	-				-			
OFFICE OPERATIONS	182.6			XXXXX	182.6			XXXXX
TOTAL	894.2		540.9	XXXXX	894.2		540.9	XXXXX
RECONCILIATION	540.9			XXXXX	540.9			XXXXX
MISSION ALLOWANCE	353.3		-	XXXXX	353.3			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII (z) RIG/II/A/N

FY 1984 PROPOSED

	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	698.3		540.9	
F.N. DIRECT HIRE	11.3			
CONTRACT PERSONNEL	2.0			XXXXX
HOUSING EXPENSES	-			
OFFICE OPERATIONS	182.6			XXXXX
TOTAL	894.2		540.9	XXXXX
RECONCILIATION	540.9	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	353.3	XXXXX	XXXXX	XXXXX

I. Automatic Data Processing (ADP)/Word Processing (WP)

Narrative:

A. Automatic Data Processing Statement

In FY 1982, RFMC installed a Wang VS 80 system for ADP and WP use by the five Nairobi-based USAID entities. FY 1982 money provided all the necessary hardware including 15 visual Display Units and necessary furniture. Beginning in FY 1983 a team from PM and DM in AID/W will begin installing the Mission Accounting and Control System (MACS) software which will enable RFMC to meet the accounting and financial management needs of its 20 client programs in seventeen East and Southern African countries. This installation effort is expected to take 18 to 24 months.

The only costs budgeted by RFMC for ADP/WP in FY 83 and FY 84 are for Foreign National PSC staff to assist with the conversion, outside local-hire programming and systems analysis assistance and possible purchases of packaged software. Client entities served by the RFMC Wang may also budget a small amount for equipment and/or software enhancement for their particular ADP or WP requirements.

The Wang VS 80 system was originally intended to serve all the WP and ADP needs of the five Nairobi-based AID entities (USAID/Kenya, REDSO/EA, RIG, RHUDO and RFMC). At present it is uncertain whether or not the Wang VS 80 system will be able to meet the full needs of all users when the MACS system goes into operation.

B. Word Processing Statement

In FY 1980 USAID/Kenya purchased a Wang Model 5525-3WP System 25 III Master CPU and related equipment. The system was installed in May 1981. The system is now fully operable with three workstations. Two workstations are with REDSO/EA and one with the USAID/Kenya Mission.

Eight WP workstations from the Wang Model VS 80 are utilized throughout the USAID Mission as follows:

RFMC	-	Two	Workstations
USAID/Kenya	-	Three	Workstations
RIG/A/N	-	One	Workstation
RHUDO/E&SA	-	One	Workstation
REDSO/EA	-	One	Workstation

Since the capability of the Wang Model VS 80 is still an uncertainty, until the MACS is full implemented, installation of an additional Wang Model 5525-3WP System 25 III Master CPU is projected. Should the Wang Model VS 80 have the DP and WP capability to meet the requirements of the five Nairobi-based AID entities, the funds requested in the USAID/K Mission budget would be transferred to RFMC for additional WP workstations, printers and supplies.

Table VIII (a)  
Obligations For ADP Systems  
(\$000)

	Fiscal Years		
	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>A. Capital</u>			
1. Purchase of Equipment	\$100	-	-
2. Purchase of Software.	10	\$ 10	-
	<u>\$110</u>	<u>\$ 10</u>	<u>-</u>
<u>B. Personnel</u>			
1. Comprehensive, Benefits Travel	\$ 18	\$ 20	\$ 25
2. Workyears	3	3	3
<u>C. Equipment Rental &amp; Other O&amp;E</u>			
1. Rentals	-	-	-
2. Supplies & Leased Software	\$ 20	\$ 70	\$ 80
<u>D. Commercial Services</u>			
1. Service Bureau	\$ -	\$ -	\$ -
2. System Analysis & Programming	30	55	35
3. ADP Maintenance	10	25	25
	<u>40</u>	<u>\$ 80</u>	<u>\$ 60</u>
Total Obligations	\$188	\$180	\$165
	====	====	====
Grand Total	\$188	\$180*	\$165*
	====	====	====

NOTE: Wang VS 80 System provides both ADP and WP services so all obligations are presented under ADP Table.

\* Reflected in RFMC, budget submission.

Table VIII (b)  
Obligations For WP System  
(\$000)

	<u>1982</u>	<u>1983</u>	<u>1984</u>
A. Capital Investment in W/P Equipment with Retrieval Capacity			\$36.0
B. W/P Equipment Rental and Supplies	\$2.0	\$6.0	5.0
C. Other W/P Costs	5.0	8.0	7.0
Total	<u>\$7.0</u>	<u>\$14.0</u>	<u>\$48.0</u>
	-----	-----	-----

I. PL 480 - TITLE 1 NARRATIVE

A. Overview

1. Background

The PL480 program in Kenya dates from the food crisis of 1980. Readers may refer to the 1982 ABS (pages 76-109) for a detailed analysis of causes and magnitude of the problem and detailed historical data and projections on production, consumption, imports and Mission responses to the problem. The sections below are limited to a brief history of the program and the needs for 1984.

2. Economic Situation

Until 1979 Kenya was to a large extent self-sufficient in basic foods and had been a net exporter in some years. Following very good maize harvests in 1977/78 and 1978/79, a series of events resulted in a major food crisis. The large size of the 1977/78 maize crops resulted in exports at below cost, caused storage facilities to be fully utilized and created a glut in the market. The official support price was reduced, and credit facilities disrupted. The above factors combined with poor weather in the following year resulted in a dramatic drop in the 1979/80 harvest. While prices were increased in 1980, a new credit system that replaced the Guaranteed Minimum Return (GMR) scheme did not function adequately to ensure timely acquisition of inputs. This problem, combined with unfavorable weather conditions and poor management of reserves resulted in the need for unprecedented food imports. Moreover, prices for export crops were stagnant or declining, import costs were rising and balance of payments pressures were severe.

At the same time, the World Bank with the support of other donors was attempting to assist with restructuring the industrial sector to make exports more competitive. Negotiations continue on an agriculture restructuring credit which is designed to increase food production, reduce marketing inefficiency, control parastatal operations and increase the impact of development expenditures.

Since, the initial PL 480 Title I agreement in 1980, an attempt has been made to program local currency into efforts that directly increase food production. The efforts combined with the self-help measures covered by the agreements and other programs which follow from the Food Policy Paper of 1981 have resulted in a lower food deficit. Maize production recovered by 1982 and the major import requirements are for wheat and rice.

3. Role of Title I

In the 1984 CDSS the Mission is not predicting the course of the Title I program beyond 1984. The program has provided critical assistance at a time of need and has encouraged Kenya (through self-help measures and programming local currency) to focus on food production. The Food Policy Paper and seminars around the country have promoted widespread understanding of a basic strategy in food production and marketing. Some steps in implementing the policies have been taken and the current program supports further implementation. Weather and pricing levels permitting, the PL 480 Title I program should continue to decline.

Title I is an effective tool for balance of payment relief as long as Kenya continues to have food shortages. As agricultural production meets food demand, balance of payments relief will have to depend on an increased ESF Commodity Import Program.

Rice is the third most important food crop and up to the present has been in short supply. However, it is Government policy not to meet the entire effective demand for rice as this has important implications for its balance of trade for future years when donor assistance may not be as generous. Its policy notwithstanding, the GOK decided to meet an increased share of current demand in 1982 -- estimated at 20-30,000 MT above the 25,000 MT of local production. Actual import levels will likely depend on donor availabilities and the foreign exchange position.

B. The P.L. 480 Program

1. FY 1984 Program Summary

Title I: \$5 million for about 25,000MT of wheat

2. Title I Requirements

In a series of projections (FY 1982 CDSS, FY 1983 CDSS Update and FY 1984 CDSS) an attempt has been made to chart the needs for food assistance. The GOK Food Policy Paper presented the problem as more serious than originally thought. The poor maize crops of 1980/81 were followed by very strong recovery in the 1981/82 harvest prior to the implementation of any policy reforms. This improvement appears to have resulted from good weather, and ample supplies of seed and fertilizer.

The PL 480 Title I proposal for 1984 reflects our assessment that the maize production recovery will be sustained or increased due to ample input supplies and the already announced 40 percent increase in producer prices. While consumption from National Cereals and Produce Board stock reached 700,000 MT in 1981 it has since declined to more normal levels. The only factor which would upset the program would be a major change in maize production or consumption levels.

In the case of wheat, the situation is more stable. Consumption is increasing at 8-10 percent per year even though production has tended to stagnate. Traditionally, wheat producing areas of Kenya have been limited. While there may be production potential in new areas only modest increases in expansion of wheat lands can be expected in the near term. However, there is considerable scope for increasing yields per hectare. In any event, wheat import requirements can be expected to rise steadily.

## FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS  
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1982			Estimated FY 1983			Projected FY 1984		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
<u>Title I</u>									
Wheat	10.6	70	-0-	12.0	70	-0-	5.0	25	-0-
Rice	4.4	15	-0-	3.0	12	-0-			
<u>Total</u>									
Of which									
<u>Title III</u>									
<u>Total</u>									

COMMENT:

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XII

PL 480 TITLE I/III

Supply and Distribution  
(000 Metric Ton)

STOCK SITUATION

	<u>FY 1983</u>	<u>Estimated FY 1984</u>
Commodity - <u>MAIZE</u>		
Beginning Stocks	100.0	120.0
Production	600.0	620.0
Imports	- 0 -	- 0 -
Concessional	-	-
Non-concessional	-	-
Consumption	580.0	600.0
Ending Stocks	120.0	140.0

---

Commodity - <u>WHEAT</u>		
Beginning Stocks	40.0	50.0
Production	175.0	175.0
Imports	125.0	135.0
Concessional	100.0	105.0
Non-concessional	25.0	30.0
Consumption	290.0	300.0
Ending Stocks	50.0	60.0

---

Commodity - <u>RICE</u>		
Beginning Stocks	4.0	4.0
Production	25.0	27.0
Imports	20.0	22.0
Concessional	17.0	18.0
Non-concessional	3.0	4.0
Consumption	45.0	49.0
Ending Stocks	4.0	4.0

---

Comment: Much improved maize production assumes good weather and strong response to current higher price incentives.

I. Title II - Narrative

A. Title II Requirements

The Mission has supported Title II programs in Kenya since the early 1960s. In recent years, major Title II activities have been handled through Catholic Relief Services (CRS). These activities include Maternal and Child Health care (MCH), pre-school children feeding (PSCF) and food for work (FFW). MCH and PSCF programs focus on improving the nutritional status of mothers and of children under five years of age. The activities have both educational and humanitarian elements. The drought which started in late 1979 and the resulting food shortages in Kenya have underscored the importance of a Title II program to respond rapidly to save lives and to alleviate suffering among selected, high-risk groups in the population.

Significant nutrition problems exist in Kenya due to ignorance of balanced diet concepts combined with regional and socio-economic imbalances in food production and income distribution. The Title II MCH program, through its educational activities, attempts to address these nutritional problems by helping mothers become more proficient in the use of nutritious foods for their families. Both the MCH and the PSCF programs provide sustenance to those children who are most vulnerable to malnutrition, i.e., those in the critical age group 0-5 when physical and psychological development are proceeding at a rapid pace. The GOK in its current Five Year Plan (1979-1983) calls for increased focus on promoting better nutrition. While the Title II program itself may contribute to better nutrition for recipients, it is not integrated into a Government program.

One of the major constraints in implementing Title II activities has been the high cost of inland transportation; it is particularly costly to deliver to the northern three-fifths of Kenya where food needs are greatest. In FY 1979 CRS received an Outreach Grant fund to support, expand and extend Title II activities to the most inaccessible and needy areas in Kenya. As a direct result of this grant and the MCH Assessment Project Growth Surveillance System (GSS) grant, CRS has been able to open several new MCH centers and support FFW projects in northern Kenya. During FY 1981 CRS received additional Outreach Grant funds and supplemental food commodities which it used to respond quickly and effectively to the worsening drought situation throughout the arid and semi-arid areas in Kenya. In particular, CRS started an MCH

program designed specifically for Turkana District and numerous FFW projects in a number of famine-risk districts where food crops failed and food commodities were unavailable for purchase. Since the rains have been plentiful to date, CRS will be able to terminate most of its drought relief projects by August 1982. However, as Turkana relies on livestock and restocking will take many months, CRS plans to continue MCH and PSCF activities in Turkana District at a reduced level and under its regular program throughout FY 1983 and FY 1984.

Since FY 1979, CRS has been implementing FFW projects in order to help people undertake projects for which they are direct beneficiaries. From a start in FY 1979, FFW beneficiaries grew to 10,000 (workers and dependants) in FY 1980. These activities have now increased from 18,000 to 20,000 (not including specific FFW drought relief projects) in FY 1981 and FY 1982 respectively. FFW projects include rural access road construction and repair, livestock watering dams, small drinking water systems, land clearing for cultivation and school construction.

The Mission continues to encourage the integration of Title II nutrition, development and education objectives into GOK programs and greater GOK participation in Title II activities. The GOK-CRS Country Agreement signed on April 27, 1980 was the first step in this direction. CRS's close involvement in the GOK Turkana Rehabilitation Program and CRS's coordination of famine and drought relief activities with the Famine Relief Program in the Office of the President and with the National Cereals and Produce Board have increased GOK's recent attention to the Title II program, albeit in emergency-type activities. The Mission urges CRS to build on these relationships to extend GOK involvement into Title II nutrition and education activities and to explore the possibility of a non-emergency Title II monetization activity to increase the development impact of the Title II Program. CRS has recently initiated discussions with the GOK on this.

The need to enhance Government's active participation in current Title II program activities is essential if there is any hope of decreasing Kenya's dependence on concessional food assistance. USAID and CRS will continue the dialogue begun with the Office of the President and the Ministry of Economic Planning and Development to determine Government's interests and priorities in using food assistance resources such as Title II, and to explore ways

of significantly involving Government in the planning and implementation of Title II resources and activities through Government and non-Government institutions.

Title II food assistance has been very useful in thwarting malnutrition in Kenya, especially among the at-risk population. However, Title II food assistance does little to address the underlying problems that cause malnutrition. The Mission will continue to work with CRS, other Private Voluntary Organizations and the Government of Kenya to seek ways to make the Kenya PL 480 Title II program one that addresses more effectively the causes of the problems rather than the symptoms and that involves and places responsibility on the GOK and local institutions. Until this can be done, the Mission foresees no significant expansion of the regular (non-emergency) Title II Program in Kenya for FY 1983 and FY 1984. USAID/Kenya recommends total recipient levels of 158,500 for FY 1983 and 170,000 for FY 1984, depending on resources available.

B. Mission Review of CRS Operational Plan

1. CRS Operational Plan

CRS/Kenya's Operational Plan for FY 1983 and FY 1984 has not been included in this year's ABS due to its length. It was sent separately to FVA/FFP o/a May 27, 1982 for reproduction and distribution within AID/Washington as necessary.

2. FY 1983 and FY 1984 Program

a. Maternal Child Health (MCH)

CRS plans an increase of MCH recipients from 109,500 in FY 1982 to 160,200 in both FY 1983 and FY 1984. Given the constraints on the availability of food commodities for FY 1983, CRS limited this to 115,000 for FY 1983. USAID concurs with this increase to 115,000 for FY 1983 as long as the additional 5,500 recipients are targeted for bringing needy Turkana recipients into the regular CRS MCH program. Presently, CRS is providing MCH services to 20,000 Turkana under its famine-adapted MCH program. Since conditions in Turkana are improving and food is generally available from other sources (EEC and WFP), the Mission believes that the CRS should review its Turkana program activities closely with an eye to reducing its effort.

CRS will need to target its MCH program in Turkana more carefully to ensure that the most needy children receive the food. From on-site visits to MCH and preschool feeding programs in Turkana, the Mission believes that an increase in preschool and school feeding (with a concomitant reduction in MCH activities) would more greatly benefit the Turkana in the long run. School feeding would draw children into the education system as well as ensure that the most needy children actually consume food.

The Mission would not concur with increasing the MCH recipient levels to 160,200 for FY 1983 or FY 1984, even if more Title II commodities became available. The reasons are basically those described in the FY 1983 ABS (pp. 79-80). The Mission would be pleased to review this position when CRS/Kenya is actually complementing its present Food and Nutrition Program (F&NP) with development activities, ensuring that the most needy geographical areas and recipients are receiving the food, coordinating the MCH program with the Government of Kenya, increasing the number of non-Catholic NGO and Government institutions involved, and, perhaps most important, demonstrating how recipients become self-reliant and the MCH program sustains itself. The Mission, through its proposed FY 1982 and 1983 Title II review activities (discussed further below), plan to work closely with CRS on these tasks.

CRS has requested a 1.5 to 1.0 children to mother ratio as opposed to the 2.0 to 1.0 ratio used in previous years in the MCH program. CRS believes that this reflects more accurately the actual children to mother ratio at the centers. This lower ratio increases the number of families which can be reached but adversely affects the economic package that families receive. Since the economic package is considered critical by CRS for maintaining the effectiveness of the program CRS desires to keep the 1.0 kg. of oil in its MCH ration and would drop the FFW activity to do so. The Mission supports the necessity of 1.0 kg. of oil in the MCH ration and the revised children to mother ratio but does not agree that the FFW program should be dropped.

b. Preschool Children Feeding (PSCF)

While the Mission would like to see an increase in PSCF above the USAID/Kenya recommended level of 30,000 for FY 1983, the lack of available Title II resources makes this impossible. We also believe that the CRS/Kenya proposed FY 1983 AER level of 40,000 is too great an increase

in such a short period of time. This is especially true if CRS is serious about monitoring nutritional progress of PSCF recipients as stated in its Operational Plan. We do, however, concur with a recipient level of 40,000 for FY 1984.

The Mission urges CRS/Kenya to try an innovative approach to preschool (nursery) feeding and to consider school feeding (primary and secondary levels) in the remote and nomadic areas of Kenya. For example, education among nomadic groups, including the Turkana, is needed to develop basic reading and writing skills, leadership and skills for participating in economic enterprises and social services such as nursing, agriculture, and water development. Schooling above nursery school level is at boarding schools, which is costly. CRS/Kenya food commodities at the Standard and Form level schools would permit more children to continue their education (including girls). Presently boarding schools have to use scarce overseas resources to buy food and find themselves without scholarship funds to send qualified Form II and IV students for further education. We have discussed with CRS/Kenya the possibility of entering into agreements with these schools whereby CRS would provide food and the schools would set aside the overseas funds for scholarships.

c. Food-For-Work (FFW)

The Mission would support the 20,000 recipient levels for FY 1983 and FY 1984 if more Title II resources were available. If the CRS/Kenya FY 1983 AER request had to be reduced because of its desire to maintain the 1.0 kg. of Vegetable Oil in the MCH ration, CRS has requested that FFW recipients levels take the full cut and that all other categories (i.e. PSCF, OCF and Welfare) remain untouched.

As discussed above in Section b. and below in Sections d. and e., USAID/Kenya does not recommend this. CRS/Kenya has invested significant resources of its own and the U.S. Government (Outreach Grant funds) to establish a FFW support and monitoring infrastructure, which USAID/Kenya believes to be perhaps the most important element in the Kenya Title II Program for initiating development activities with a long term impact.

In light of the above, USAID/Kenya recommends levels for FFW at 10,000 for FY 1983 and 15,000 for FY 1984.

It should be noted that CRS in its Phase II request for Outreach funds indicated that funds for transporting and storing food for this activity would come totally from outreach funds. We have strongly urged that CRS not rely on Outreach funds and to re-adopt FFW recipient fees and explore monetization of a portion of its FY 1983 Title II commodities to pay FFW recipients with cash instead of food. We believe that this is a more manageable and realistic way to implement FFW rather than spending scarce resources moving food around vast areas of Kenya.

We applaud CRS' establishment of a FFW tool bank which it plans to expand in FY 1983.

d. Other Child Feeding (OCF)

Please see pages 80 and 81 of the USAID/Kenya FY 1983 ABS describing the CRS/USAID agreed-upon plan for phasing over OCF by the end of FY 1983. Under this plan, only 2 kgs. of bulgar wheat per month would be provided to each of 3,500 OCF recipients in FY 1983 with no Title II food distribution in FY 1984.

USAID agreed to this plan since it would give CRS/Kenya sufficient time to alert these OCF institutions of the phase over plan and to assist these institutions to seek GOK or other support. CRS was expected to keep USAID/Kenya informed of specific steps taken to phase over the OCF institutions to other sources of support.

At this time CRS wishes to renege on this agreed-upon plan and wishes to re-establish a full-fledged OCF program for 4,000 recipients. Not once in the past year has CRS indicated the steps they have taken to assist the institutions to seek GOK or other support. USAID/Kenya believes that this in conjunction with previous experiences is a strong indication of CRS/Kenya's lack of desire to phase out of feeding programs, to work with Government, and to stress activities with optimal nutrition and developmental impact, even when Title II resources are limited.

USAID/Kenya recognizes that there is potential nutritional and developmental impact that can be gained from OCF but is seriously concerned with the future of CRS/Kenya Title II feeding programs when CRS over a period of 4 to 5 years is unable to phase over such a small portion of its activities. In sum, USAID/Kenya considers the phase over plan described above still in effect.

e. Welfare

This is a new category for CRS/Kenya. In light of limited Title II resources available, the risk of creating dependency of another group of Kenyans on Title II food, GOK responsibility for feeding welfare cases through its Ministry of Culture and Social Services and the tradition of Kenyans caring for destitute members of the community, USAID/Kenya does not recommend that this be started. Further it is highly questionable whether the GOK would be agreeable to this. If CRS/Kenya is concerned about feeding the destitute, it should work through the local Catholic missions to find ways to mobilize community or Government support.

f. Turkana

CRS has been providing assistance to Turkana since 1980. We concur with CRS that assistance through FY 1983 and 1984 should be through its regular MCH and PSCF programs. The exact levels of this assistance should be based on a thorough on-site review of the present and projected Turkana needs.

CRS emergency assistance through the FY 1981 Supplemental AER, Outreach Grant funds under a Title II Emergency Food Assistance Grant will end in August 1982. USAID/Kenya however, recommends that CRS/Kenya specifically target 5,500 MCH and approximately 7,000 PSCF Turkana recipients for FY 1983 and FY 1984 to ensure continued support to Turkana who lack an economic base of livestock to sustain themselves. In order to maximize both developmental and nutritional inputs of CRS assistance, we recommend that CRS seriously consider phasing over as many of its MCH recipients as possible to Preschool and School feeding activities as discussed above, even if this means an overall reduction of MCH recipients.

3. Other Issues

a. Storage Capacity and Disincentives

CRS's statements on these matters appear satisfactory as presented in the letter attached to the FY 1983 and FY 1984 Operational Plan. Under the Outreach Grant, and with funds from other sources, CRS has expanded its warehouse space, thus allowing CRS to be less dependent on commercial warehouses and thereby reducing its operational costs. These arrangements also provide CRS with an expanded storage capacity

to respond to emergency situations, such as the ongoing Turkana famine. The FY 1983 and FY 1984 program will not result in a substantial disincentive to Kenya's domestic food production.

b. GOK-CRS Country Agreement

CRS and GOK signed a multi-year Country Agreement on April 27, 1980. USAID viewed the execution of this Agreement as a major step forward in improving program implementation and toward GOK commitment to that program. During FY 1982 and 1983 CRS plans to work with the GOK to waive wharfage and customs fees on Title II commodities. USAID continues to urge CRS to coordinate and plan Title II activities, more closely with the GOK and to explore specific areas in which the GOK can contribute and participate. Unfortunately little headway has been made in this area to date.

c. Multi-Year Planning, GSS Project and Follow-On Title II Review

CRS/Kenya states in its Operational Plan that it will undertake studies on need, feasibility and cost to target more effectively its program activities. In this endeavor, USAID/Kenya has offered technical assistance in the areas of (1) geographic, community, recipient and program targeting to ensure that the most needy are reached with the most effective Title II activities; and (2) development of a pilot monetization program. CRS also proposed to undertake a transport and storage logistics study to determine the most cost effective way to managing its distribution of Title II commodities. These activities are to take place in late FY 1982 or FY 1983. USAID considers these studies essential in developing a multi-year plan. Until this is done, USAID believes it would be imprudent management to expand the Kenya PL 480 Title II Program for FY 1983 and FY 1984 beyond that which USAID/Kenya recommends for approval in chart the below.

FY 1981

FY 1984

	CRS FY 1983 Request per FY 83 AER (Recipients)	USAID/Kenya Recommended Approval (Recipients)	CRS FY 1984 Request per FY 1982/1983 Operational Plan (Recipients)	USAID/Kenya Recommended Approval (Recipients)
MCH - Mother	45,000	45,000	53,400	45,000
MCH - Child	70,000	70,000	106,800	70,000
OCF	4,000	3,500	5,000	0
PSCF	40,000	30,000	40,000	40,000
FFW - Workers	4,000	2,000	4,000	3,000
FFW - Dependents	16,000	8,000	16,000	12,000
Welfare	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
	184,000	158,500	230,200	170,000

d. Relationship of Title II Program to Kenya  
Country Development Strategy Statement  
(CDSS)

As STATE 118170 notes, USAID/Kenya does not believe that the CRS/Kenya PL 480 Title II Program as currently structured fits well into USAID/Kenya's strategy for Kenya and future options. While we appreciate that CRS stated at a recent joint CRS-AID PL 480 Title II workshop that it recognized the need to increase the developmental impact of its Title II programs in Africa, we are not convinced that CRS is serious about doing this in Kenya. The fact that CRS places greater priority on OCF and Welfare feeding over FFW projects make us wary of their intentions.

We do agree that CRS would require additional resources to undertake such activities listed in Para 6(C) of STATE 118170. However, we do not think the answer is fully in outside grants. In a recent USAID/Kenya cable to AID/Washington in response to STATE 077780 concerning our comments and recommendations on CRS/Kenya Outreach Grant Proposal for 1982, we noted that CRS would not be in a position to absorb recurrent costs once outreach funds were terminated. Movement and management of food is costly at best and prohibitively expensive in the remote northern areas of Kenya. Without outside grant assistance it is impossible to reach remote areas with the present system of inland movement and storage of food. USAID/Kenya believes that if the PL 480 Title II Program is to reach its intended beneficiaries - the most needy - and if it is to have a development as well as a nutritional impact, serious consideration must be given to monetization of Title II commodities. Monetization not just for paying transport and storage but for purchase of food on the local market for MCH and preschool programs, cash payment for FFW recipients and for tools, equipment, medicines, small livestock, etc. for nutrition/health/development related activities that would have long-term income-generating potential for combatting poverty, one of the root causes of malnutrition and hunger.

In Kenya an estimated \$1,000,000 will be spent on inland transportation and storage of food commodities in Kenya in FY 1982. If this money and the CRS manpower used in the management and administration of food commodities movement could be put into development tasks, there would be a much greater chance of reaching the nutrition and development goals intended in the PL 480 Title II Program. USAID/Kenya has been encouraging CRS to consider limited monetization within its approved level of FY 1983 commodities and will work with CRS on this.

e. Mission Monitoring and Backstopping

The Mission has assigned two officers in the Health, Nutrition and Population (HNP) Division with this responsibility. The Mission Health and Nutrition Officer serves as the Mission Food For Peace Officer assisted by the HNP Projects Assistant. These Officers report directly to the Chief, HNP. Assistance from the Regional Food For Peace Office, REDSO/EA is called upon as needed and is always available.

The Mission has established a Project Review Committee which reviews and clears all significant actions and decisions concerning the Title II Program. This committee includes representatives of the Controller, Projects, Agriculture, REDSO/EA Regional Food-For-Peace (R/FFP) and Program Offices.

The Mission also reviews all Title II activities quarterly during its Quarterly Project Review meetings which are chaired by the Director with full participation of the Program, Projects and REDSO R/FFP, and Controller Officers.

Specific HNP monitoring and backstopping activities include the following in collaboration with CRS:

- Review of Quarterly Commodity and Recipient Status Reports;
- Review and recommendations on Call Forwards;
- Review and Recommendations on Annual Estimated Requirements;
- Review of Annual Operation Plans and preparation of ABS for Title II;
- Field visits to recipient centers, warehouses and port facilities;
- Review and recommendations on any Grant Proposal;
- Frequent meetings with CRS on program objectives;
- Review and recommendations on unfit food disposition requests.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Kenya

Sponsor's Name Catholic Relief Services

A. Maternal and Child Health..... Total Recipients 115,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
115,000	NFDM	2760	\$304
115,000	Bulgar Wheat	2760	742
115,000	Vegetable Oil	<u>1380</u>	<u>1138</u>
Total MCH		6900	2184

B. School Feeding..... Total Recipients 40,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
40,000	NFDM	720	79
40,000	Bulgar Wheat	720	193
40,000	Vegetable Oil	<u>180</u>	<u>148</u>
Total School Feeding		1620	420

C. Food For Work..... Total Recipients 5,000

<u>Name of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
15,000	Bulgar Wheat	810	212
15,000	Vegetable Oil	123	101
15,000	Rice	<u>810</u>	<u>327</u>
Total Food For Work		1743	640

Total Recipients 170,000 Total FAS Value \$3,244,000

Total Commodities 10,263 Total CIF Value \$4,542,000.

ADDENDUM: NON-BILATERAL FUNDED ACTIVITIES IN KENYA

Number	Project Title	Date		AID LOP Cost/Kenya (\$000)	Principal Responsible AID/W Office	USAID/K Priority
		Started	Terminal			
936-5724	Conventional Energy Technical Assistance	NA	NA	NA	ST	Low
936-9997	Conventional Energy Training	NA	NA	NA	ST	Low
936-5710	Photovoltaic Development and Support Program (NASA)	81	84	500	ST/E	Medium
938-0228	Seventh Day Adventists World Service (SAWS)	81	84	NA	FVA/PVC	Low
Not Known @ USAID/K	Salvation Army World Service	80	83	NA	NA	Low
698-0427	Environmental Training and Management	80	85	NA	AFR/RA	Low
931-1017	Radio Reading	80	84	3,300	ST	Low
698-0384	African Graduate Fellowship Program (AFGRAD II)	77	NA	NA	AFR/RA	Medium
698-1035	Regional Education Analysis (Kenya)	79	82	175	AFR	Medium
698-0384.6	African Manpower Development Program I (AMDP I)	77	84	1,172	AFR/RA	High
698-0433	African Manpower Development Program II (AMDP II)	82	88	NA	AFR/RA	High

Number	Project Title	Date		AID LOP Cost/Kenya (\$000)	Principal Responsible AID/W Office	USAID/K Priority
		Started 19-	Terminal 19-			
Not Known @ USAID/K	World Education Inc. (WEI)	81	84	NA	NA	Low
Not Known @ USAID/K	World Relief Corporation (WRC)	80	83	NA	FVA/PVC	Low
698-0388.13	Women in Development - Peace Corps Extension	80	85	148	AFR/DR	Medium
698-0388.15	Women in Development PFP (OPG)	80	83	125	AFR	Medium
698-0410.32	Small Scale Enterprise - NCKK	80	83	275	AFRRA	High
698-0388.16	Kenya Rural Women's Communication Project	81	87	116	AFR	Low
698-0363	African American Labor Center	NA	NA	NA	AFR/RA	Low
698-0407	Improved Rural Technology (CARE/Kenya)	78	83	15	AFR/RA	Medium
698-0414	Regional Remote Sensing	77	84	NA	AFR/RA	Medium
698-0444	Farming Systems Research	NA	NA	NA	NA	High
698-0413.3	International Center for Insect Physiology and Ecology (ICIPE)	NA	NA	NA	NA	Low
Not Known @ USAID/K	OFDA Food Supply Analysis	NA	NA	NA	OFDA	Medium

Number	Project Title	Date		AID LOP Cost/Kenya (\$000)	Principal Responsible AID/W Office	USAID/K Priority
		Started 19-	Terminal 19-			
Not Known @ USAID/K	ST/RAD Improving Management of Food Security Systems	NA	NA	NA	ST/RAD	High
Not Known @ USAID/K	Bean and Cowpea (CRSP)	NA	NA	NA	BIFAD	Low
931-1328	Title XII Small Ruminants (CRSP)	NA	NA	5,000	BIFAD	Low
931-1064	Cornell Nutrition Surveillance Program	81	NA	NA	ST/N	Medium
Not Known @ USAID/K	Title XII Nutrition Collaborative Support Program (CRSP)	81	NA	NA	ST/N	Medium
931-1010	Infant Feeding Practices	81	83	85	ST/N	Medium
932-0547	World Fertility Survey	77	82	NA	ST/POP	High
932-0624	Contraceptive Prevalence Surveys	82	84	NA	ST/POP	Medium
932-0662	United Nations Fund for Population Activities	NA	NA	NA	ST/POP	High
932-0622	1980 Round of Censuses	78	82	NA	ST/POP	Medium
932-0643	Population Policy Research	79	85	NA	ST/POP	Medium
932-0637	Resources for the Awareness of Population Impacts on Development (RAPID)	79	82	NA	ST/POP	High

Number	Project Title	Date		AID LOP Cost/Kenya (\$000)	Principal Responsible AID/W Office	USAID/K Priority
		Started 19-	Terminal 19-			
932-0632	Fertility Impact of Different Types of FP Programs: Research	82	85	1,400	ST/POP	High
932-0502	Population Program Development and Support	81	84	NA	ST/POP	High
936-5900	Accelerated Delivery Systems Support	NA	NA	NA	ST/POP	Medium
932-0838	International Planned Parenthood Federation	NA	NA	NA	ST/POP	Medium
932-0968	Program in Voluntary Sterilization	81	NA	NA	ST/POP	High
932-0807	Family Planning Services - The Pathfinder Fund	NA	NA	NA	ST/POP	High
932-0638	Strengthening International Population Communication and Training	77	82	NA	ST/POP	Medium
932-0659	Population Information Program	78	83	NA	ST/POP	Medium
932-0644	Paramedical, Auxiliary and Community Family Planning Personnel Training	79	83	NA	ST/POP	Medium
932-0651	Family Planning Program Worldwide Training Fund	NA	NA	NA	ST/POP	Medium

Number	Project Title	Date		AID LOP Cost/Kenya (\$000)	Principal Responsible AID/W Office	USAID/K Priority
		Started 19-	Terminal 19-			
932-0604	Post Graduate Training in Reproductive Health (Johns Hopkins Program for International Education in Gynecology and Obstetrics)	NA	NA	NA	ST/POP	Medium
932-0655	Integrated Population/Development Planning	82	83	NA	ST/POP	High
Not Known @ USAID/K	Center For Population Activities: Women in Management Training	NA	NA	NA	PPC	Medium
931-0955	Family Planning International Assistance					
-	Kenya 03 (Choggoria Hospital)	82	NA	NA	ST/POP	High
-	Kenya 04 (Kawangware Health Care)	81	83	NA	ST/POP	High
-	Kenya 05 (Saradidi Community Based Health Project)	82	83	NA	ST/POP	High
-	Kenya 06 (M'Kouuni Clinic)	82	83	NA	ST/POP	High

Note: NA = Not Available @ USAID/K Mission