

SEMI-ANNUAL
PROJECT IMPLEMENTATION REVIEW
OCT. 1993 TO MARCH 1994

BEST AVAILABLE COPY

MEMORANDUM

Date: June 15, 1994

To: Paul Guedet, AFR/EA

Subject: Portfolio Management Review (PRM) - Annual Report

From: *John Westley, Director, USAID/Nairobi*
John Westley, Director, USAID/Nairobi

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I. EXECUTIVE SUMMARY

A. Project Classifications

Population and Health:

A-Family Planning Services and Support
 A-Private Sector Family Planning II
 B-Contraceptive Social Marketing
 C-Health Care Financing

Economic Growth:

A-Kenya Market Development Program/Project
 A-Private Enterprise Development I
 A-Training for Development
 B-National Agricultural Research Project
 B-Institutional Development for Agricultural Training
 B-Fertilizer Pricing and Marketing
 B-Kenya Export Development Support
 B-Capital Market Authority
 B-PRIDE Microenterprise Development

Environment:

B-Conservation of Bio-Diverse Resources
 B-Park Rehabilitation and Management

Democracy and Governance:

B-SAAP-Budget Microcomputerization
 B-SAAP-Tax Modernization
 B-PVO Co-Financing
 B-Kariobangi Community Development

B. Project Evaluations

The frequency of evaluations has generally been in line with guidance. Particularly notable have been the thorough evaluations of all components of the Private Enterprise Development project and the assessments of the Family Planning portfolio -- both undertaken in preparation for phase two investments.

C. Project Audits

One hundred percent (100%) of the portfolio has been audited in the last year. While this has resulted in a build-up of open audit recommendations, recent efforts have resulted in closure of more than fifty percent of such recommendations.

D. Project Pipelines

Mission concurs that pipelines are not by themselves a useful criterion for success. They are one indicator of where further questions should be asked in portfolio management. It should be noted that some high pipelines were brought about due to congressional earmarks for certain activities, and that these create inefficiencies in portfolio management.

E. WID Cross-Cutting Theme

In addition to profound benefits for women from family planning projects, private enterprise investments in microenterprise and horticultural export crop support are demonstrating considerable employment generation and income impacts. Agricultural surveys also indicate women farmers are able to take advantage of many improved technologies such as use of hybrid seeds and fertilizers.

F. Participation Cross-Cutting Theme

The portfolio reflects considerable broad-based public participation in its work. One rough indicator is that twenty three percent (23%) of disbursements in FY 93 went to PVOs/NGOs and the non-governmental sector in general, while only 1.3 percent went directly to the GOK. Other indicators of extensive involvement are the thirteen NGOs and many private companies involved in family planning activities, the fact that non-governmental sector organizations, especially microenterprise NGOs, receive most of the direct support for job creation, and the high percentage of participant training that goes to private individuals.

II. MISSION PORTFOLIO MANAGEMENT REVIEW PROCESS

The USAID/Nairobi Mission conducted semi-annual project implementation review (PIR) meetings for the first semester of FY 94 (October 1, 1993 - March 31, 1994) in May 1994. The Mission PIRs were conducted in accordance with procedures specified in USAID/Kenya Mission Order No. 10-10 on the portfolio review process and procedures. Meetings were scheduled for each technical subsector in the Mission portfolio for which individual project implementation reports and issues papers were prepared. As such, reviews were held of activities in the agriculture, private enterprise, population/health, PVOs, housing, and training sectors/subsectors as well as of food assistance (PL480 Title II), emergency programs and democracy and human rights fund (116e) activities. Reports have been finalized incorporating the results of the review meetings and issuance of information memoranda detailing the issues discussed and conclusions reached at the PIR meetings. The entire package has also been transmitted to the Country Development Officer in the Geographic Office in AID/W to provide current information on the Mission portfolio. It should be noted that current Mission procedures call for preparation of a summary review statement of the entire Mission portfolio assessing the overall state of the portfolio, identifying major accomplishments in meeting strategic objectives and systemic implementation problems affecting the program.

III. FIRST SEMESTER FY 94 REVIEW FOCUS

The emphasis of the PIR report for the period under review was on: 1) linking the semi-annual review process to the API reporting targets, highlighting the projects' impact (rather than on input level reporting); and 2) monitoring implementation on issues identified as a result of the last semester PIRs.

IV. FINDINGS

Twenty five (25) projects in the Mission portfolio were reviewed. As noted on the attached outlier matrix, the majority of the projects in the Mission portfolio were classified during the PIRs as "B" projects, namely, projects which are proceeding more or less as planned though they are experiencing typical implementation problems and minor delays which can be resolved through normal project management. In addition, while short PACD extensions may be necessary, the projects are still expected to have a positive impact on the problem they address. The impact at this stage may still be uncertain or is not so significant to date that the project can be singled out as a success story. Five (5) project, were categorized as "A" projects, and one project was categorized as a "C" project. As such, the overall Mission project portfolio can be considered to be in "good health," with the preponderance of activities expected to impact positively on the development problems they were designed to

address and on the Mission's strategic objectives. In addition, the results of the review meetings which linked the semi-annual review process to API reporting targets were positive and we expect to continue to use the semi-annual review process to monitor progress on meeting local currency management requirements and on resolving audit issues.

In the Population and Health sector, the recently released Kenya Demographic and Health Survey (KDHS) confirmed that Kenya has made dramatic progress in increasing the contraceptive prevalence rate. Use of modern contraceptive methods increased from 17% in 1989 to 27% by 1993, with an upward trend toward acceptance of permanent and long-term methods. 93% of all contraceptors rely on either public or private sector facilities that are substantially supported by the Family Planning Services and Support (FPSS) project. Greater attention is being focused on broadening Family Planning programs to include reproductive health (STD/HIV in particular). Through the Health Care Financing (HCF) project, the revenue generated from both cost sharing fees and insurance claiming continue to play a central role in sustaining Ministry of Health (MOH) facility service delivery. For example, at Kenyatta National Hospital (KNH), cost-sharing revenues equal 12% of KNH's recurrent budget and 32% of KNH's non-wage budget and the KNH cost-sharing revenue target has been met. Under the Contraceptive Social Marketing (CSM) project, the Trust brand condom was launched between October 1993 and March 1994, with impressive sales averaging 400,000 condoms per month.

In the Agriculture sector, maize, bean and minor grain markets have now been fully liberalized. With only \$27 million of the planned LOP funding of \$55 million, the Kenya Market Development Program (KMDP) has accomplished the policy changes sought under the project. Four sorghum/millet varieties have been developed and released to a private company for commercialization under the research component of National Agricultural Research Project (NARP) and Kenyan farmers continue to enjoy the benefit of GOK-decontrolled fertilizer prices achieved under the Fertilizer Prices and Marketing Program (FPMP).

In the Private Enterprise sector, the targets for increased assets and foreign exchange have been surpassed and some 15,700 firms with approximately 50,000 employees, 35% of whom are women, have been assisted under the Private Enterprise Development (PED) project. The four evaluations completed under the PED project components will continue to provide useful recommendations for the design of the PED II project. The Government of Kenya (GOK) announced several export-related policy reforms that are associated with the Kenya Export Development Support (KEDS) project.

In the Human Resources Development sector, a recent evaluation of the Training for Development (TFD) project revealed that the overall end-of-project targets were significantly achieved and the impact of all project components was extremely high. The Human Resources Development Assistance (HRDA) project continues to facilitate the delivery of quality training programs that are both responsive to the needs of public and private sectors.

In the Housing and Urban Development sector, all the planned 19 shelter project components of the Small Towns and Community Development project have been completed. The housing development component of the Kariobangi Community Development project has been completed, and beneficiaries are moving in. The world-wide private sector guarantee project, the umbrella mechanism which authorized the Kenya Credit Union/Cooperative Housing project, is being de-authorized due to lack of progress so no further action is expected on the Kenya activity.

Under the PVO Co-financing project, seventeen (17) grants have been made to date and ten (10) are active. Two PVOs received technical assistance under the Price Waterhouse contract which has resulted in improved management systems and data collection and analysis for the beneficiaries. The PL480 Title II programs continued to provide much needed food assistance to the drought stricken semi-arids part of Kenya, with the CRS project reaching 56,835 beneficiaries, the majority of whom are children under 36 months of age and their mothers.

Projects which have been categorized as "A" projects are the Private Sector Family Planning (PSFP) II Project, the Family Planning Services and Support (FPSS) Project, the Training for Development (TfD) Project, the Private Enterprise Development (PED) Project and the Kenya Market Development (KMDP) Project. In the case of PSFP, with 30% of the LOP elapsed, the project has achieved 38% of the main project output (Couple Years of Protection) -- "CYPs", and begun 44% of LOP planned new subprojects, all offering a wide range of family planning services. In the FPSS Project, as noted above, measurable impact is being achieved on the Mission's strategic objective of increasing contraceptive usage. The project contributed significantly to Kenya's dramatic increase in the Contraceptive Prevalence Rate (CPR) with use of modern contraceptive methods increasing from 17% in 1989 to 27% in 1993. The TfD project has achieved all its project targets which contributed significantly to achievement of training objectives. The PED project is very close to meeting its primary impact indicator of "jobs added" to the assisted firms. The project has also met or surpassed all its output targets for various components. The KMDP project has achieved all the intended policy reforms required with less than

half of planned LOP resources expended with 68% of the LOP elapsed. The Mission will continue to monitor the implementation and impact of the policy changes already realized under the project.

The one project which was categorized as a "C" project is the Kenya Health Care Financing project because of a large non-federal audit disallowing about US\$ 722,690 which may have a negative impact upon the programming of future USAID assistance to the MOH. (The essence of the problem is a lack of management discipline in maintaining financial records, and this has resulted in significant unsupported costs.)

Generic or cross-cutting issues which were identified in the course of the reviews were: (1) difficulties in resolving audit issues; and (2) difficulties in monitoring counterpart expenditures.

V. ABS TABLE IV

A diskette containing an updated ABS Table IV has been sent to USAID/W in accordance with the instructions for submission of this annual report. Since diskettes for preparation of the FY96 ABS are not yet available, we have used last year's ABS diskette for the update. Please note that while the diskette includes the entire automated ABS program, changes have been made only to Table IV. A hard copy is attached to this report as well. The ABS Table IV was updated in August 1993 per Africa Bureau supplementary guidance and further amended in January 1994 to meet both USAID/W "soft earmarks" and Kenya Mission FY 94 requirements.

VI. OUTLIER MATRIX

The outlier matrix listing all Mission projects reviewed by office is included as an attachment to this report. In accordance with the instructions for completion of the matrix, performance indicators for individual projects have been ticked only when they exceeded or fell short of the specified parameters. For indicators ticked on the matrix, an explanation is provided in a footnote.

VII. NEXT STEPS

The Kenya Mission plans to conduct its next portfolio review in October 1994 after the conclusion of the second semester of FY 94 (April 1, 1994 - September 30, 1994). In keeping with the Mission Order governing the portfolio review process, we expect to use the next review meeting as an opportunity for the new Mission management to become familiar with the Mission portfolio and also become familiar with and make decisions about future

focus of the review process. We will continue to monitor progress on major actions identified in the recently completed reviews over the course of the next semester. We would like to incorporate into the next review meetings any recommendations arising from the Agency Reengineering exercise and would appreciate receipt of comments on the system and the new reporting requirements.

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Clearance:PRJ:SMeyer *SM*

D/DIR:RSimmons *RS*

Country: Kenya
 Date as of: 03/31/94
 Date Completed:
 Office: Population and Health

1 PROJECT NO. AND NAME	2 DATE OF INITIAL OBLIGATION	3 PROJECT DESIGNATION (A,B,C)	4 STATUS OF CP's (Cite only if there are as yet unmet CP's older than 18 months)	5 SIZE OF PIPELINE (Cite if pipeline exceeds 2 years estimated average annual obligations)	6 AGE OF PIPELINE (Cite if any obliga- tion remains more than 50% unexpended 4 years after initial obligation)	7 ACCRUED EXPENDITURES (Cite if accrued expenditures are less than 60% of planned)	8 UNCOMMITTED BALANCE (Cite if balance exceeds 50% of obligation 18 months after the obligation)	9 EOPS A (Cite if mission believes there is little chance of achieving EOPS before current - ACI)	10 EOP'S B (Cite if EOPS are being achieved at higher level or faster rate than planned)	11 AUDIT A (Cite if financial audit has not been done in last 18 months)	12 AUDIT B (Cite if there are unresolved KA recommendations older than six months)	13 EVALUATION A (Cite if project has not been evaluated in last three years)	14 EVALUATION B (Cite if activity has PLS recommendations opened 6 or more months past PES target date for closure)
815-0232 FAMILY PLANNING SERV. AND SUPPORT	08/25/85	A		(1)							(2)		
815-0245 KENYA HEALTH CARE FINANCING	08/28/89	C	(3)	(4)		(5)							
815-0254 PRIVATE SECTOR FAMILY PLANNING II	12/31/91	A											
815-0251 CONTRACEPTIVE SOCIAL MARKETING	06/29/90	B										(6)	

- (1). AOC's from Washington.
- (2). Being resolved and closed.
- (3). NHIF 1992 deadline for the CP's satisfaction still not met.
- (4). NPA not disbursed to KNHM MOH & NHIF.
- (5). NPA not disbursed to KNH, MOH & NHIF.
- (6). Planned evaluation postponed to May 1994 due to project redesign.

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Country: Kenya
 Data as of: 03/31/94
 Date Completed:
 Office: Agriculture

1	2	3	4	5	6	7	8	9	10	11	12	13	14
PROJECT NO. AND NAME	DATE OF INITIAL OBLIGATION	PROJECT DESIGNATION (A,B,C)	STATUS OF CPs (Cite only if there are as yet unmet CP's older than 18 months)	SIZE OF PIPELINE (Cite if pipeline exceeds 2 years estimated average annual obligations)	AGE OF PIPELINE (Cite if any obligation remains more than 50% unexpended 4 years after initial obligation)	ACCRUED EXPENDITURES (Cite if accrued expenditures are less than 60% of planned)	UNCOMMITTED BALANCE (Cite if balance exceeds 50% of obligation 18 months after the obligation)	EOPS A (Cite if mission believes there is little chance of achieving EOPS before current PACD)	EOPS B (Cite if EOPS are being achieved at higher level or faster rate than planned)	AUDIT A (Cite if financial audit has not been done in last 18 months)	AUDIT B (Cite if there are unresolved IG recommendations older than six months)	EVALUATION A (Cite if project has not been evaluated in last three years)	EVALUATION B (Cite if activity has PLS recommendations opened 6 or more months past PES target date for closure)
815-0229 NATIONAL AGR RESEARCH PROJECT	08/28/86	B			(1)							(2)	
815-0239 INST. DEVEL FOR AGRICULTURAL TRG	07/08/86	B											
815-0242 & 815-0260 KENYA MARKET DEVEL PROG/PROJ	05/11/90	A							(3)	(4)			
815-0243 FERTILIZER PRICING & MARKETING	07/31/89	B											
815-0247 COBRA	04/14/92	B				(5)	(6)						
815-0253 PARK REHABIL AND MGMT	07/30/90	B											

- (1). Money committed in MIAC contract will be used.
 (2). The planned evaluation is June 96, however the review meeting brought this forward to May 95.
 (3). With \$27.0 million expended out of \$55.0 million LOP planned, the program has achieved all its intended purposes.
 (4). No financial audit was planned within the period.
 (5). Due to institutional changes, i.e., Director change, etc., at implementing agency KWS. New KWS Director is now in place and project expenditures should progress on schedule.
 (6). Due to institutional changes causing disruption in implementation schedule, project PACD will be extended in near future.

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Country: KENYA
 Data as of: 03/31/94
 Date Completed:
 Office: Private Enterprise Office

1 PROJECT NO. AND NAME	2 DATE OF INITIAL OBLIGATION	3 PROJECT DESIGNATION (A,B,C)	4 STATUS OF CPs (Cite only if there are as yet unmet CP's older than 18 months)	5 SIZE OF PIPELINE (Cite if pipeline exceeds 2 years estimated average annual obligations)	6 AGE OF PIPELINE (Cite if any obliga- tion remains more than 60% unexpended 4 years after initial obligation)	7 ACCRUED EXPENDITURES (Cite if accrued expenditures are less than 60% of planned)	8 UNCOMMITTED BALANCE (Cite if balance exceeds 50% of obligation 18 months after the obligation)	9 EOPS A. (Cite if mission believes there is little chance of achieving EOPS before current PACD)	10 EOPS B. (Cite if EOPS are being achieved at higher level or faster rate than planned)	11 AUDIT A. (Cite if financial audit has not been done in last 18 months)	12 AUDIT B. (Cite if there are unresolved IG recommendations older than six months)	13 EVALUATION A. (Cite if project has not been evaluated in last three years)	14 EVALUATION B. (Cite if activity has PLS recommendations opened 6 or more months past PES target date for closure)
615-0238 PRIVATE ENTERPRISE DEVELOPMENT	06/15/87	A											(1)
615-0249 KENYA EXPORT DEVEL. SUPPORT	07/12/91	B	(2)	(3)									
615-0240.04 CAPITAL MARKET AUTHORITY	06/30/86	B					(4)					(5)	
NONE PRIDE/KENYA	10/14/93	B											

- (1). IESC and KMAP.
 (2). CP to initial disbursement of EPZ swap funds.
 (3). Project implementation delayed by 1 year due to institutional contract procurement process.
 (4). Due to slow movement of funds between CMA and NSE. The slow movement has been overcome. Total funds now committed.
 (5). Evaluation planned for June 1994.

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Country: Kenya
 Data as of: 03/31/94
 Date Completed:
 Office: Program Office

1 PROJECT NO. AND NAME	2 DATE OF INITIAL OBLIGATION	3 PROJECT DESIGNATION (A,B,C)	4 STATUS OF CPs (Cite only if there are as yet unmet CP's older than 18 months)	5 SIZE OF PIPELINE (Cite if pipeline exceeds 2 years estimated average annual obligations)	6 AGE OF PIPELINE (Cite if any obli- gation remains more than 50% unexpended 4 years after initial obligation)	7 ACCRUED EXPENDITURES (Cite if accrued expenditures are less than 60% of planned)	8 UNCOMMITTED BALANCE (Cite if balance exceeds 50% of obligation 18 months after the obligation)	9 EOPS A (Cite if mission believes there is little chance of achieving EOPS before current PA.1)	10 EOPS B (Cite if EOPS are being achieved at higher level or faster rate than planned)	11 AUDIT A (Cite if financial audit has not been done in last 18 months)	12 AUDIT B (Cite if there are unresolved IJ recommendations older than six months)	13 EVALUATION A (Cite if project has not been evaluated in last three years)	14 EVALUATION B (Cite if activity has PLS recommendations opened 6 or more months past PES target date for closure)
815-0234 TRAINING FOR DEVELOPMENT	08/26/87	A											
898-0483.16 HUMAN RESOURCES DEVEL. ASSIST.	07/07/88	B										(1)	
815-0240.02 BAAP (MICROCOM- PUTERIZATION)	05/16/87	B									(2)	(3)	
815-0240.-8 BAAP (TAX MODER- NIZATION)	08/31/89	B			(4)	(4)	(4)						
815-610 Program Devel. & Support		B											

(1) An evaluation is planned for August 94.

(2) NFA: Action transferred to AID/W.

Commodities: Satisfactory submission received.

(3) Schedule for 6/8/94.

(4) UNDP has not submitted claims for funds reserved for the support of Tax Modernization. USAID/K will continue following the matter with UNDP.

Country: Kenya
 Data as of: 03/31/94
 Date Completed:
 Office: Projects Office

1 PROJECT NO. AND NAME	2 DATE OF INITIAL OBLIGATION	3 PROJECT DESIGNATION (A,B,C)	4 STATUS OF CPs (Cite only if there are as yet unmet CP's older than 18 months)	5 SIZE OF PIPELINE (Cite if pipeline exceeds 2 years estimated average annual obligations)	6 AGE OF PIPELINE (Cite if any obliga- tion remains more than 50% unexpended 4 years after initial obligation)	7 ACCRUED EXPENDITURES (Cite if accrued expenditures are less than 60% of planned)	8 UNCOMMITTED BALANCE (Cite if balance exceeds 60% of obligation 18 months after the obligation)	9 EOPS A. (Cite if mission believes there is little chance of achieving EOPS before current PACT)	10 EOPS B. (Cite if EOPS are being achieved at higher level or faster rate than planned)	11 AUDIT A. (Cite if financial audit has not been done in last 18 months)	12 AUDIT B. (Cite if there are unresolved IU recommendations older than six months)	13 EVALUATION A. (Cite if project has not been evaluated in last three years)	14 EVALUATION B. (Cite if activity has PLS recommendations opened 6 or more months past PES target date for closure)
615-0238 PVO CO- FINANCING	08/18/85	B											
PL480 Title II CRS, WVRD & FHI*													

*The Mission has not been reporting on these activities due to the absence of FFPO, however, we have re-initiated reporting and will continue in future PIRs.

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Country: Kenya
 Date as of: 03/31/94
 Date Completed:
 Office: Urban Infrastructure Division

1 PROJECT NO. AND NAME	2 DATE OF INITIAL OBLIGATION	3 PROJECT DESIGNATION (A,B,C)	4 STATUS OF CPs (Cite only if there are as yet unmet CP's older than 18 months)	5 SIZE OF PIPELINE (Cite if pipeline exceeds 2 years estimated average annual obligations)	6 AGE OF PIPELINE (Cite if any obliga- tion remains more than 50% unexpended 4 years after initial obligation)	7 ACCRUED EXPENDITURES (Cite if accrued expenditures are less than 60% of planned)	8 UNCOMMITTED BALANCE (Cite if balance exceeds 50% of obligation 18 months after the obligation)	9 EOPS A. (Cite if mission believes there is little chance of achieving EOPS before current PAC?)	10 EOPS B. (Cite if EOPS are being achieved at higher level or faster rate than planned)	11 AUDIT A. (Cite if financial audit has not been done in last 18 months)	12 AUDIT B. (Cite if there are unresolved IG recommendations older than six months)	13 EVALUATION A. (Cite if project has not been evaluated in last three years)	14 EVALUATION B. (Cite if activity has PLS recommendations opened 6 or more months past PES target date for closure)
615-0262 KAROBANGI COMMUNITY DEVEL.	06/11/90	B				NA				(1)			
615-HG-008 SMALL TOWN SHLTR. & COMMUNITY DEVEL.	04/85	(2)											
615-HG-008 KENYA CREDIT UNION/COOP HOUSING	08/21/87	(3)											

- (1). Consideration is being given to using P'D&S funds to fund an audit since not originally budgetted in Grant.
 (2). HG Project.
 (3). HG Project.

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TABLE IV : PROJECT BUDGET DATA (U.S. \$'000)

PROJECT NUMBER	FUND SRC	NPA IND	OBLIG DATE		--TOTAL COST-- PLAN	OBLIG THRU FY 1991	FY 1992 EST.		FY 1993 PLANNED			FY 1994 PROJ		FY 1995 OBLIG PROJ	
			INIT/FINAL	AUTH			OBLIG ATIONS	EXPEND ITURES	OBLIG ATIONS	EXPEND ITURES	YR END MORTGAGE	OBLIG ATIONS	EXPEND ITURES		
615-0190			ON-FARM GRAIN STORAGE												
	FN G	PA	81 87	4,000	4,000	4,000									
	FN L	PA	81 87	3,800	3,800	3,800									
	PROJECT TOTAL:			7,800	7,800	7,800	0	0	0	0	0	0	0	0	0
615-0213			STRUCTURAL ADJUSTMENT PROG GRANT (CIP)												
	ES G	CI	83 85	76,200	75,990	75,990	1,596								
615-0220			RUFAL PRIVATE ENTERPRISE												
	FN G	PA	83 89	1	11,704	11,704	72								
	FN L	PA	83 89	24,000	24,000	24,000	2,100	710							
	SS G	PA	83 89	296	296	296	155								
	PROJECT TOTAL:			36,000	36,000	36,000	0	2,327	0	710	0	0	0	0	0
615-0221			AGRICULTURAL MANAGEMENT												
	FN G	PA	85 91	3,000	3,000	3,000	20								
	SS G	PA	85 91	1,062	1,062	1,062	400	213							
	PROJECT TOTAL:			4,062	4,062	4,062	0	420	0	213	0	0	0	0	0
615-0223			PRIVATE SECTOR FAMILY PLANNING												
	PN G	PA	83 88	6,500	6,500	6,500	67								
	SS G	PA	83 88	1,900	1,900	1,900									
	PROJECT TOTAL:			8,400	8,400	8,400	0	67	0	0	0	0	0	0	0
615-0225			PRIVATE SECTOR HOUSING FINANCE												
	SD G	PA	84 85	1,120	900	900	10								
615-0229			NATIONAL AGRICULTURE RESEARCH												
	FN G	PA	86 96	8,726	8,726	8,726	647	424							
	SS G	PA	86 96	21,274	21,274	6,524	2,000	1,545	2,800	2,630	9,950	2,500	3,360	2,000	
	PROJECT TOTAL:			30,000	30,000	15,250	2,000	2,192	2,800	3,074	9,950	2,500	3,360	2,000	
615-0232			FAMILY PLANNING SERVICES & SUPPORT												
	PN G	PA	85 94	13,319	13,319	13,319		1,421							
	HE G	PA	85 94	4,123	4,123	4,123									
	SS G	PA	85 94	40,758	37,458	22,958	4,900	5,597	4,000	7,000	5,600	5,600	6,500		
	PROJECT TOTAL:			58,200	54,900	40,400	4,900	5,597	4,000	8,421	5,600	5,600	6,500		0
615-0234			TRNG FOR DEVELOPMENT												
	FN G	PA	87 93	1,350	1,350	1,350	199	102							
	SD G	PA	87 93	1,518	1,518	1,518	487	51							
	SS G	PA	87 93	7,632	7,632	7,132	300	2,591	200	1,500			1,024		
	PROJECT TOTAL:			10,500	10,500	10,000	300	3,277	200	1,653	0	0	1,024		0
615-0236			PVO CO-FINANCING												
	PN G	PA	85 94	72	72	72	42								
	HE G	PA	85 94	1,000	884	884	1								

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TABLE IV : PROJECT BUDGET DATA (U.S. \$000)

PROJECT NUMBER	FUND SRC	NFA IND	OBLIG DATE		--TOTAL COST--		OBLIG THRU FY 1991	FY 1992 EST.		FY 1993 PLANNED			FY 1994 PROJ.		FY 1995 OBLIG PROP
			INIT/FINAL	AUTH	PLAN	OBLIG		EXPEND	OBLIG	EXPEND	YR END	OBLIG	EXPEND	MORTGAGE	
	EH G	PA	85 94	250	250	250		97							
	SD G	PA	85 94	277	277	277		20			210				
	SS G	PA	85 94	10,401	6,196	3,446	1,000	786	750	1,100	1,000	1,000	1,100		
	PROJECT TOTAL:			12,000	7,679	4,929	1,000	946	750	1,339	1,000	1,000	1,100		0
615-0238	PRIVATE ENTERPRISE DEVELOPMENT														
	FN G	PA	87 94	5,000	4,998	4,998		475			500			780	
	SD G	PA	87 94	4,000	4,000	4,000		165			250			345	
	SS G	PA	87 94	16,000	15,769	12,407	2,000	3,755	942	2,000	420	420	2,896		
	PROJECT TOTAL:			25,000	24,767	21,405	2,000	4,395	942	2,750	420	420	4,021		0
615-0239	INSTITUTIONAL DEV FOR AG TRAINING														
	FN G	PA	86 94	3,409	3,409	3,409		298			259				
	SS G	PA	86 94	3,791	4,091	3,791		831			650	300	300	316	
	PROJECT TOTAL:			7,200	7,500	7,200	0	1,129	0	909	300	300	316		0
615-0240	STRUCTURAL ADJUSTMENT PROG GRANT II (CIP)														
	SS G	CI	86 93	14,100	14,100	13,400	500	2,799	200	1,000					
	ES G	CI	86 93	38,937	38,937	38,937		658		3,844					
	PROJECT TOTAL:			53,037	53,037	52,337	500	3,457	200	4,844	0	0	0		0
615-0241	CORAT/COMMUNITY BASED CHILD SURVIVAL														
	CS G	PA	87 90	1,285	1,285	1,285		34							
	SS G	PA	87 90	700	700	700		83		28					
	PROJECT TOTAL:			1,985	1,985	1,985	0	117	0	28	0	0	0		0
615-0242	KENYA MARKET DEVELOPMENT PROGRAM (NPA)														
	SS G	NP	90 94	10,000	10,000	2,000		2,000				8,000			
615-0243	FERTILIZER PRICING & MKT. REFORM(NPA/TA)														
	FN G	NP	89 91	59	59	59		59							
	SS G	NP	89 91	25,900	25,900	25,900		8,884							
	ES G	NP	89 91	23,000	10,000	10,000		624							
	PROJECT TOTAL:			48,959	35,959	35,959	0	9,567	0	0	0	0	0		0
615-0245	HEALTH CARE FINANCING PRG. (NPA/TA)														
	SS G	PA	89 94	7,000	17,000	15,000	600	1,860	630	2,540	770	770	4,000		
615-0247	CONSERVATION OF BIODIVERSE RES AREAS														
	SS G	PA	92 96	7,000	7,000		1,500		1,450	1,620	4,050	1,100	1,793	1,000	
615-0249	KENYA EXPORT DEVELOPMENT SUPPORT														
	SS G	PA	91 96	15,000	15,000	3,000	2,000	265	1,728	2,000	8,272		3,000	1,700	
615-0250	KENYA MARKET DEVELOPMENT PROJECT (TA)														
	SS G	PA	90 95	5,000	5,250	2,850	900	1,121	500	1,238	1,000	1,000	1,268		

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TABLE IV : PROJECT BUDGET DATA (U.S. \$000)

PROJECT NUMBER	FUND SRC	NPA IND	OBLIG DATE		OBLIG THRU		FY 1992 EST.		FY 1993 PLANNED			FY 1994 PROP.		FY 1995	
			INIT/FINAL	AUTH	PLAN	FY 1991	OBLIG ATIONS	EXPEND ITURES	OBLIG ATIONS	EXPEND ITURES	YR END MORTGAGE	OBLIG ATIONS	EXPEND ITURES	OBLIG PROP	
615-0251			CONTRACEPTIVE SOCIAL MARKET												
	PN G	PA	90 95	2,683	2,683	2,683		721			1,185				
	SS G	PA	90 95	2,020	1,900			500		1,000	1,000	400	400	500	
	PROJECT TOTAL:			4,703	4,583	2,683		500	721	1,000	2,185	400	400	500	0
615-0252			KARIOBANGI PRIVATE PRO SOCIAL SER.												
	SS G	PA	90 90	1,170	1,170	1,170			243		904				
615-0253			PARK REHABILITATION & MANAGEMENT												
	SS G	PA	90 90	1,250	1,250	1,250		1,071			55				
615-0254			PRIVATE SECTOR FAMILY PLANNING II												
	SS G	PA	92 95	10,000	10,000			1,750	673	1,478	1,400	6,772	1,500	1,500	1,500
615-0263			PRIVATE ENTERPRISE DEVELOPMENT II												
	SS G	PA	94 95		15,000										1,000
615-0264			KENYA POPULATION AND HEALTH PROJECT												
	SS G	PA	95 99		50,000										4,000
615-0266			STRENGTHENING DEMO.&GOVERNANCE IN KENYA												
	SS G	PA	94 97		7,000								1,500	500	1,000
615-0267			PVO CO-FINANCING II												
	SS G	PA	95 00		7,000							7,000			800
615-0510			PROGRAM DEV AND SUPPORT												
	FN G		85 C		1,436	1,436									
	PN G		85 C		180	180									
	HE G		85 C		230	230									
	EH G		85 C		62	62									
	SD G		85 C		381	381									
	SS G		85 C		5,186	4,036		500	481	650	500		310	450	280
	PROJECT TOTAL:			0	7,475	6,325		500	483	650	500	0	310	450	280
615-HRDA			HUMAN RESOURCE DEVELOPMENT ASSISTANCE												
	SS G	PA	88 C		1,522			250	250	472	200		400	350	320
936-3057			CENTRAL CONTRACEPTIVE PROCUREMENT												
	SS G		91 C		1,300	1,300			1,300						
936-5972			AIDS TECHNICAL SUPPORT												
	SS G	PA	92 C		2,400			400	400	1,400	1,400		1,400	1,400	1,400
REPORT TOTAL:				451,386	522,429	358,195	19,100	45,484	18,200	37,983	103,534	18,200	31,082	15,000	

memorandum

DATE: June 15, 1994

REPLY TO
ATTN OF: *Steffi Meyer*
Steffi Meyer, Chief, Office of Projects

SUBJECT: Office of Agriculture - PIR meeting of May 17, 1994
for the period ending March 31, 1994

TO: See Distribution

The Semi-Annual PIR meeting for Office of Agriculture was held on May 17, 1994. The agenda (+) and results (-) of the discussion are as follows:

A. National Agricultural Research Project - 615-0229

1. + According to the NARP II PP, the sorghum/millet program received less emphasis in Phase One and was supposed to have an increased emphasis in Phase II. The PIR report indicates that the T.A. for commodity research on maize and sorghum/millet will end at the end of June. What is the status of this objective?
 - The sorghum/millet research component target is on schedule, however the project design called for long-term participants to return from training and gradually pick up some of the T.A. activities. Consultant T.A. will be coming twice a year to maintain continuity. The details of the schedule have not yet been worked out.
2. + KARI, in fulfillment of one of the CPs, had submitted to AID a draft Organizational Manpower Plan that was provisionally approved by AID in PIL No. 26 pending further revisions on the draft. According to the PIR, the final report/revisions have not been received. What is the Office of Agriculture strategy to have the CP closed? Are or should corrective measures be taken to ensure that the project CPs are met? What has been the impact of non-compliance on the achievement of the project objectives?
 - Draft plan is being updated and revised in coordination with other donors, primarily the World Bank, just beginning their NARP II program. SAP program guidance regarding personnel levels at KARI is being incorporated.

3. + The PIR notes a gender bias in the delivery of extension services. Are any steps being taken to address this bias?

- Although KARI has no control over factors that have militated against women and created a gender gap in adoption of research and the provision of extension services, KARI has tried to address this bias through a MOU with MOA which aims at narrowing the gap between research and the use of this research by farmers. Year 3 workplans include a study to identify what needs to be done to close the gap.

B. Institutional Development for Agricultural Training
615-0239

1. + In view of lack of project monies to fund an endowment, coupled with non-finalization of guidance regarding dollar (DFA) funded endowments, what other options are being explored to finance an endowment? What will the impact be on project sustainability if financing mechanism is not identified?

- Local currency has been budgeted for the endowment in case the dollar funds and guidance for use of appropriated funds are not available.

C. Kenya Market Development Program/Project
615-0242/615-0250

1. + AGR is proposing to use current FY 94 KMDP funds to finance the extension of the PACD of PAM to June 30, 1995. What will be the focus of this extension?

- The research agenda will be set at the PAM conference set for July 1994 and will focus on the following areas:

- Regional integration in grain market (East Africa).
- Infrastructure analysis, especially as Kenya continues to rely heavily on imports, which indicates that the port and railroad may become real constraints.
- Liberalization and the beneficiaries of policy changes.
- Market transparency, i.e., conflicts of interests.

2. + The PIR report indicates that 17% of market to market road rehabilitation has been achieved, while LOP time elapsed is 68%. What is the likelihood that the output indicator will be achieved?
- GOK agreed to provide local currency for road rehabilitation and in December 1993, NCPD remitted funds to the Treasury. Now that funds are available, 600 km. target will be reached. This will be 40% of the target. AGR believes that the road rehabilitation program has benefitted from the project policy and institutional reforms. In addition, the proposed fuel levy fund may create an institutional framework for sustainability of the roads project.
3. + The PIR mentions that GOK, donors and private sector have initiated roundtable discussions on a regular basis on responses to the food situation and liberalization of the grain market. What are the chances that this forum will contribute to the consolidation of the liberalization process achieved to date?
- The meetings have created a forum for donors to express their support for the liberalization process and enabled the GOK to get a feel of the effect of liberalization directly from the private sector. Although the long-term impact of these meetings cannot be determined as yet, it has become an important forum for dialogue.
4. + Will the introduction of the fuel levy road maintenance fund, which is intended to increase the resources for road maintenance satisfy the covenant requiring the GOK to increase real road maintenance budget? What actions is the AGR office recommending for Mission management regarding the GOK failure to fulfill the covenant?
- One of the CPs committed the GOK to increase road maintenance allocation annually. PIL No. 2 waived the CP for tranche No. 1. However, the GOK has not met the CP for releasing tranches 2 and 3. The portfolio management review meeting recommended that this CP be waived when amending the PROAG.
- D. Fertilizer Pricing and Marketing Program/Project
615-0243
1. + A significant portion of the fertilizer imported by the private sector is still in Mombasa due to inadequate rail and road transport capacity. What proportion of this imported fertilizer is still at the port? What is the

likely impact of this inability to transport the fertilizer on overall national fertilizer use during this planting season?

- This is an issue that is outside the project. However, the AGR office has established that 17-20% of fertilizer is still lying at the Mombasa port. Due to liberalization, more fertilizer is now available in Kenya. Fertilizer supply and availability has improved under liberalization.

2. + Project Manager's report indicates that project experienced critical delays in execution of PIO/T for project evaluation. What were those difficulties? Are options proposed feasible?

- The Office of Projects was asked by Mission management to explore whether a purchase orders could be raised without PIO/Ts, or other ways of expediting small procurement to enable AGR to expend the remaining \$200,000 in the project.

E. Conservation of Biodiverse Research Areas - 615-0247

1. + The Ministry of Tourism and Wildlife Probe Committee and subsequent resignation of the KWS Director greatly affected the operations of KWS. What are the potential long-term effects of this to the Project? How is the new management coping?

- A team comprising representatives from World Bank, USAID and ODA will conduct an assessment of the KWS in June 1994. The impact of the resignation of the former KWS Director and the effects of the probe team will be determined during this review thereafter, AGR will be in a position to advise on the effect.

2. + What will be the focus for the planned evaluation of the project in June 1994?

- This is tied to the June assessment and will focus on issues arising out of the assessment.

F. Park Rehabilitation and Management - 615-0253

1. + The PIR report indicates that the project has achieved zero on the project output on improved financial control and training systems within KWS. Why was this so?

- USAID did not fund this activity and therefore the output indicator is not valid.

2. + The Financial Audit requires further determination of allowability of repairs done on park equipment outside that designated in the project agreement. What is the AGR Office proposing for the resolution of the issue?

- AGR is recommending allowability of repairs done on this equipment since the equipment will be transferred for use in qualifying parks to further project objectives. However, the repair of two pieces of equipment has been questioned.

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A__ B_X C__

I. BACKGROUND DATA

FINANCIAL DATA

Project Title: National Agr. Research Project
 Project Number: 615-0229
 Date of Authorization: original 07/07/86 amendment 06/25/92
 Date of Obligation: original 08/29/86 amendment 04/01/93
 PACD: original 06/30/92 amended to 09/30/97
 Implementing Agencies: Kenya Agr. Research Institute
 Major Contractors: MidAmerica Int. Agr. Consortium
 AID Project Officer: Maria Mullei
 Status of CPs/Covenants: Not met
 CPs (e) Disbursements for Recurrent Costs:
 - Operational funds have been provided under the contract.
 (f) Disbursements for Phase II Training:
 - Master Training Plan accepted
 subject to revision.
 Covenants: To be implemented over the LOP.
 Date of Last Evaluation: 07/15/90 Next Evaluation: 01/15/95
 Date of Last Audit: 12/31/92 Next Audit: 12/15/94
 Date of Last Field Visit: 03/31/94 Next Field Visit: 05/13/94

Amount Authorized:	DA/ESF Grant: original	\$15,250	amended to \$30,000
Amount Obligated:	DA/ESF Grant: original	\$ 7,421	amended to \$20,050
Amount Committed:	Period: 03/31/9	\$ 2.8	
	Cumulative:	\$20,000	
Accrued Expenditures:	Period - Projected:03/31	\$1.2	
	Period - Actual:	\$1.4	
	Cumulative:	\$18.2	
	Period - Next:	\$1.2	
Pipeline:	Period - Beginning FY93	\$3.2	
	Period - Actual 03/31	\$1.8	
	Counterpart		
Contribution:	Planned:	0	
	Actual:	\$3.1	
% LOP Elapsed		67%	
% of Total Auth. Oblig.		67%	
% of Total Oblig. Exp.		91%	
% of Total Auth. Exp.		61%	

II. PROJECT DESCRIPTION AND PURPOSE

To develop a well-managed national agricultural research system capable of providing the agriculture sector with appropriate technologies which will increase productivity on a continuing basis. To achieve this purpose the project has focused on four components: (1) Research Planning and Management; (2) Maize and Sorghum/Millet commodity programs; (3) Human Resource Development; and (4) the Research Fund. The project was originally envisioned for a 10-year period. Considerable progress towards achievement of the project purpose was accomplished under Phase I. Major focus of Phase II activities are the utilization of the research planning and management system established within KARI under Phase I, namely: program planning and resource allocation; financial management; human resource development; and monitoring and evaluation. The commodity research focus of Phase I is shifted somewhat to include high value horticulture commodities as a major new initiative within Phase II together with the incorporation of a small ruminant (sheep and goat) research program.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

Project objectives have been addressed with significant success. On commodity research the technologies developed are being packaged to formally be released: maize streak resistant cultivars are in the final stages of testing. Four sorghum/millet varieties are ready for official release: The KAT 369 will be released in July and the remaining three varieties to be released in August. These varieties have all been tested on farmers' fields. The seeds have been sold to a private company called Western Grain Seed Company for commercialization. Under the horticulture research program, KARI is producing a total of 200,000 gladioli cormels for sale to smallholder farmers. KARI has introduced to the market the production of gladioli spikes which is a by-product of the gladiol cormels. The demand to domestic market has risen from selling 200 spikes per week to more than 4,000 spikes per week. The potential for export is very big. Under the small ruminant research program, forty Kenya Dual Purpose Goats (KDPG) have been distributed to twenty farms. Each farm received two in-kid does, of which half have kidded on farm. There are not enough goats to meet the demand.

IV. Project Outputs

	<u>Description:</u>	<u>Status (% Completed)</u>
1.	Strengthened ag. research planning, administration & management systems.	60%
2.	Improved farmer usable technologies developed for maize, sorghum & millet, horticultural crops & small ruminants.	50%
3.	Operating ag. research fund supporting research activities undertaken by the private sector & the academic community.	40%

V. Progress During Reporting Period

KARI is seriously embarking on priority setting. A priority setting seminar to build consensus and to review progress toward priority setting at KARI was held in March 1994. A paper is being prepared to provide guidelines/appropriate criteria and priority setting structures, as well as information needs. Under NARP Phase I a shift is being made to focus on priority setting within horticulture. At the same time the influence on policy environment on resource allocation decisions is being addressed through the KARI/ISNAR collaboration efforts. During this reporting period, a plan was submitted to USAID which closely coordinates research management activities undertaken by both KARI/MIAC and ISNAR. TA for commodity research on maize and sorghum/millet will be leaving the project by June 30th. The position of the COP has been eliminated as of July 1. The functions of the COP will be shared between the systems agronomist and the local assistant administrator. A horticulturalist and a systems agronomist will assist in implementing the next phase of the project focus. Nine participants completed PhDs during this reporting period while sixteen M.Sc. participants arrived in the USA. A planning workshop to discuss year 3 detailed work plans and associated budget is scheduled for May 18 and 19th.

VI. Evaluations and Audits

Audit recommendations have been resolved. The closeout of audit is scheduled for June. Mid-term evaluation is planned for June 1995.

VII. Issues, Problems, Delays and Corrective Actions

Procurement of laboratory equipment under Phase II was suspended due to audit recommendation. The laboratory buildings have now been completed. The AGR engineer will visit the sites to verify whether these buildings have been satisfactorily completed and advise on closeout of the audit.

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VIII. Major Actions Planned for the Next Semester

1. Complete Year 3 workplans and associated budget and develop monitoring indicators to track progress towards project objectives.
2. Complete priorities for project supported research in horticulture.
3. Monitor use of local currency.
4. Review progress in development of priority setting in KARI.
5. Monitor the collaborative plan with KARI/MIAC and ISNAR.
6. Close out audit.
7. Amend MIAC contract.
8. Monitor use of the operational funds.

IX. Gender Considerations

KARI has paid special attention to develop technologies for easy adoption by both male and female farmers as 40 percent of Kenya's farm families are female headed households (FHH). KARI surveys indicate that technology adoption does not differ significantly between male headed households (MHHs) and FHHs. In 1992 70 percent of MHHs and 66 percent of FHHs adopted hybrid varieties while 17 percent of MHHs used OPVs compared to 19 percent of FHHs. In addition, 50 percent of MHHs used planting fertilizer at 87 kg/ha against than MHHs at 68 kg/ha. In terms of non-adoption, 11 percent of both MHHs and FHHs respectively had never bought improved seed and 45 percent and 46 percent of MHHs of FHHs respectively had never bought planting fertilizer. In sum the technology adoption behavior of MHHs and FHHs showed no significant difference.

Unfortunately, technology adoption parity does not mean maize yield parity. MHHs averaged 3.1 tons per ha while FHHs averaged 2.3 tons. In 1992 (a poor production year) FHHs averaged 1.7 tons per hectare, while MHHs averaged 2.0 tons. Most likely, lower FHH productivity reflects less access to resources (farm size, equipment and land quality), extension and credit. MHHs own or have better access to farm equipment resulting in more successful farm operations. FHHs farm size averages only 85 percent of MHH holdings and tend to be on steeper and less fertile land. Perhaps illustrating an extension system gender bias 45 percent of FHHs had never received extension advice compared to 36 percent of MHHs.

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B X C___

I. BACKGROUND DATA

Project Title: Institutional Dev. for Agr. Training
 Project Number: 615-0239
 Date of Authorization: original 07/08/86 amendment 03/31/94
 Date of Obligation: original 08/08/86 amendment 05/31/88
 PACD: original 09/31/91 amended to 09/30/95
 Implementing Agencies: Egerton University
 Major Contractors: University of Illinois
 AID Project Officer: Maria Mullei
 Status of CPs/Covenants: All completed

Date of Last Evaluation: 05/30/91 Next Evaluation: 06/15/95
 Date of Last Audit: 07/30/93 Next Audit: 12/15/94
 Date of Last Field Visit: 11/25/93 Next Field Visit: 06/08/94

FINANCIAL DATE
 (\$000)

Amount Authorized:	DA/ESF Grant: original	\$3.3	amended to \$7.5
Amount Obligated:	DA/ESF Grant: original	\$3.3	amended to \$7.5
Amount Committed:	Period: 03/31/94	\$0.0	
	Cumulative:	\$7.2	
Accrued Expenditures:	Period - Projected: 03/31	\$100,000	
	Period - Actual: 08-03/31	\$ 0.2	
	Cumulative:	\$ 6.9	
	Period - Next:	\$100,000	
Pipeline:	Period - Beginning FY93	\$ 0.5	
	Period - Actual 03/31	\$ 0.6	
Counterpart			
Contribution:	Planned:	\$14.00	
	Actual:	\$8.00	
% LOP Elapsed		90%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		92%	
% of Total Auth. Exp.		92%	

II. PROJECT DESCRIPTION AND PURPOSE

To strengthen Egerton University as an agricultural education institution of excellence serving the needs of Kenya and other African countries, which will be accomplished in part by the establishment of a permanent institutional relationship between EU and the University of Illinois

III. Progress Toward Purpose Achievement and Project Officer's Assessment

Significant progress has been achieved in the areas of curriculum development, administrative and management improvement, faculty and staff development, and the development of an educational materials center with research, extension and outreach activities. The project has been amended to include two new elements: the establishment of an integrated Biotechnology Research Laboratory (IBRL) as well as feasibility analysis of an Egerton Endowment which can generate sufficient income to allow continuation of research work. The IBRL facility will provide access to high quality staff to catalyze collaborative, strategic research and outreach activities in order to better apply the knowledge gained to the practical solution of agricultural problems in Kenya and the region.

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IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>
1. Curricular guidance study	100%
2. New curricular areas developed	100%
3. Faculty training in the U.S.	96%
4. Admin. staff training in the U.S.	100%
5. Education Materials Center constructed and operational	100%
6. Adaptive research/outreach programs through the Agricultural Resources Center	100%
7. Construction of extension of Utafiti Hostel	100%
8. Development of an integrated program to deliver results of research on protein fortification of food to rural and urban consumers through the public extension system and private commercial processors;	0
9. Adoption by small farmers of research recommendations leading to increased shelf life of evening milk;	0
10. Establishment of a largely self-supporting embryo transfer service to livestock producers in the Njoro area;	0
11. Establishment of a feed mill for research and production of high quality animal feed;	0
12. Assimilation of research elements of the Crop Management Research and Training Program (CMRT);	0
13. Completion of five attachments by faculty or staff appointed to the IBRL; and	0
14. Implementation of thesis research by five M.Sc. students appointed as research assistants to support IBRL research.	0
15. Completion of analysis for the feasibility of an Egerton Endowment	0

V. Progress During Reporting Period

1. PROAG and contract amendments for additional \$300,000.
2. Approval selection process for procurement of CMRT furnishings funded under CPF.
3. Completion of the CMRT buildings
4. Resolved the non-federal audits recommendations

VI. Evaluations and Audits

The non-federal audit completed in October 1993. Audit recommendation resolved. Closeout scheduled for July 1994. Evaluation is planned for June 1995.

VII. Issues, Problems, Delays and Corrective Actions

N/A

VIII. Major Actions Planned for the Next Semester

1. Complete LI Training for 4 remaining participants.
2. Initiate the feasibility study for an Egerton Endowment.
3. Initiate the development of the Integrated Biotechnology Research Laboratory.
4. Complete procurement of the CMRT furnishings funded CPF.
5. Close out the audit recommendations.
6. Follow on the CPF budget for FY1994/95.

IX. Gender Considerations

The Winrock, AID/W-funded African Women Leaders in Agriculture and the Environment (AWLAE) project will work with the Egerton's Center for Women's Studies and Gender Analysis in strengthening the center for the promotion of women professionals and to increase awareness of discrepancies in gathering and analysis of statistics with regard to the status of females in agriculture and the environment sector. U.S. dollar 14,500 has been given to the Gender Analysis Center at Egerton to establish a Gender Resource facility.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A__X__ B__ C__

I. BACKGROUND DATA

Project Title: Kenya Market Development Program
 Project Number: 615-0242.0 (PRG), 615-0250 (PRJ)
 Date of Authorization: original 05/11/90 amendment 00/00/00
 Date of Obligation: original 05/11/90 amendment 04/01/93
 PACD: original 05/15/94 amended to 06/30/94
 Implementing Agencies: MOA, CBS, MOPW, Egerton
 Major Contractors: Abt Associates, University of Arizona, Peat Marwick
 AID Project Officers: Samuel Mwale, James Kigathi, David Soroko
 Status of CPs/Covenants: GOK has decontrolled maize, minor crops
 and beans marketing, allowed open market price announcements and announced
 regulation changes. GOK has increased road maintenance
 financing but this is not adequate in fulfilling covenant
 requiring a real increase in road maintenance budgets. USAID
 is not fulfilling its \$ 3 million bean and \$ 5 million maize
 movement decontrol CP commitment.

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$5m (PRJ), \$2m (PRG), \$40m (PL 480)
Amount Obligated:	DA/ESF Grant: original	\$4.25m (PRJ), \$2m (PRG), \$20m (PL 480)
Amount Committed:	Period:	\$0
	Cumulative:	\$3,978,681 (PRJ), \$2m (PRG)
Accrued Expenditures:	Period - Projected:	\$540,000 (PRJ)
	Period - Actual:	\$502,159 (PRJ)
	Cumulative:	\$3,376,898 (PRJ), \$2m (PRG)
	Period - Next:	\$500,000 (PRJ)
Pipeline:	Period - Beginning FY	\$1,375,261 (PRJ) \$0 (PRG)
	Period - Actual	\$873,102 (PRJ) \$0 (PRG)

Counterpart
 Contribution:
 Planned: \$38,000,000
 Actual : \$ 5,300,000

Date of Last Evaluation: 08/17/93	Next Evaluation: 07/01/94	% LOP Elapsed	68%
Date of Last Audit: 03/30/92	Next Audit: 00/00/00	% of Total Auth. Oblig.	85% (PRJ), 100% (PRG) 50% (PL 480)
Date of Last Field Visit: 01/24/94	Next Field Visit: 05/17/94	% of Total Oblig. Exp.	55% (PRJ), 100% (PRG), 50% (PL 480)
		% of Total Auth. Exp.	46% (PRJ), 20% (PRG), 50% (PL 480)

II. PROJECT DESCRIPTION AND PURPOSE

To develop a more efficient national maize and beans marketing system that will provide greater price incentives to maize and bean producers. KMDP encourages greater reliance on private traders for maize, beans and minor grain marketing through policy reform, market information dissemination and market to market road rehabilitation. KMDP supports policy research conducted by Egerton University in collaboration with the University of Arizona; market price, condition and regulation information dissemination by the Ministry of Agriculture; and private contractor market to market road rehabilitation administered by the Ministry of Public Works.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

Maize, bean and minor grains marketing is now fully liberalized. On December 27, 1993 the GOK announced complete maize market liberalization. This announcement and the subsequent publicity achieved two of the project's outputs i.e, a) elimination of movement restrictions on maize, maize products, beans, sorghum and millet; and b) publicity campaigns on laws, regulations and policies affecting maize and bean trade. With only \$27 million of the planned \$55 million expended, KMOP has managed to accomplish the desired policy objectives.

The liberalization announcement has led to immediately discernible changes in grain marketing. Maize is now moved freely within the country by all types of traders while maize imports from South Africa are being made by private sector (mainly millers) in response to the national food shortage. The publicity campaign has followed three main channels: i) the Ministerial announcements and press notices (by MIB) backed by positive GOK owned radio commentaries; ii) editorials, commentaries and news analyses in the daily press; and iii) continuing discussions between the GOK, donors and the private sector on coordinating their response to the national food shortage; and assuring the private sector of the GOK's commitment to maize market reform - particularly addressing the role to be played now and in future by the National Cereals and Produce Board (NCPB).

IV. Project Outouts

<u>Description:</u>	<u>Status (% Completed)</u>
1. Elimination of movement restrictions on maize, maize products, beans, sorghum, and millet.	100%
2. Publicity campaigns on laws, regulations, and policies affecting maize and bean trade.	100%
3. Kilometers of market to market roads rehabilitated.	250 km (17%)
4. Improved capacity for market information collection and dissemination.	Daily and weekly prices announced, market summaries carried in magazines and newspapers.

V. Progress During Reporting Period

1. Maize marketing decontrol achieved in December 1993.
2. Egerton/PAM project evaluation completed in November 1993.
3. Abt Associates in collaboration with MALDM's Market Information Branch carry out three rapid appraisal studies (November-December 1993) on maize, beans and potatoes with final reports and workshop to be ready in May 1994.
4. 250 kilometers of market to market roads rehabilitated.
5. GOK, donors and private sector initiate roundtable discussions on a regular basis on response to the national food situation and managing the transition from controlled to fully liberalized grain markets to ensure success.
6. A classified report on cereal sector stakeholders completed, and distributed within Embassy and AID.
7. GOK made available local currency equivalent (K Shs 243 million) to food assistance value for KMOP activities as per the food assistance agreement in October 1993.

VI. Evaluations and Audits

1. GAO audit in March-June 1992.
2. \$2 million NPA audit scheduled for FY 1994.
3. Evaluation of Policy Analysis Matrix component of KMOP carried out during August-September 1993. Final report completed in October 1993.
4. Evaluations for MIB and MOPW proposed for 4th quarter FY 94.

VII. Issues, Problems, Delays and Corrective Actions

1. Abt Associates long-term TA to MIB contract ended by mutual agreement in March 1994.
2. Louis Berger International (MOPW TA subcontractor to Abt) long-term TA contract extended to June 1995 for effective management of the substantial road rehabilitation resources under KMOP.
3. Egerton/PAM grant ends in May 1994. Currently, no cost extension granted until October 1994. AGR would like to use current KMOP finances to extend PACD to June 30, 1995.
4. Financial monitoring system put in place at MIB in preparation for the proposed 1994/95 Shs 9.0 million local currency budget support under KMOP

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5. Cable sent to AID/W with Embassy backing requesting for \$ 8 million NPA disbursement in response to GOK meeting beans and maize decontrol policy conditionalities.
6. While not accomplishing covenant requiring real increases in road maintenance budgets, GOK is addressing the matter through such measures as the introduction of the Fuel Levy Road Maintenance Fund.

VIII. Major Actions Planned for the Next Semester

1. One DMO workshop in May 1994 in which the maize, beans and potato rapid appraisal results will be presented.
2. Egerton/PAM team to present research findings on maize market liberalization in June 1994.
3. One DWO workshop in June 1994 to train KMDP Provincial and District Works Officers in Contract Management
4. Award second Phase Construction Contracts in Nyamira, Kisii, Kakamega and Uasin Gishu Districts.
5. Obligate \$250,000 bringing LOP funding of project technical assistance to \$ 5.25 million.

IX. Gender Considerations

Initial results from the 1993 beans rapid appraisal show that women play an important role in bean marketing, particularly in assembly and transportation of beans from surplus to deficit areas. This rapid appraisal was carried out after bean decontrol, and confirms the 1990 KMDP maize and beans marketing baseline survey that which showed women's participation being stifled by movement and price controls. Although no rapid appraisal has been carried out after the maize movement decontrol, one would expect that women would similarly benefit, particularly those trading in small volumes.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B_X_ C___

I. BACKGROUND DATA

Project Title: Fertilizer Pricing and Marketing Reform Prgrm
 Project Number: 615-0243 (CIP & PRJ)
 Date of Authorization: original 07/21/89 amendment 00/00/00
 Date of Obligation: original 08/31/89 amendment multiple
 PACD: PROJECT 9/30/92 amended to 09/30/94 CIP 1/30/91
 Implementing Agencies: MOA, Kenya National Fertilizer Association
 Major Contractors: Peat Marwick, IFDC, Dorion Rocco, Tim Durgan
 AID Project Officer: David Soroko
 Status of CPs/Covenants: As the GOK has decontrolled fertilizer prices all CPs concerning pricing policy have been fulfilled. There are nineteen covenants included in the Program Agreement. One covenant concerning fertilizer pricing was rendered irrelevant by the GOK's price decontrol. The GOK is in compliance with the of the covenants including, and most importantly, that contained in Article 6, Environment Studies.

Date of Last Evaluation: 12/15/91 Next Evaluation: 04/15/94
 Date of Last Audit: ongoing Next Audit: 00/00/00
 Date of Last Field Visit: not applicable Next Field Visit: 00/00/00

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$35,959,345
Amount Obligated:	DA/ESF Grant: original	\$35,959,345
Amount Committed:	Period:	\$16,800
	Cumulative:	\$35,584,025
Accrued Expenditures:	Period - Projected:	\$14,400
	Period - Actual:	\$14,400
	Cumulative:	\$35,579,600
	Period - Next:	\$12,500
Pipeline:	Period - Beginning FY	\$394,100
	Period - Actual	\$379,700
Counterpart Contribution:	Planned:	\$0
	Actual:	\$0
% LOP Elapsed		100%
% of Total Auth. Oblig.		100%
% of Total Oblig. Exp.		99%
% of Total Auth. Exp.		99%

II. PROJECT DESCRIPTION AND PURPOSE

The purpose of the Fertilizer Pricing and Marketing Reform Program is to increase fertilizer use by smallholder farmers in rural areas. The program promotes the development of a fertilizer marketing system where retail prices accurately reflect marketing and transport costs and normal trader profits. Given adequate fertilizer supplies, this market structure holds the greatest promise for increasing smallholder fertilizer use in Kenya. Foreign exchange was provided for the import of fertilizer and counterpart Kenya shilling generations are used for mutually agreed development purposes and for a trust fund to cover operating expenses of USAID.

The program provided fertilizer for distribution to farmers; supported the establishment of the Kenya National Fertilizer Association; provided training, short-term technical assistance, and commodities to the MOA's input marketing branch; and trained GOK, parastatal and private sector fertilizer market participants in all aspects of fertilizer marketing and distribution.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

The GOK decontrolled fertilizer prices in December, 1990. In 1991 the GOK allowed the Kenya National Fertilizer Association to select fertilizer trader allocates for FPMRP financed deliveries. In 1992, the Kenya National Fertilizer Association managed the entire importation employing commercial trade finance and logistics mechanisms. Because of these three major accomplishments, and the example they have set for other donor and GOK financed fertilizer importations, many of the unnecessary fertilizer importation and marketing costs previously observed in Kenya's fertilizer subsector have disappeared. Retail prices now more accurately reflect actual importation and marketing costs and average trader profits. In addition, due to price decontrol and distributor use of wholesale pricing incentives, rural retailers have entered rural markets previously ignored by fertilizer distributors. This has increased smallholder farmer access to fertilizer.

During the reporting period, Kenya has once more enjoyed the benefits of private fertilizer importation and distribution. These benefits were buttressed by the GOK's December 1993 maize market and price decontrol decision. While in previous years, Kenya's long-rain DAP supply averaged 60,000 tons, this year the private sector imported almost twice that amount. Although a significant portion of this importation is still in Mombasa due to inadequate rail and road transport capacity and competition from massive commercial and food aid imports, retailers in the largest maize growing areas report sales volume increases of approximately 50%. In addition, competition spurred several importers to land their supplies early in the season assuring on-time delivery to farming areas.

Finally, up-country pricing is based on foreign exchange rates, distribution costs, international fertilizer prices, competitive exploitation of logistics and marketing advantages, distributor network development, and wholesale pricing. Margins between Mombasa, although more difficult to estimate due to the fertilizer's different CIF prices, and the appreciating shilling, still illustrate the competitive markets limit on above average profits. Mombasa pricing margins are a different story, with those importers that were first to deliver receiving above average profits in wholesale marketing FOR/Mombasa. However, these above average profits may spur early delivery of fertilizer in the future.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>
1. Average travel distance from farm to fertilizer retailer reduced.	100%
2. Private sector fertilizer market network.	100%

V. Progress During Reporting Period

1. Private sector traders import over 100,000 metric tons of DAP from the U.S., Saudi Arabia, Jordan and Senegal with no government involvement. Importers provide fertilizer to distributors commercially.
2. EEC continues to employ donor financed fertilizer import procedures developed during FPMRP's last 1992 KNFA managed DAP importation. EEC consultants indicate they have been requested to design similar program for EEC fertilizer programs in Madagascar.
3. AID/W contractor employs KNFA experience as an example of how Albanian fertilizer traders can group together for fertilizer importation. The Albanian importers have now formed an association and have begun importing commercially as a group.
4. Joint GOK/USAID/GTZ fertilizer sector working group established to review private sector performance and identify analytical needs.

VI. Evaluations and Audits

Final Evaluation to begin in May, 1994.

VII. Issues, Problems, Delays and Corrective Actions

1. Final Evaluation and fertilizer sector predictive analysis have been reprogrammed in order to provide GOK and other donor technocrats the opportunity to participate in evaluation and analytical discussions.

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2. Project experienced critical delays in Mission executing PIO/Ts for evaluation purchase order.

Suggestions for decreasing purchase order processing bottlenecks may include: 1) Write purchase orders directly, without using a PIO/T; 2) Eliminate need for GOK clearance of purchase orders that fund activities described in the ProAg; 3) Clarify whether salary ceiling waivers are required for purchase orders.

3. GOK has released 500,000 USAID logo fertilizer bags without USAID concurrence and without striking out the USAID logo. 35,000 of these 10 kgs. bags were filled with non-USAID fertilizer and sold. The future of the remaining bags is unclear.

VIII. Major Actions Planned for the Next Semester

1. Evaluate USAID's 12 year fertilizer experience.
2. Send private fertilizer retailers to IFDC training.
3. Design and implement fertilizer subsector predictive analysis in collaboration with GOK and other donors.
4. Write letter to GOK requesting their deposit of the surplus bags Kenyan Shilling equivalent into the special account.

IX. Gender Considerations

Field trips and monitoring have shown that the majority of urban fertilizer retailers are women. Therefore, in that price decontrol has contributed to more competitive fertilizer wholesaling, these women have benefited from greater retail margins, increased volume, and greater access to wholesale fertilizer.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1993 - MARCH 1994

A___ B_X_ C___

I. BACKGROUND DATA

Project Title: Conservation of Biodiverse Resource Areas (COBRA)

Project Number: 615-0247

Date of Authorization: original 09/18/91 amendment 00/00/00

Date of Obligation: original 04/14/92 amendment 00/00/00

PACD: original 09/30/96 amended to 00/00/00

Implementing Agencies: Kenya Wildlife Service KWS
Major Contractors: Development Alternatives Inc. DAI/
African Wildlife Foundation AWF

AID Project Officer: Dennis McCarthy/James Kigathi

Status of CPs/Covenants: None outstanding

FINANCIAL DATA
(\$000)

Amount Authorized:	DA/ESF Grant: original	\$7,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$2,950	amended to \$
Amount Committed:	Period:	\$0,256	
	Cumulative:	\$2,155	
Accrued Expenditures:	Period - Projected:	\$0,500	
	Period - Actual:	\$0,159	
	Cumulative:	\$0,764	
	Period - Next:	\$0,500	
Pipeline:	Period - Beginning FY	\$2,345	
	Period - Actual	\$2,186	
Counterpart			
Contribution:	Planned:	\$5,652	
	Actual:	\$0,640 (revenue sharing & WDF)	
% LOP Elapsed		50%	
% of Total Auth. Oblig.		42%	
% of Total Oblig. Exp.		26%	
% of Total Auth. Exp.		11%	

Date of Last Evaluation: 00/00/00	Next Evaluation: 06/17/94
Date of Last Audit: 06/15/93	Next Audit: 07/20/94
Date of Last Field Visit: 04/20/94	Next Field Visit: 06/17/94

II. PROJECT DESCRIPTION AND PURPOSE

To increase socio-economic benefits to communities living adjacent to Parks/Reserves from conservation and sustainable management of wildlife and natural resources.

The Project is assisting the Kenya Wildlife Service (KWS) in the implementation of a community-based conservation approach to wildlife management. The approach is designed to develop and demonstrate both real and potential benefits, i.e., social, financial, etc. to local communities who become involved in the protection and management of wildlife resources. Project funding is provided to KWS for the establishment of a Community Wildlife Service (CWS) Unit which is responsible for implementing, coordinating, supervising and monitoring the community-based conservation program.

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1993 - MARCH 1994

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I. BACKGROUND DATA

Project Title: Conservation of Biodiverse Resource Areas (COBRA)

Project Number: 615-0247
 Date of Authorization: original 09/18/91 amendment 00/00/00
 Date of Obligation: original 04/14/92 amendment 00/00/00
 PACD: original 09/30/96 amended to 00/00/00
 Implementing Agencies: Kenya Wildlife Service KWS
 Major Contractors: Development Alternatives Inc. DAI/
 African Wildlife Foundation AWF
 AID Project Officer: Dennis McCarthy/James Kigathi
 Status of CPs/Covenants: None outstanding

FINANCIAL DATE
(\$000)

Amount Authorized:	DA/ESF Grant: original	\$7,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$2,950	amended to \$
Amount Committed:	Period:	\$0,256	
	Cumulative:	\$2,155	
Accrued Expenditures:	Period - Projected:	\$0,500	
	Period - Actual:	\$0,159	
	Cumulative:	\$0,764	
	Period - Next:	\$0,500	
Pipeline:	Period - Beginning FY	\$2,345	
	Period - Actual	\$2,186	
Counterpart Contribution:	Planned:	\$5,652	
	Actual:	\$0,640 (revenue sharing & WDF)	
% LOP Elapsed		50%	
% of Total Auth. Oblig.		42%	
% of Total Oblig. Exp.		26%	
% of Total Auth. Exp.		11%	

Date of Last Evaluation: 00/00/00 Next Evaluation: 06/17/94
 Date of Last Audit: 06/15/93 Next Audit: 07/20/94
 Date of Last Field Visit: 04/20/94 Next Field Visit: 06/17/94

II. PROJECT DESCRIPTION AND PURPOSE

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The Project is assisting the Kenya Wildlife Service (KWS) in the implementation of a community-based conservation approach to wildlife management. The approach is designed to develop and demonstrate both real and potential benefits, i.e., social, financial, etc. to local communities who become involved in the protection and management of wildlife resources. Project funding is provided to KWS for the establishment of a Community Wildlife Service (CWS) Unit which is responsible for implementing, coordinating, supervising and monitoring the community-based conservation program.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

Field Program Officers presented the community conservation area development plans for their responsible areas to the USAID Director and Deputy Director over this past reporting period. This exercise began as a training exercise for the FPCs with the land use planning consultant provided under DAI/AWF contract. The plans presented represented the culmination of the practical exercise for the FPCs in developing land use/conservation plans with communities in their areas. The plans were well developed and presented and represent significant progress in the planning capacity within the CWS Unit.

<u>IV. Project Outouts</u>	<u>Status % Completed</u>
1. Functioning CWS HQ Unit Team with qualified/capable staff to coordinate, carry-out and monitor the CWP.	65
2. Established capacity within CWS/HQ to identify, formulate and integrate policy issues/concerns into annual plans/activities.	10
3. Established internal management information system communicating priorities, strategies, operational guidelines/procedures to the field.	9
4. CWS/HQ capability to program and budget resources in support of both HQ and the field.	30
5. Capacity ensuring that planning reflects agency policy and the needs/conditions/perceptions of field personnel.	9
6. Over 500 KWS staff oriented to the CWS strategy and philosophy.	15
7. 36 well-trained Wildlife Extension Officers and 29 Community Wildlife Wardens implementing the CWP in the field.	25
8. Capacity within CWS/HQ to define/address training requirements for the CWP.	30
9. Organization/Implementation of administrative models for revenue-sharing in at least 4 geographic areas.	25
10. Distribution of no less than US \$2 million in KWS revenue-sharing in 4 geographic areas.	5
11. Establishment/implementation of at least 4 wildlife management units plans that incorporate community roles/concerns.	5
12. Enhanced local community expertise in Wildlife Management and utilization methods being employed in up to 4 locations.	8
13. Establishment of approx. 2 wildlife users/operators associations.	0
14. Establishment of at least 24 community development projects and/or enterprises.	10
15. Land use management plans in target project areas reflecting results of community assessments defining socio-economic and legal systems or concerns.	15

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|--|----|
| 16. CWS develops draft strategy/plan for collaboration with private sector on CWP initiatives. | 10 |
| 17. CWS documents models for revenue sharing and operational guidelines. | 80 |
| 18. Preparation and presentation of "white paper" or similar options paper defining additional reforms/changes needed to effectively regulate and promote utilization. | 20 |

V. Progress During Reporting Period

1. Data Management Specialist contracted (AWF Grant funded)
2. WDF/Revenue Sharing Workshop, Machakos. (Field Program Coordinators attended).
3. Elephant Control Field Training Program, Laikipia.
4. Communication Skills Training Workshop for CWOs, (cooperation with OJA effort)
5. CWS assists land owners establish elephant corridor reserve, Shimba hills. (Eden Trust NGO)
6. Wildlife Utilization Workshop for Deputy Wardens. (consultant; M.Sommerlatte)
7. National Forum Meeting with National Wildlife Utilization Associations.
8. Impact Assessment follow-up to evaluate PRA Courses.
9. M.S. Degree candidates selected.
10. Evaluate efficacy of U.S. Masters Degree as compared to Zimbabwe Univ.
11. WDF Action Plans for each of four initial Conservation Units.
12. WDF Project preparation training workshops (Machakos, etc.)
13. Testing of Community Dialogue interview system sheets and data needs.
14. Establish Community Progress Monitoring data needs and formats.
15. Training Needs Assessment.

VI. Evaluations and Audits

None

VII. Issues, Problems, Delays and Corrective Actions

Ministry of Tourism & Wildlife Special Probe Committee designated to investigate KWS operations greatly upset the day to day working of the KWS including CWS over this period. Uncertainty created among the staff of KWS regarding the purpose of the Probe essentially rendered the organization inoperable over this period. In addition, the Director tendered his resignation over the manner in which the Probe was proposed and carried out at the KWS. This situation has delayed implementation of critical actions planned under the project for example;

1. Economics of Wildlife Utilization Specialist contracted.
2. Impact Monitoring/Evaluation Specialist contracted. (funded under AWF Grant)
3. Modular Training Program Design inhouse review.
4. CWS/AWF team building Workshop.
5. Module Training Course Staff identified.
6. WDF guidelines approved and funding in place.
7. Legislative/Legal Study consultant team identified and contracted.

Donor discussions have resulted in the planning of a joint donor assessment mission to reassess KWS and original assumptions on which PAWS and COBRA Projects were predicated to begin sometime in June 1994.

VIII. Major Actions Planned for the Next Semester

1. Economics of Wildlife Utilization Specialist contracted.
2. Impact Monitoring/Evaluation Specialist contracted. (funded under AWF Grant)
3. Modular Training Program Design inhouse review.
4. CWS/AWF team building Workshop.
5. KWS Staff retreat, presentation of CWS plans to senior KWS management.
6. Zimbabwe Wildlife Utilization module short course I.
7. Module Training Course Staff identified.
8. WDF guidelines approved and funding in place.
9. Legislative/Legal Study consultant team identified and contracted.
10. Develop terms of reference for USAID participation in joint donor assessment mission.
11. Identify T.A. requirements for joint donor assessment mission.

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IX. Gender Considerations

Field trip observations by COBRA Project Officer and Contractor Chief of Party while visiting pilot revenue sharing sites developed under the AWF "Neighbors as Partners" Program indicate that Maasai women are primary participants in many revenue generating enterprises under these programs i.e. "Cultural Boma" tourist visit sites. These types of enterprises will be further investigated as the project progresses.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A__ B_X__ C__

I. BACKGROUND DATA

FINANCIAL DATE

Project Title: Park Rehabilitation and Management Project
Project Number: 615-0253
Date of Authorization: original 08/30/90
Date of Obligation: original 08/30/90
PACD: original 07/30/92 amended to 09/30/93
Implementing Agencies: Kenya Wildlife Service (KWS)
Major Contractors: N/A
AID Project Officer: Dennis McCarthy/James Kigathi
Status of CPs/Covenants: Conditions Precedent Satisfied.
Covenants Satisfied.

Amount Authorized:	DA/ESF Grant: original	\$ 1,250,000
Amount Obligated:	DA/ESF Grant: original	\$ 1,250,000
Amount Committed:	Period:	\$ 0
	Cumulative:	\$ 1,228,183
Accrued Expenditures:	Period - Projected:	\$ 20,000
	Period - Actual:	\$ 145,512
	Cumulative:	\$ 1,067,079
	Period - Next:	\$ 145,000
Pipeline:	Period - Beginning FY	\$ 187,562
	Period - Actual	\$ 182,921
Counterpart Contribution:	Planned:	\$ 420,000
	Actual:	\$?
	% LOP Elapsed	100%
	% of Total Auth. Oblig	100%
	% of Total Oblig. Exp.	96%
	% of Total Auth. Exp.	96%

Date of Last Evaluation: N/A Next Evaluation: NONE
Date of Last Audit: 05/31/93 financial Next Audit: 00/00/00
Date of Last Field Visit: 06/15/93 Next Field Visit: None

II. PROJECT DESCRIPTION AND PURPOSE

To strengthen KWS's capacity to manage Kenya's natural parks and reserves and preserve its rich wildlife.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

Based on various site visits by project officer over this reporting period, equipment supplied for road improvement/maintenance has been very effective in increasing capacity of KWS to improve park roads. In particular, the Tractor Based Road Work Accessory packages have been most effective in terms of appropriate technological packages. Ten Landrover vehicles have been received and assigned to five National Parks. Four tractors (two fitted with loaders and rippers), two towing road grading units, two tipper trailers and two caravan trailers, have been procured and handed over to KWS for purposes of park road maintenance. Various pieces of shop tools and equipment have also been procured under the project and have been turned over to KWS for equipment maintenance purposes. In addition, approximately twenty pieces of park road maintenance machinery (dozers, graders, loaders etc.) have been overhauled and redeployed to five game parks.

IV. Project Outputs

	<u>Status (% Completed)</u>
1. Improved capacity of KWS to maintain park roads.	100%
2. Improved park management capability of KWS through increased mobility of personnel.	100%
3. Improved financial control and planning systems within KWS.	0%

V. Progress During Reporting Period

1. Financial audit completed.

VI. Evaluations and Audits

1. Financial Audit completed.

VII. Issues, Problems, Delays and Corrective Actions

1. Financial Audit results call for USAID to determine allowability of repairs done on Parks equipment in Parks outside of those designated in Project Grant Agreement. In addition, questionable repair costs, previously identified in commodity audit and investigated by RIG/IG, have been highlighted as a result of the financial audit and USAID designate the responsibility of determining allowability of these costs.

VIII. Major Actions Planned for the Next Semester

1. Respond to Financial Audit issues; allowability of equipment repairs in Parks outside of designated Parks in PROAG and determine allowability of questioned equipment repair charges.
2. Make final payments for road maintenance equipment repaired and costs allowed.

IX. Gender Considerations

NONE

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memorandum

DATE: June 15, 1994

REPLY TO
ATTN OF: *Steffi Meyer*
Steffi Meyer, Chief, Office of Projects

SUBJECT: Office of Population and Health - PIR meeting of May 4, 1994
for the period ending March 31, 1994

TO: See Distribution

The Semi-Annual PIR meeting for Office of Population and Health was held on May 4, 1994. The agenda (+) and results (-) of the discussion are as follows:

The Office Chief in his opening remarks, reported that; a) PH program objectives as shown in the API, are closely linked to the contraceptive prevalence rate and fertility decline; 2) OPH is still not clear whether USAID/W has approved the revised O/PH strategy which includes STD/AIDS prevention. The office only received feedback from AFR/EA to go ahead with the change but no response on what indicators are appropriate for the STD/AIDS subgoal level. The Office of PH, together with Program Office, will follow-up on the status of approval of the strategic change.

A. Family Planning Services and Support - 615-0232

1. + The abrupt resignation of the JHPIEGO representative in Kenya has resulted in an extensive review of the situation by both JHPIEGO and USAID/K management. Why an extensive review? Has this review yielded any significant findings?
 - The abrupt resignation of Dr. Maringo, the JHPIEGO Country Representative, raised concerns. This triggered an investigation that identified \$12,000 disallowable expenditures (inappropriate or undocumented), for which JHPIEGO has sent a Bill of Collection to Dr. Maringo. JHPIEGO will replace the \$12,000 whether or not they are successful in collecting from Dr. Maringo. The O/PH will prepare a memo to the files with a copy to RIG documenting the results of the audit and how JHPIEGO has opted to resolve it.

2. + What are the major findings/lessons learned from the recently completed IEC evaluation of client/provider activities? What is the OP/H strategy for improving service providers utilization of printed materials ?
 - That 70% of health workers are likely to access IEC materials.
 - There is need for further study to understand why service providers have materials but do not use them.
3. + In the second amendment to the PP, one of the areas of emphasis under the CBS was the use of long-term/permanent methods through referrals. Both the PIR on output indicator (CBD referrals) and the 1993 KDHS indicate low proportion of respondent reporting a CBD worker as their source of contraceptives. What is the OP/H strategy to address this?
 - It is suspected that the KDHS substantially under reported CBD workers as a source of contraception because of the way the questionnaire item was worded. USAID has requested the designers of the KDHS to investigate further to see if an explanation for and correction can be made for these low CBD findings.
 - Seminars/workshops will be arranged to identify barriers for women to medical services, for example, the requirement that women obtain a man's signature before a TL is done. This information will assist in identifying strategies to address gender biases in family planning services.
4. + What is Mission management's best option for the close-out of project audit recommendation? Note: during the last PIRs, the Controller was requested to raise the audit closure issue in the Controller's conference to: 1) explore options for closure; 2) check with USAID/W regarding the possibilities of using local currency to settle Bills of Collection. What was the outcome?
 - A Bill of Collection is to be sent to Treasury. A draft is with the Controller Office.

B. Kenya Health Care Financing Project/Program - 615-0245

1. + The PIR highlights the HCF Secretariat's lack of mobility and financial resources resulting from the difficulty in accessing World Bank funding. What options would the Mission have in assisting the Secretariat to access the World Bank financing?

- These funds were provided through the Health Rehabilitation project fund by the World Bank, the primary objective of which is to reduce high patient load and congestion at KNH. US\$ 422,000 was allocated to HCF with a large share going to the Secretariat. There is confusion regarding procedures for access to and release of the money. O/PH assistance in this issue is limited. O/PH has and will continue to play an advocacy role in advising the bank of the difficulties the Secretariat has in accessing these funds which currently limit its ability to monitor/supervise the cost sharing program. This issue was raised with the Bank during the mid-term evaluation of the Bank project. The Project Officer will be going to Washington in June and will take up the issue with the Bank.

The KHCF NPA (scheduled for NHIF) cannot be reprogrammed for the Secretariat. W/B Vice President will be in town next week. O/PH to provide Mission Director with bulletized talking points regarding KHCF project and Health Rehabilitation project coordination to address with the Vice President.

2. + Does senior management agree with the PRC conclusion/recommendation that tranche two NPA cannot be used to offset tranche one disallowables? If so, then is Mission management willing to negotiate with Treasury to reimburse MOH Special Local Currency Account No. 169 the full amount of the disallowed tranche one expenditures?

- It is a legal determination that the Mission cannot use tranche two NPA funds to offset audit disallowables. Project funds have to be used for the purposes of the Project. Follow-up by O/PH to issue a PIL to GOK requesting GOK to deposit the equivalent of the funds disallowed in the Special Local Currency account No. 169. PIL draft to be ready by 5/9/94.

4. + The KHCF Project Officer has identified NHIF's lack of progress in: 1) meeting mutually agreed-upon conditions precedent; 2) implementing steps to improve management, personnel and financial systems and 3) working collaboratively with the KHCF Secretariat as greatly obstructing the achievement of project objectives. As a result, the KHCF USAID and TA Team have been investigating alternative strategies for support to the Health Insurance Sector in Kenya. What are the options evolving out of the investigation? Is Mission management in support of an alternative option for the implementation of health insurance sector support under the Project?

- The PIR meeting endorsed the O/PH suggestion to shift support to the private insurance sector from NHIF. GOK has also agreed to this in principle. O/PH is investigating various options of using the money earmarked for NHIF. Possibilities are investigating the viability/utility of donor support for: 1) managed care; 2) third party payment insurance scheme and 3) social financing. The objectives of the shift are: 1) extending insurance coverage to middle class; 2) evaluating availability of insurance to low income; and 3) exploring alternative insurance options through pre-paid schemes with cooperative or expanding managed care approaches, (e.g., AAR, Chogoria pre-paid plan for provision of insurance for groups of pooled small employers with not more than 100 employees).

The current TA will be reallocated to carry out these investigations. An additional short-term consultant will be engaged to explore some of the above options.

C. Contraceptive Social Marketing - 615-0251

1. + The PACD for the CSM Project is December 1994, whereas the project achievement status (% completed) is still very low. What is the OP/H strategy to address this?

- The low project achievement status is attributed to the slow start of the Project. A project evaluation will be taking place in May. This will provide us with a better indication of where things are. Better expression of project output completed will be reflected in the next PIR.

2. + What issues, if any, were identified in the recently completed project audit? What actions have been taken to address audit findings/recommendations?
 - No issues.
3. + The PIR identifies the abundance of free Oral Contraceptives (OCs) and condoms as an obstacle for commercialization of the CSM condoms and OCs. What should be current Mission strategy with regard to the provision of free OCs and condoms?
 - The evaluation will determine what activities should be included in this project and also determine whether there is a need for a cost extension.

D. Private Sector Family Planning II - 615-0254

1. + What were the objectives of phase one of the "Condom use Study"? What were the findings of the study and their contribution to the identification of alternative models for expanding private sector delivery?
 - In Phase I of the study, the objective was to determine the knowledge, attitudes and practices of users of condoms. There were many findings of the study, including: 1) condoms are mainly used for HIV/AIDS prevention; 2) frequent breakage of condoms is reported and 3) users sometimes use more than one condom and with a lubricant such as vaseline, etc.

Phase II is underway and will focus on non-users.

2. + One of the rationales for PSFP II was to consolidate the achievement realized under PSFP I into PSFP II through liaison, networking and maintenance of entities assisted in PSFP I. What is the status of this activity?
 - 80% of the PSFP I graduates have matured and no longer need assistance. 20% continue to require support. The EOPS target has been achieved.
3. + (a) The PIR report indicated that interviews for the Project Director have been completed. Why has the person not been brought on board?
 - No suitable candidate was found among the applicants shortlisted. O/PH never saw any of the C.V.s. The field staff are getting demoralized by the delay. O/PH will send a fax to JSI to express Mission concerns about the delay in the recruitment process.

+ (b) Now that the D/DIR for Finance and Administration is on board, was audit recommendation No. 1 taken into consideration when he was being hired?

- Yes, the audit recommendation were taken into consideration. Former Deputy Controller of JSI has filled the position. He has brought out with him the required financial management systems which are being utilized.

E. Kenya Population & Health Project - 615-0264

+ Update on the status on the design of the Project.

- The draft NAD has been distributed for discussions in the next O/PH monthly staff meeting.

Distribution

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D/DIR:RSimmons
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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

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I. BACKGROUND DATA

Project Title: Family Planning Services and Support
 Project Number: 615-0232
 Date of Authorization: original 08/23/85 amendment 05/29/92
 Date of Obligation: original 08/23/85 amendment 05/29/92
 PACD: original 09/30/92 amended to 08/22/95
 Implementing Agencies: GOK/MOH; GOK/NCPD
 Major Contractors: JHPIEGO, FPLM, AVSC, Pathfinder, CEDPA, FHI, FPMO, IRD/Macro, JHU/PCS, FPAK, CHAK, Chogoria
 AID Project Manager: Mildred Howard
 Status of CPs/Covenants: N/A

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$58,200,000	amended to \$58,200,000
Amount Obligated:	DA/ESF Grant: original	\$43,800,000	amended to \$46,800,000
Amount Committed:	Period:	\$ 1,483,038	
	Cumulative:	\$41,757,592	
Accrued Expenditures:	Period - Projected:	\$ 2,297,000	
	Period - Actual:	\$ 1,325,752	
	Cumulative:	\$38,126,413	
	Period - Next:	\$ 2,297,000	
Pipeline:	Period - Beginning FY93	\$12,099,278	
	Period - Actual	\$ 8,173,586	
Counterpart Contribution:	Planned:	\$	
	Actual:	\$	
Local Currency (FY)	Programmed: current (FY)	\$	
	Cumulative Receipts from MOF (FY)	\$	
	Expenditures (FY)	\$	

Date of Last Evaluation: (Components, varied)	Next Evaluation: (Components, varied)	% LOP Elapsed	80%
Date of Last Audit: 06/22/90	Next Audit: 01/94 N/A	% of Total Auth. Oblig.	80%
Date of Last Field Visit: (Components, varied)	Next Field Visit: (Components, varied)	% of Total Oblig. Exp.	82%
		% of Total Auth. Exp.	66%

II. PROJECT DESCRIPTION AND PURPOSE

The purpose of the Project is to increase the prevalence of contraceptive use in Kenya. The Project as amended in 1992 has five components:

1. **Clinical Training and Logistics Management (CTLM):** \$8.706 million, LOP. Assistance to the MOH in increasing the quality and quantity of clinic-based family planning services by training of health workers and establishing a reliable contraceptive supply system.
2. **Voluntary Surgical Contraception (VSC):** \$8.815 million, LOP. Assistance to the MOH and NGOs in establishing and maintaining facilities especially dedicated to providing permanent and long-term surgical contraceptive services.
3. **Community Based Services (CBS)** \$11.3 million, LOP. Assistance to selected NGOs in establishing and monitoring the impact of community-based, non-clinical family planning services.
4. **Information, Education, and Communication (IEC):** \$3.831 million, LOP. Assistance to the MOH and NGOs in increasing the availability of family planning IEC.
5. **Planning, Monitoring and Institutional Strengthening (PMIS):** \$3.448 million, LOP. Assistance to selected Kenyan institutions in strengthening their capacities to plan (evaluate) and monitor national population policies and programs.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

The recently released Kenya Demographic and Health Survey (KDHS) confirms earlier results showing that Kenya has made dramatic progress in its Contraceptive Prevalence Rate (CPR). Use of modern contraceptive methods increased from 17% in 1989 to 27% by 1993, with a clear trend toward acceptance of permanent and long-term methods. It was additionally observed that 93% of all contraceptors rely on either a private or government service facility, all of which are substantially supported directly or indirectly by the FPSS.

O/PH management, including the FPSS Project Officer, has given considerable attention to planning and promotion of family planning and STD/HIV service integration -- an approach that has excellent potential for success within the FPSS LOP and beyond. Discussions and planning sessions, facilitated by Pathfinder, Int'l, are on-going, and implementation of integrated approaches is now beginning in a number of FPSS-supported CAs and NGOs. The challenge of broadening family planning programs to include other reproductive health (STD/HIV in particular), has invigorated service expansion in many of these implementing agencies. This development is expected to have a positive effect, even in the near-term, on both availability and utilization of contraceptive services.

IV. Project Outputs

Description:

Status (% Completed)

SEE ATTACHMENT 1

V. Progress During Reporting Period

Active Components:

1. **CTLM:** The JHPIEGO Country Representative abruptly resigned in January 1994, resulting in the need for extensive review of the situation by both JHPIEGO and USAID/K management, among other things, a thorough examination of JHPIEGO's local finances, and initiation of a recruitment process for the Representative's replacement. In spite of this disruption, scheduled activities with the DFH Training Unit have progressed as planned. A DAN certificate course, Training of 10 Master Trainers and a Contraceptive Technology Update course, have been completed.

The contraceptive logistics system, supported by FPLM, continues to provide reliable delivery of all commodities to zonal and district stores. Analytical ability and presentation of logistics commodity data have improved. Donor coordination on commodity procurement and delivery is good.

2. **VSC:** AVSC has broadened its operational mandate in Kenya to include service delivery support for all permanent and long-term clinical methods including, in addition to TLs and vasectomy, IUDs and Norplant, and is currently actively involved in strengthening/expanding operational support for expendable supplies and equipment.

3. **CBS:** An add-on to CPK Eldore. is pending approval by Pathfinder. Chogoria's project has been extended for a further six months at no additional cost, CHAK's grant has also been extended at no cost for six months to allow time for the development of a proposal for a consolidated Phase II project. In April 1994 Pathfinder successfully organized a national workshop on standardization of CBD Policy Guidelines. According to the 1993 KDHS, the proportion of respondents reporting a CBD worker as their source of contraceptives is significantly lower than would have been expected by the service data. O/PH is taking steps to investigate and reconcile this apparent inconsistency.

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4. **IEC:** Evaluation of the Client/Provider activities was completed. Preliminary findings suggest that print materials are adequate but under utilized by service providers. Distribution and guidelines on use by service providers needs to be improved. The "male involvement" video series including 4 spots, has been developed, reviewed, and is ready for airing on local TV.

5. **PMIS:** Planning Monitoring and Institutional Strengthening

A new FSN professional staff person who joined the O/PH in March has assumed project management responsibilities for this subcomponent.

- **Family Health International/Institutional Development Project (FHI/IDP):** Construction of the Department of Ob/Gyn office block extension is well underway. Consultations with FHI headquarters staff have been held to identify the direction of possible future FHI clinical family planning research in Kenya. A recent expert consultation was conducted by FHI in Kenya to assist USAID/K to develop a HIV and contraception strategy.

- **Demographic and Health Survey (DHS):** The DHS was completed and results released in February, 1994. The contractor (Institute for Resource Development/Macro Systems), NCPD and USAID are now planning dissemination activities and secondary research based on the KDHS.

- **Family Planning Management Development Project (FPMO):** FPMO's Country Representative resigned at the end of 1993, and a replacement (soon to be identified) has been under active recruitment since then. A FPMO Program Office has, however, been hired to move forward on initiation of the National Family Planning Implementation Plan exercise, initial planning of which was recently completed in a one-day seminar with MOH and donor representatives. FPMO is additionally providing assistance to CHAK on development of a forward/fundable plan to integrate its basic family planning/SID/HIV prevention, VSC and CBD activities.

- **National Council for Population and Development (NCPD):** NCPD has been relocated by the GOK from the Ministry of Home Affairs to the Ministry of Planning and National Development -- a move speculated by some donors to be a positive one. The MoPND has appointed a Task Force to review and recommend steps toward implementation of structural and functional reforms in NCPD.

VI. Evaluations and Audits

Evaluations In-Progress or Completed:

PMIS: FPMO Internal Assessment, October 1993

FPMO External Project Evaluation (on-site), May 1994

IEC: PCS Client/Provider Assessment, February 1994

CTLM: FPLM Project Evaluation, May 1994

Status of Audits:

Audit Recommendations 2.5 and 2.6 remain outstanding. A CPA firm has been contracted to reconstruct and undertake an audit procedure which will identify alternative documentation to support the receipt and use of commodities cited in the audit. Pre-entrance and entrance conferences have been held with Deloitte & Touche who are carrying out the review.

VII. Issues, Problems, Delays and Corrective Actions

O/PH is experiencing excessive administrative burden and delays in attempts to close Audit Recommendations. To assist in this process, O/PH needs the following clarifications/determinations from Mission management:

- Will issuance of a Bill of Collection (BOC) to the GOK close the audit recommendation?
- Can/should USAID local currency credits be used by the GOK to pay a BOC?
- Can/should USAID/K make any further advances/reimbursements to the MOH or the MoNPD so long as audit recommendations are open, or BOCs are issued but unpaid?

VIII. Major Actions Planned for the Next Semester

- Complete hiring and orientation of one FSN PSC for CBS - USAID - May.
- Complete Field Test of 6-week course and Introductory course. DFH - June.
- Complete round of national re-training of contraceptive logistics officers and service providers. FPLM - June.
- Complete program to incorporate all NGO subscribers to the MOH/DFH contraceptive supply system into procedures for improving access to contraceptives and reporting by the SDP. FPLM - October.
- Absorption of an additional 40 public sector VSC sites into the AVSC support network, including all clinical methods. AVSC - September.
- Completion of an interim CBD program assessment in support of future bilateral program design. USAID - May.
- Completion of a study to identify methods for more accurate documentation of CBD reporting, with particular attention to capturing data on "effective referrals". USAID - August.
- Complete contract to local advertising firm for design of the National Family Planning logo. JHU/PCS - August.
- Complete purchase of replacement computer equipment for the MOH with money remaining in the IPS component. USAID - June.
- Begin the National Family Planning Implementation Planning exercise. DFH/FPMD - May.
- Conduct National 1993 KDHS Dissemination Workshop. - Macro/NCPD
- Develop method of documenting counterpart contribution. USAID - July.

IX. Gender Considerations

O/PH has begun to study the following issues, among others, in connection with design of the new 1995 population/health bilateral project:

- reduction of gender-influenced medical barriers to contraception;
- developing a system to monitor the costs/benefits of family planning to women;
- defining the magnitude, health consequences and socio-cultural dynamics of female circumcision practices in Kenya;
- defining the magnitude of the problem, and developing strategies to reduce unsafe abortion practices.

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ATTACHMENT 1

IV. <u>Project Output Descriptions</u>	LOP	Status (% Completed)			<u>1995</u>
		<u>1992</u>	<u>1993</u>	<u>1994</u>	
CTLM - Number of SOPs established.	2,212	75	80	90	
- KCNs, KRNs, and COs trained to-date.					
. Certificate	4,950	—	82	82	
. Refresher	1,270	—	34	34	
- Training Unit Organogram.	"developed"	--	100	100	
- Annual Action Plan.	"submitted"	100	100	100	
- In-service curricula.	"implemented"	--	30	50	
- MOH/DFH participants trained annually.	8-10/yr	150	150	150	
- Logistics Unit staffed.	"fully"	60	80	80	
- Information system operational.	"fully"	40	80	85	
- Contraceptive supplies available.	"adequate"	50	80	90	
VSC - AVSC sites established.	78		87	106	
- VSC procedures performed.	110,000	71	75	83	
- Interns trained in VSC.	900	56	74	80	
- Graduated interns performing VSC.	70%	TBD	TBD	TBD	
- Norplant service sites established.	32	9	100	120	
- Norplant procedures performed.	14,000	4	14	23	
- AVSC/COPE sites established.	62%		50		
CBS - # of sublocations with CBD sites.	37%	TBD	TBD	TBD	
- # of CBDs trained.	3,775	90	TBD	96	
- # of CBD supervisors trained.	150	79	TBD	98	
- Annual CYPs achieved.	200,000	53	TBD	60*	FLPS data to be added
- CBD referrals for:					
. VSC.	20,000	38	TBD	28	
. Norplant	2,000	4	TBD	18	
IEC - IEC materials produced/evaluated.	"widely"	50			
- IEC/counseling workshops held.	6	--	--		
- CBD Training Manuals distributed.	200	--	75		
- Radio programs broadcasted.	52	--	100		
- IEC Working Group meeting.	"quarterly"	100	100		
PMIS - 1993 DHS.	"completed"			100	
- NCPD MIS.	"established"	--	90	90	
- OB/GYN Medical Barriers studies	N/A*				
- NCPD participants trained, annually.	8-10/yr	150	150	150	

* Studies not done but three related national workshops held.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

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I. BACKGROUND DATA

Project Title: Health Care Financing Program/Project
 Project Number: 615-0245
 Date of Authorization: original 08/28/89 amendment 06/30/92
 Date of Obligation: original 08/28/89 amendment 06/30/92
 PACD: (Prog.) original 08/31/93 amended to 08/31/95
 (Proj.) original 12/31/93 amended to 06/31/95
 Implementing Agencies: MOH--lead; KNH; NHIF
 Major Contractors: Management Sciences for Health
 AID Project Officer: Kate Colson
 Status of CPs/Covenants: Tranche Two disbursement to KNH was approved; MOH CP submission to be reviewed by PRC in April; NHIF submission late, still pending passage of NHIF Act this session of Parliament

Date of Last Evaluation: 05/15/92 Next Evaluation: 03/95
 Date of Last Audit: 02/15/93 Next Audit: 5/94
 Date of Last Field Visit: 03/07/94 Next Field Visit: 5/09/94

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$15,000,000	amended to \$17,000,000
Amount Obligated:	DA/ESF Grant: original	\$15,000,000	amended to \$16,230,000
Amount Committed:	Period:	\$ 111,716	
	Cumulative:	\$10,409,677	
Accrued Expenditures:	Period - Projected:	\$ 3,655,500	
	Period - Actual:	\$ 530,084	
	Cumulative:	\$10,521,393	
	Period - Next:	\$	
Pipeline:	Period - Beginning FY94	\$ 7,858,014	
	Period - Actual	\$ 5,708,607	
Counterpart Contribution:	Planned:	\$2,433,000	
	Actual:	\$1,993,680 (as of 10.31.93)	
Local Currency	Planned	\$3,150,000	
% LOP Elapsed		80%	
% of Total Auth. Oblig.		95%	
% of Total Oblig. Exp.		65%	
% of Total Auth. Exp.		62%	

II. PROJECT DESCRIPTION AND PURPOSE

To support the implementation of health sector policy reforms designed to provide sustained increases in financial resources for the delivery of curative and preventive services in Kenya.

Specifically, the program is to result in:

1. Reallocation of financial resources in favor of preventive/primary health services; and
2. Increased financial resources available to the overall health sector, made possible by fees-for-service, insurance claiming and improved efficiency.

This five-year policy reform initiative is being implemented with both non-project (NPA)--funded through the Africa Economic Policy Reform Program, and project assistance.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

1. The 1990 Project-funded GAP study identified a financing gap for primary/preventive health services of KSh 429,000,000. MOH agreed to close the gap by 30 percent in real terms within three years (end of FY 1993.) Shifts in MOH recurrent budget are being monitored by MOH through a computerized program. Actual budget shifts based on expenditures will be known after audit of the FY 92 budget. Actual expenditures for key primary/preventive health programs such as immunization, rural drug kits, and family planning have increased in absolute terms over the last three years.
2. Cost sharing reforms were established in August 1989 and implemented in December 1, 1989 through MOH facilities. Although adjustments were made in the fee schedule, cost sharing has been successfully initiated and is in place. Progressive contributions and increased insurance benefits were implemented at NHIF. Currently, revenue collected from both cost sharing fees and insurance claiming at KNH equals 12 percent of KNH's recurrent budget and 32 percent of KNH's non-wage budget. KNH's cost sharing revenue target (EOPS) in the PAAD has been met. Cost sharing revenue at MOH equals 3 percent of the MOH's recurrent budget and 12 percent of non-wage budget. MOH's cost sharing revenue target (EOPS) in the PAAD is 10 percent of recurrent budget. Cost-sharing has been introduced at KNH, the Provincial General Hospitals, District Hospitals and some Health Centers.

IV. Project Outputs

Description:

Status (% Completed)

Program outputs are being accomplished by the MOH HCF Implementation Committee and Secretariat with the assistance of the USAID-funded HCF Technical Assistance Team.

MOH:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. System to allocate increased budget to preventive health services 2. Waiver system developed to ensure access to care 3. Monitoring system 4. Cost sharing systems for revenue collection, recording and use 5. Retention of 75% of cost sharing revenue at facility level and 25% within the district for primary/preventive health services 6. Health Care Financing Strategy 7. Fully functioning Implementation Committee 8. Efficiency measures identified and implemented: Protocols of care, staffing norms. | <p>Implemented but needs refinement and greater attention from senior level MOH Officers</p> <p>Accomplished, but implementation still varies by facility</p> <p>Implemented through household and facility surveys in indicator districts; impact evaluation report based on data from indicator facilities drafted and circulated for comment</p> <p>Implemented at PGHs, District Hospitals and some Health Center</p> <p>Accomplished</p> <p>Approved, and served as foundation for MOH five-year Health Care Financing Implementation Plan</p> <p>Accomplished, but requires more senior MOH management participation</p> <p>Underway, and other donors (ODA, SIDA, DANIDA, WB) identified</p> |
|---|---|

KENYATTA NATIONAL HOSPITAL

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Cost sharing implemented 2. Quality Assessments initiated | <p>Accomplished</p> <p>Accomplished</p> |
|---|---|

NATIONAL HOSPITAL INSURANCE FUND

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. NHIF Strategic Plan 2. Revised premium and benefit structure 3. Cost assessment to establish reimbursement levels 4. Actuarial data base established | <p>No progress; NHIF senior management briefed but maintains that plan cannot be revised until new NHIF Board is in place; no progress made in linking NHIF and MOH strategic plans</p> <p>Accomplished; but no progress made in premium collections</p> <p>Completed, but not implemented by NHIF</p> <p>Underway, but delayed due to slow implementation on part of NHIF</p> |
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V. Progress During Reporting Period

OVERALL

1. An amendment to extend the Management Sciences for Health contract from Nov 1, 1993 - June 30, 1995 and increase LOP funding by \$1.4 million, with \$630,000 obligated in late FY93.
2. Cost-sharing revenues continue to play a central role in sustaining MOH facility-level service delivery of both curative and primary/preventive health care. Revenue generation continues to rise with improved collection and increased fees.
3. Major strides have been made in providing training and supervision to District Health Management Boards, with all DHMB training to be complete by April 1994 and with the release of the Facility Improvement Fund Supervision Manual.
4. The KHC Project Officer participated in the mid-term evaluation of the World Bank's Health Rehabilitation Project in mid-March and contributed to the mid-term evaluation report from the same mission, in an effort to improve coordination USAID-World Bank of donor assistance to Kenya's Health Care Financing Programme.

MINISTRY OF HEALTH:

1. Eight HCF Secretariat technical staff are now in place, with the appointment of three accountants and a Program Administrator. The two remaining support staff required to achieve a full complement of 8 technical and 5 support staff have been assigned. Overall, the HCF Secretariat is working effectively and, in many instances, independently of the TA Team.
2. While the HCF Secretariat is working well, taking on more responsibility and independence than in the past, it lacks mobility and financial resources. Continued Secretariat difficulty in accessing World Bank funding of \$422,000 under the Health Rehabilitation Project, and inadequate staffing, hinder the Secretariat's ability to function more effectively.
3. Consistent with MOH commitments in 1993, the HCF Secretariat has been elevated to unit status and budgeted to receive KShs 2,200,000 in the FY 94/95 forward budget.
4. The Health Care Financing Strategy has been adopted as GOK policy and incorporated into other GOK strategic documents, including "Investing in Health," and the "1994-1997 National Development Plan." The MOH-established HCF Task Force continues to oversee the implementation of the plan.
5. Regional workshops continued for DHMBs/DHMTs to reinforce expenditure guidelines, the planning process and planning schedule. DHMB/T workshops have emphasized collection performance.
6. Hospital workload forms continue to be routinely submitted by Indicator Hospitals.
7. Audit guidelines for cash collections have been developed and Secretariat staff have been trained in their implementation, although the Secretariat audit unit has not yet been established.

KENYATTA NATIONAL HOSPITAL:

1. KNH Training Unit continues to be fully operational, despite the termination of the subagreement with Deloitte & Touche due to poor performance. The training unit has assumed full responsibility for all training activities and conducted an internal impact assessment indicating management improvements at KNH resulting from management training received by personnel in several departments.
2. Tranche Two for KNH was released to Treasury January 19, 1994.
3. KNH has revised its fee levels and is now collecting more revenue than ever before. Significant steps have been taken to control fraud and abuse.
4. Now firmly established, the finance department is routinely collecting financial information and generates financial management reports for senior management.

NATIONAL HOSPITAL INSURANCE FUND:

1. The NHIF Act has been rewritten, with significant technical and financial support from the KHC TA Team and Secretariat. The Act was submitted to the Attorney General's office and subsequently retrieved for additional work. A second revised draft is with PS/MOH for final discussion prior to submission to Parliament.

2. Rules and regulations for NHIF have been outlined; further development and implementation pending passage of NHIF Act.
3. NHIF briefed again on unit costing/rate setting method implementation plan; final paper still not prepared and recommended changes in reimbursement methods have not taken place.
4. No improvements in NHIF staffing, due to NHIF resistance to recruiting until the NHIF Act is passed and new Board constituted.

VI. Evaluations and Audits

The final Non-Federal Audit report was submitted to the Mission on July 16, 1993 in which a total of \$56,013 in audit disallowances for KNH (3%) and \$722,690 for the MOH (36%). Total audit disallowables were reduced to \$211 (ineligible costs) after KNH produced documentation to close one recommendation related to a \$55,803 unsupported cost. The balance of \$211 was recovered from the GOK by deducting the same amount from Tranche Two.

Drafting of PIO/T for financial review of unsupported costs under MOH tranche one underway.

VII. Issues, Problems, Delays and Corrective Actions

1. **NFA Audit Findings:** While KNH NFA audit disallowables under tranche one were reduced to less than 1 percent of the total disbursement, MOH audit disallowables exceed \$500,000 (\$722,690). A financial review of the remaining disallowables (with a focus on the unsupported costs) will be scheduled for May 1994, but is unlikely to reduce the total level of disallowables by more than \$250,000 - \$300,000. The question of how outstanding audit disallowables will impact upon the programming of future USAID assistance to the MOH (both Project and Non-Project assistance) remains. O/PH will seek guidance from the KHCF PRC regarding the legality and protocol related to the release of additional Project and NPA assistance to the MOH in the face of unclosed audit recommendations.

The MOH's ability to spend and account for the use of future NPA support is greatly enhanced by several important developments: MOH written commitment to establish the Head of the HCF Secretariat as an A.I.E. holder and to provide quarterly expenditure reports under tranche two; and the KHCF TA team financial consultant's scope of work under the Project extension includes on-going assistance in local currency expenditure review and reporting and assistance to the Secretariat's Accountants I, II, and III in preparing financial reports.

2. **Approval of Tranche Two to MOH:** In its April meeting, the KHCF PRC meeting will likely concur with O/PH that the MOH has met the conditions precedent required for the release of Tranche Two. As in the case of the release of Tranche Two assistance to KNH, USAID/K release of NPA assistance to the MOH is likely to require AID/W clearance, based on concerns that an NPA disbursement is inconsistent with donor disappointment in slow GOK progress on economic, political, and governance reforms. O/PH will request senior mission management guidance and assistance in seeking USAID/Washington endorsement of the release of Tranche Two.
3. **NHIF:** NHIF's lack of progress in achieving conditions precedent, adopting USAID-funded technical assistance, and implementing recommended changes in personnel financial management continues to significantly obstruct achievement of project objectives involving NHIF. Compounding the problem are serious concerns on the part of USAID and some MOH officials about the integrity of current senior NHIF management based on increasing evidence of corruption related to the collection of premiums and release of reimbursements at the Fund. Based on the minimal impact of USAID assistance at the Fund over the past 18 months and the limited time available under the remainder of the project to achieve project objectives, the HCF Secretariat, KHCF TA Team and O/PH have been investigating alternative areas of support to the health insurance sector in Kenya. O/PH plans to present a strategy to the KHCF PRC and the the Permanent Secretary (MOH) for the revision of the Project to end support to NHIF and reallocate both NPA and Project assistance to the MOH and to investigate options for the expansion of private health insurance sector in Kenya. O/PH will seek senior management approval of the proposed strategy and guidance regarding how to implement the approved revisions.

VIII. Gender Considerations

Increased financial resources available for both curative and primary/preventive care, resulting in improved availability and quality of services, are expected to equally benefit men and women.

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IX. Major Actions Planned for the Next Semester

	<u>Responsibility:</u>	<u>Expected completion date</u>
1. Review MOH submission for Tranche Two.	USAID/K & PRC Members	April 1994
2. Release Tranche Two (\$1 million) to Ministry of Health.	USAID/K	May 1994
3. Continue to investigate options available in addressing outstanding disallowables for Ministry of Health NFA.	USAID/K, OPH/CONT/RLA	April 1994
4. Conduct financial review of MOH audit disallowables	USAID/K, CONT. RIG/A	May 1994
5. Advocate passage of NHIF Act and develop NHIF Rules and Regulations accordingly.	USAID/K, MOH	July 1, 1994
6. Continue development of NHIF Strategic Plan.	HCF TA Team, MOH	May 1994
7. Finalize TA phase out of KNH.	TA Team, KNH, OPH	May 1994
8. Continue to implement development of KNH in-country training programme	HCF Sec't/TA team	ongoing
9. Complete Hospital Drugs and Medical Supplies Management manual and Clinical Guidelines.	TA Team	May 1994
10. Obtain mission endorsement of the termination of USAID assistance to NHIF and the reallocation of funds to investigating expansion of the private health insurance sector	HCF TA Team, MOH USAID/K HCF PRC Members	April- May 1994
11. Complete Project/Program Grant Agree't Amendments and PP/PAAD supplement related to changes specified in action 10 (above)	D/PH;Projects;REDSO; PRC;GOK--MOH/MOF	May-June 1994

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A ___ B X C ___

I. BACKGROUND DATA

Project Title: Contraceptive Social Marketing
 Project Number: 615-0251
 Date of Authorization: original 06/29/90 amendment 06/03/92
 Date of Obligation: original 06/29/90 amendment 11/30/92
 PACD: original 06/30/93 amended to 12/31/94
 Implementing Agencies: Population Services International (PSI)
 Major Contractors: McCann Erickson (Advertising/Promotion)
 AID Project Officer: Nellie Mwanzia
 Status of CPs/Covenants: N/A

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$2,683,000	amended to \$4,183,000
Amount Obligated:	DA/ESF Grant: original	\$2,683,000	amended to \$4,183,000
Amount Committed:	Period:	\$ 0	
	Cumulative:	\$4,183,000	
Accrued Expenditures:	Period - Projected:	\$ 304,000	
	Period - Actual:	\$ 59,500	
	Cumulative:	\$2,229,109	
	Period - Next:	\$ 0	
Pipeline:	Period - Beginning FY94	\$1,682,000	
	Period - Actual	\$1,953,891	
Counterpart			
Contribution: (PSI/Distr)	Planned:	\$1,029,000	
	Actual: 12/93	\$ 471,850	
% LOP Elapsed		80%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		53%	
% of Total Auth. Exp.		53%	

Date of Last Eval/Assess: 02/93	Next Evaluation: 05/94
Date of Last Audit: 12/31/93	Next Audit: 12/31/94
Date of Last Field Visit: 02/24/94	Next Field Visit: 05/9/94

II. PROJECT DESCRIPTION AND PURPOSE

The purpose of the CSM Project is to increase the availability, accessibility and affordability of contraceptive products available from private commercial outlets throughout the country. Particular emphasis will be placed on marketing of condoms to combat the spread of STDs and HIV/AIDS.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

The TRUST brand of condom was successfully launched in October 1993. Between October 1993 and March 31 1994, TRUST condom sales averaged 400,000 per month. Total sales were approximately 2.5 million TRUST condoms countrywide. PSI expects to achieve it's 1994 projected target by selling 6.5 million TRUST condoms. Out of the twenty million ODA-donated condoms, four million condoms are in country and another four million are expected in Mombasa in May 1994.

While TRUST condom sales have been impressive, there seems to be an ambivalent attitude towards private marketing of condoms among government and some market outlets last December, for example, explicit press advertising was temporarily curtailed following the adverse press related to private sector condom advertising. Nonetheless the Ministry of Health (MOH) continues to show its support for the Contraceptive Social Marketing (CSM) Project. Recently MOH agreed to the packaging of TRUST condoms receiving a quality compliance package marking which indicate that the product meets MOH specifications, WHO and International Organization for Standardization (ISO) quality assurance standards. There is however a need for continous reality check with key GOK individuals to minimize damaging press report related to TRUST condoms and the CSM project.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>
1. 113,000 Couple Years of Protection from condom sales. (17 million condoms)	15.6%
2. 28,000 Couple Years of Protection from oral contraceptive sales. (360,000 cycles)	3.8%
*150 condoms = 1 CYP, 13 cycles = 1 CYP	

V. Progress During Reporting Period

1. Launching of TRUST condoms - followed by sale of 2.5 million condoms.
2. Completed arrangements for the CSM mid-term evaluation.
3. Surgipharm pharmaceutical company was selected to market Lo-Randal and has sold 3,000 cycles since December 1993.
4. An annual audit was completed by Peat Marwick accountants for the period ending December 1993. Reports have been distributed to USAID/Kenya and PSI/Washington.
5. PSI organized intensive media advertising of TRUST condoms.

VI. Evaluations and Audits

Last assessment - January/February, 1993 - Project focus was redefined. Increased condom sales to prevent STDs, particularly HIV.

Last audit - December 1993

Next Evaluation - May 1994

VII. Issues, Problems, Delays and Corrective Actions

1. PSI is overstocked with Lo-Randal Oral Contraceptives (nearly 159,00 cycles in stock) There is currently a very limited demand for commercially marketed OCs because of the abundance of free oral pills given by the MOH. Surgipharm anticipates they will be able to market approximately 15,000 to 20,000 cycles between now and December 1994 and another 12,000 cycles after the PACD and LOP extensions. The immediate action is to find other USAID-CSM funded projects which can use the low dose OCs. Discussions with Uganda and Nigeria CSM programs are underway.

2. The GOK and its politically ambivalent attitude, that manifests itself in form of adverse press coverage towards private sector condoms, we suspect is partially caused by the lack of a clear understanding of the concept and the operational mechanics of the CSM project. A briefing package on CSM project, that may include an AIDS Impact Model (AIM) presentation will be prepared by USAID/OPH and PSI for the Minister of Health and key senior MOH and GOK individuals who need to grasp the CSM concept completely and understand the central role and linkages between USAID/Kenya-CSM funded Project the TRUST condoms and HIV/AIDS prevention.

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3. In as much as NGOs such as Family Planning Private Sector (FPPS) and CEDPA want to enter into subagreements to market TRUST condoms, the fact that they currently provide free condoms has proved to be an obstacle. PSI, in collaboration with USAID/OPH, would like to identify several large commercial and industrial communities which work with FPPS and provide them with TRUST condoms to market instead of receiving free condoms on a pilot basis.
4. There is a need to get a better output measure of condoms as they relate to HIV/AIDS and STD prevention. This issue will be addressed during the evaluation exercise.

VIII. Major Actions Planned for the Next Semester

1. The mid-term evaluation will examine the following issues: assess project impact and performance to date, identify lessons learned about a USAID-funded CSM project, determine whether there are justifications for a one-year cost extension and determine what changes should be done to the current QC marketing effort and if the project should continue to market QCs.
 2. Complete mid-term evaluation May 1994.
 3. If Evaluation confirms need/desirability of a funded extension, then complete/process PIC/T to extend the PACD and LOP. CPH. June/July.
 4. Complete PSI/AIDSCAP training of sales force on HIV/AIDS information and basic epidemiology so that PSI sales representatives will be better versed in AIDS prevention. PSI - July
 5. PSI and AIDSCAP will work on linking the work done by the MIUJIZA Theater Group to promote TRUST condoms. Continuous.
 6. PSI and AIDSCAP will subcontract with ACE Communications to produce AIDS related soap operas for airing on KBC. Per every 15 minute episode, PSI will get 2 spots of 45 seconds each to advertise TRUST condoms- June-July.
- IX. Gender Considerations

The project is intended to protect women and men against AIDS.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A X B ___ C ___

I. BACKGROUND DATA

Project Title: Private Sector Family Planning II
 Project Number: 615-0254
 Date of Authorization: original 05/23/91 amendment 00/00/00
 Date of Obligation: original 12/31/91 amendment 00/00/00
 PACD: original 10/30/98 amended to 00/00/00
 Implementing Agencies: FPPS/Kenya
 Major Contractors: JSI/Boston
 AID Project Officer: Gitonga Kathurima
 Status of Cps/Covenants: N/A

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$10,000,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$ 3,228,000	amended to \$
Amount Committed:	Period:	\$ 0	
	Cumulative:	\$ 3,228,000	
Accrued Expenditures:	Period - Projected:	\$ 494,000	
	Period - Actual:	\$ 506,727	
	Cumulative:	\$ 2,569,623	
	Period - Next:	\$ 494,000	
Pipeline:	Period - Beginning FY 93	\$ 1,077,241	
	Period - Actual	\$ 658,377	
Counterpart Contribution:	Planned:	\$ 435,600	
	Actual:	\$ 0	
% LOP Elapsed		33%	
% of Total Auth. Oblig.		32%	
% of Total Oblig. Exp.		80%	
% of Total Auth. Exp.		26%	

Date of Last Evaluation: 00/00/00 Next Evaluation: 05/01/95
 Date of Last Audit: 06/30/93 Next Audit: 06/30/94
 Date of Last Field Visit: 04/11/94 Next Field Visit: 04/04/94

II. PROJECT DESCRIPTION AND PURPOSE

The primary purpose of the PSFP II project is to increase the availability, use and sustainability of family planning services in the private sector

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

During this period, twelve new sub-projects were initiated, sub-contracts were awarded, clinic equipment for the new sites and replacement of broken items for the continuing sub-projects were purchased and distributed. Nurse coordinators were oriented and trained in the MIS and Contraceptive Logistics System.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>
1. 50 new subprojects representing an estimated 120 SDPs routinely offer family planning (fp) services	22 out of 50 (44%)
2. (a) VSC Services added to 15 subprojects	12 out of 15 (80%)
(b) CBFP and/or IEC added to 30 subprojects	22 out of 50 (44%)
(c) MCH interventions added to 10 subprojects	10 out of 10 (100%)
3. (a) 450 clinical officers, nurses and midwives receive clinical fp training	100 out of 450 (22%)
(b) 450 clinical personnel receive refresher courses	28 out of 450 (6%)
(c) 90 field educators receive basic training	60 out of 90 (67%)
(d) 150 field educators/year attend workshops	60 out of 150 (40%)
(e) 210 CBD workers trained and deployed	90 out of 210 (43%)
4. Up to six diagnostic studies and/or OR projects completed	4 out of 6 (67%)
5. (a) Two national seminars held	1 out of 2 (50%)
(b) Presentations made at two international conferences	2 out of 2 (100%)
6. Cumulative increase in Couple Years Protection (CYP) from 1991 level of 350,000 to 800,000 attributable to private sector organizations (including PSFP I sub-projects).	38%

V. Progress During Reporting Period

1. **Training:** One Basic Nursing Course for 24 nurses and clinical officers was held in October/November 1993. Two refresher Courses for Field Educators were conducted in December 1993 and February 1994. Since the beginning of the AIDSCAP funded HIV/AIDS curriculum in counselling, all the subproject staff trained during this period received an extra two days of intensive training. Two program officers were hired in January 1994 for training, monitoring and evaluation of this component. The last MCH/TOT for nurses funded by UNESCO was delivered in October 1993.

2. **Operations Research:** Phase one of the "Condom Use Study" utilizing focus groups of users was completed and preliminary findings shared. The second phase for non-users is currently underway. A proposal based on recommendations and findings of the University Systems Analysis Study has been prepared for funding by AIDSCAP to introduce HIV/AIDS and adolescent reproductive issues in the Kenyan Institutes of Higher Learning.

3. **Staffing:** The new Deputy Director for Finance and Administration took up his position in March 1994 and continues to streamline financial and procurement systems. The Project Director position is expected to be filled in June 1994.

VI. Evaluations and Audits

The final report for the financial audit covering the period January 1, 1992 through June 30, 1993 conducted by Deloitte/Touche was issued in March. The following is a summary of the overall audit recommendations:

1. There is an urgent need to review and document systems which define a suitable internal control structure which should be integrated to job descriptions of key staff.
2. Key management posts should be filled urgently with suitable persons through professional recruitment consultants.
3. It is useful to recruit an internal auditor in order to enhance monitoring of compliance and operation of internal controls.
4. JSI should carry out detailed financial and technical evaluations frequently (say) semi-annually.
5. External audits should be conducted by independent CPAs annually.

PSFP II Project is addressing all these issues. A new procurement system which has been developed by a CPA firm is now in place. A new Deputy Director in charge of Finance and Administration has been hired and he is actively reviewing staff job descriptions and implementing other financial systems to enhance the overall project internal controls. The financial statements will now be audited by a CPA firm annually. Finally, although the report concluded that the

internal control structures were inadequate, there were no material instances of non-compliance with the Cooperative Agreement.

VII. Issues, Problems, Delays and Corrective Actions

As a result of the audit and installation of an improved equipment procurement system, the purchase of clinic equipment for the new 1993 projects was delayed and therefore start-up activities did not take place until December 1993/January 1994.

Although the position of the Project Director was advertised in the local press and interviews conducted, the position still remains vacant. Recruitment continues and the position is expected to be filled in June. Meanwhile, the Deputy Director in-charge of Programs continues to act as the Project Director.

VIII. Major Actions Planned for the Next Semester

<u>Activity</u>	<u>Responsibility</u>	<u>Est Completion Dates</u>
- Recruit Project Director	JSI/Boston	June 1994
- Recruit Admin Assistant	PSFP II	May 1994
- Select 10 new subprojects	PSFP II/TAC	June 1994
- Training		
MCH/FP 7 week course	PSFP II	July/August 1994
2 CBD Refresher	PSFP II	June 1994
2 MCH/FP Refresher	PSFP II	May/September 1994
- Compute Counterpart Contributions for 1992/93	PSFP II/Subprojects	June 1994
- Start Institutes of Higher Learning Project	PSFP II/AIDSCAP	August 1994
- Initiate Brooke Bond OR study	PSFP II/Brooke Bond	July 1994

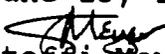
IX. Gender Considerations

Women will participate equally with men in the project's ultimate output, which is increased use of family planning methods by couples. It is possible that female participants will experience a relatively greater improvement in their social-economic status than males, because the burden of child-rearing falls overwhelmingly on women in Kenya.

The HIV/AIDS training and counselling is paying particular attention to safe sex negotiations especially in the use of condoms for women who are in a relatively weak bargaining position.

memorandum

DATE: June 15, 1994

REPLY TO
ATTN OF: 
Steffi Meyer, Chief, Office of ProjectsSUBJECT: Private Enterprise Office - PIR meeting of May 18, 1994
for the period ending March 31, 1994

TO: See Distribution

The Semi-Annual PIR meeting for Private Enterprise Office was held on May 18, 1994. The agenda (+) and results (-) of the discussion are as follows:

Opening Remarks

The Office Chief in his opening remark highlighted the following; 1) The office has undergone a review of the PIR process to streamline preparation and improve the use of PIR reports as a management tool; 2) Audit recommendation for KAM has been closed; 3) The evaluations for IESC, KAM and KMAP were finalized during the last period. This period, KREP and Trust evaluations are underway; 4) Office proposal for a 12-month extension to the PED project; 5) Office intention not to continue Trust Component of PED and PEO will identify options for the loan outstanding; and 6) Announced that local currency was made available to PRIDE.

A. Private Enterprise Development - 615-0238

1. + The PIR report indicates that, because of the delayed start of the PED II, PEO office is proposing to extend the PACD for PED I together with relevant grant/contract documents. What is the basis for the selection of the components to be included in the extension? Which components qualify for inclusion?

- PEO will extend components of PED I which will be part of PED II. The CAs with KMAP, KAM and K-REP will be extended under PED I. These have been selected on the basis of their focus on micro-enterprises projects. IESC will work under the KEDS project due to its bias towards larger firms. The CMA component will not be extended after the PACD of 9/30/94. The Trust component will not continue as a project component after the PACD. The framework under which it will exist is being explored by a PRC. PEO is looking at options for monitoring the \$7 million generated through the Trust. In 2005 the Trustee will liquidate all the investments and a cheque for proceeds given to GOK.

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2. + KREP is currently carrying out a feasibility study for transforming its current direct lending into a rural bank. How significantly would this development affect future operations of KREP with regard to its current functions?
 - KREP is looking at possibilities for setting up an independent institution to deal with direct credit to its clients. This is necessitated by the huge amounts of funds KREP collects through the program. This rural bank would generate money for KREP operations. KREP hopes to continue providing TA to NGOs through the wholesale lending program.
3. + KREP's own evaluation indicated that the KREP-assisted PVOs will take four years instead of two to reach loan disbursement and sustainability status. What is the implication of this to USAID support to KREP?
 - The evaluation established that the objective was unrealistic. This is due to the fact that NGOs require more than two years to develop the capacity to expand credit in order to be able to cover operational costs. The recently concluded evaluation of KREP will determine whether there is need to continue with PVO grants by KREP.
4. + Why are the KREP and IPC audit reports already completed still pending?
 - KREP audit although completed is still pending because it has not been approved by the board. IPC audit report was submitted to USAID on 5/17. However, there is an issue of unsupported costs. PEO and CONT are to work on a response to the audit.
5. + The Project Manager has indicated that a total of \$7 million in Trust loans will be outstanding when the Project ends in September and the Project Manager is proposing to convene a PRC to review options. How far should USAID monitoring responsibilities continue after the Project close-out?
 - By the end of June, there will be 15 loans in 15 companies. A PRC has been reviewing the following options proposed by PEO:

Option I. At PACD, do an amendment to the Trust deed and hand over all responsibility to Trustee. Instruct Trustee to liquidate Trust after 18 years and provide check to GOK.

Option II. Liquidate Trust and provide check to GOK at PACD.

Option III. USAID to name Equatorial Advisory Services Ltd. (EASL) and Industrial Promotion Services Ltd. (IPS) as managers of Trust by executing two trust deeds. This would eliminate Standard Chartered Bank. Instruct the two new Trustees that by 2005, when the 18 years are over, liquidate Trust and send check to GOK.

Option IV. Maintain status quo - but USAID to maintain a limited monitoring role.

PEO is waiting for Legal Office guidance on what is possible under the project.

B. Kenya Export Development Support - 615-0249

1. + The staffing levels at EPPO have been an issue for quite some time. To what extent has this constrained the project from realizing its objectives? Is Mission management willing to intervene?

- This has greatly constrained the project. The Mission Director will raise this issue with the new Permanent Secretary at Treasury.
2. + Have EPPO and KAC incorporated the findings and recommendations of the Export Competitiveness Study in their policy dialogue with GOK and with what results?

- The KAC and EPPO have forwarded the recommendations to the budget committee at Treasury. There may be new policy pronouncements in the budget speech.
3. + What is the status of implementation of the Export Development Fund (EDF) by PEMU?

- It was delayed because the project had to study the sector and identify key exporters and their needs. Following the liberalization (partial) of forex, exporters are now responding to the positive policy changes. The project is now entering a critical stage in its implementation. The criteria for identifying beneficiaries of the EDF have been developed and seven (7) beneficiary firms have been identified. First disbursement is expected to take place in a few weeks.
4. + What were the reasons for replacing the long-term Export Development Advisor? What actions are being taken to ensure continuity in project activities?

- Her two year contract will be over on May 25, 1994. The line of authority between the COP, who represented the contractor, and the Long-term Export Development Advisor (LTEDA), who was from a sub-contractor firm, was a source of conflict as the COP was reporting to the LTEDA. A need for more effective management was identified, especially in terms of the reporting relationship. A replacement has been identified who is equally qualified. He has been cleared by USAID and is expected to be here in July.

5. + What is the status of reprogramming of the EPZ funds? What options are coming up and when is the exercise likely to be finalized?

- The project review committee came up with options which were shared with the GOK. GOK has expressed its support for proposed budget realignment on trade finance and firm level assistance. It has expressed its reservations about the increased funding for institutional support. It accepted the proposal to increase funding for the special studies component on the understanding that the studies will be focussing on environmental factors and the impact of the project assistance.

C. Capital Market Authority - 615-0240.04

1. + What is the PEO's strategy for resolving the issue of CMA's furniture sold to NSE?

- PEO will ensure that all USG procurement rules are followed. KShs. 900,000 will be refunded to USAID (if furniture is sold) or donated to NSE which is being assisted under the project. PEO is monitoring the matter closely.

2. + According to the PIR report, CMA was supposed to advise USAID on how to fund the new national program of education. To date nothing has happened and the project has stayed with original activities. Does the PEO office intend to pursue this matter further with the CMA?

- The activities involved were the National Education and establishment of an Information Center. PEO does not intend to follow up the CMA with the matter.

3. + The report indicates that the project has not met its fourth objective of expanding the securities market while the securities market has had robust trading. Why has it not met its objective? Is there anything that can be done during the LOP to address this issue?

- This activity is not under the control of CMA. The GOK and private companies have not offered shares. The Mission Director will follow up with the PS Treasury to enquire why privatization is not happening as anticipated.

4. + Currently, there are eight new companies wanting to become brokers and one new broker admitted by NSE has not received the required licensing from CMA. What is the difficulty with accessing the NSE market? Does this difficulty pose any threat to the realization of the project objective of expanding securities market?

- Mission Director to follow up on this with the GOK.

D. PRIDE

1. + The Project Manager indicated that PRIDE has not been able to obtain USAID/APPLE funds and PEO is following the matter with USAID/W. How has the delay affected the PRIDE/Kenya operations? What are the chances of receiving the funds in good time? Does this require Mission management follow-up?

- The KShs. 48 million local currency will take PRIDE's program up until July. The \$500,000 APPLE funds will be obligated under PED I if it will be within overall Mission OYB. This will provide the dollar matching promised to GOK. If it does not come, then the Mission has to provide the dollar matching promised to the GOK from the OYB.

2. + (a) Both banks and PRIDE-assisted firms are resisting the PRIDE modalities of graduating firms into formal banking system. What are the anticipated difficulties? What are the chances of PRIDE achieving this objective?

- The evaluation of KREP raises the issue of whether NGOs should really give up their best customers to the banks through the graduation process. On the other hand PRIDE & KREPs customers fear bank regulations that require proposals and other detailed information when one is requesting a loan. This is an issue that PRIDE will explore further as this is a new issue that is being studied and information being gathered.

+ (b) How has the Barclays Bank policy change on minimum balances on saving accounts affected the PRIDE credit project? What is the status of negotiations that PRIDE entered into with other commercial banks regarding special accounts?

- The policy has affected borrowers rather than the program. Barclays and KCB are considering PRIDE's request to open special accounts for its customers. A firm answer is expected soon.
3. + PRIDE has benefitted from two previous USAID grants. What are the chances that PRIDE will be self-sustaining at the end of the current grant?
- PRIDE's model has indicated that it will become sustainable after opening 20 branches. With the current USAID grant, they will have reached a target of 16 branches. Other donors are showing interest in the PRIDE's program. Belgium may put in \$1 million and PRIDE may be able to fund some branches through reflows. PRIDE also may be able to fund some branches through the reflows, so the sustainability level may be reached soon.
4. + What is the best way of accounting for activities of an NGO with multiple donors? Should we be reporting on activities that took place prior to this project?
- PEO will report on everything including what has been funded by other donors. This is because it would be difficult to attribute what portion of PRIDE's success has resulted from USAID funding. Where it will be easy to attribute outputs to USAID grant, then the PEO will highlight such. The PRIDE grant is funding institutional administrative costs which have an impact on activities that are funded by other donors.

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19/01

PROJECT IMPLEMENTATION REPORT
October 1, 1993 - MARCH 31, 1994

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I. BACKGROUND DATA

Project Title: PRIVATE ENTERPRISE DEVELOPMENT
 Project Number: 615-0238
 Date of Authorization: original 06/05/87
 Date of Obligation: original Various
 PACD: original 09/30/94
 Implementing Agencies: Various
 Major Contractors: None
 AID Project Officer: Alfreda Brewer
 Status of CPs/Covenants: All met

FINANCIAL DATE

Amount Authorized:	DA/ESF Grant: original	\$ 25,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$ 24,246	amended to \$ 22,505
Amount Committed:	Period:	\$ 374	
	Cumulative:	\$ 22,245	
Accrued Expenditures:	Period - Projected:	\$ 2,810	
	Period - Actual:	\$ 2,063	
	Cumulative:	\$ 20,670	
	Period - Next:	\$ 2,252	
Pipeline:	Period - Beginning FY	\$ 5,639	
	Period - Actual	\$ 1,835	
Counterpart/Contribution:	Planned:	\$ 7,000	
	Actual:	\$ 8,270	
	% LOP Elapsed	93 %	
	% of Total Auth. Oblig.	90 %	
	% of Total Oblig. Exp.	92 %	
	% of Total Auth. Exp.	83 %	

Date of Last Evaluation: various Next Evaluation: CMA 6/94
 Date of Last Audit: various Next Audit: various
 Date of Last Field Visit: various Next Field Visit: various

II. PROJECT DESCRIPTION AND PURPOSE The goal of the Private Enterprise Development Project is to increase growth among Kenya's private, for-profit enterprises. The project works toward this goal at two levels, and therefore, has a dual purpose: to strengthen institutions that can improve Kenya's business environment; and to encourage growth among Kenyan businesses directly through the financial and advisory assistance those institutions provide. The seven institutions currently being assisted under PED have a wide range of activities and strategies. 1) Investment Promotion Center is a parastatal that facilitates business licensing procedures. 2) International Executive Service Corps, an American PVO, provides technical and managerial assistance through retired American executive volunteers, and supplies information and research services mainly to small and medium sized, modern private sector firms in Kenya. 3) Kenya Association of Manufacturers, the primary institution representing manufacturers in Kenya, conducts studies and workshops on key policy issues in order to lobby for their members. 4) Kenya Management Assistance Program provides counselling to micro and small businesses using volunteer managers in larger Kenyan companies. KMAP also conducts workshops and links KMAP clients to a loan scheme at Barclays bank. 5) Kenya Rural Enterprise Programme provides loans to micro-enterprises through the minimalist approach. 6&7) Kenya Trust for Enterprise Development, which is implemented by Kenya Equity Management and Industrial Promotion Services, leverages equity from these venture capital firms by providing loans to new or expanding ventures.

Indicators of achievement of the purpose are:*

	<u>EOPS</u>	<u>CURRENT</u>
Jobs Generated	9,800	Between 5,461 and 9,609
New Investment	\$157 Million	\$118.5 Million
Foreign Exchange Increased	\$ 16 Million	\$ 21.4 Million
Sales Increased	\$ 34 Million	\$ 26.3 Million
Assets Increased	\$ 3.9 Million	\$ 22.2 Million
Association Membership Increased	6,937	1,443

* A verification exercise is underway on data reported to date. The employment data has been verified, and the figures modified to reflect more accurate and recent impact evaluation exercises. So far we have been able to measure paid employment hired directly by the firm, but we are still working on measuring unpaid employment and indirect employment. The figures used in some cases are estimates based on sample surveys. The range represents a confidence interval at 95% confidence, except in the case of IESC when an 80% confidence interval was used. Similar exercises are planned for the other data.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

PED is achieving its goal and purpose. Working with seven institutions (4 NGOs, 2 equity capital firms, and one parastatal) the PED project has provided assistance to some 15,700 firms with approximately 50,000 employees, 35% of whom are women.** A major effort to improve impact-level data, involving a series of external evaluations and counterpart impact surveys, has resulted in a more accurate estimate of employment increased in PED assisted firms. Although our current estimates are lower than our previously reported data, the upper estimate of 9,609 is close to the target of 9,800 jobs generated. The breakdown by component was as follows: KREP (2,258-4,967), TRUST (1,540), KMAP (1,196 - 2,092), IESC (467 - 1,011). A similar exercise is underway for data reflecting other targets, but existing data suggests that targets for increased assets and foreign exchange have been surpassed, and that targets for increased sales and investment are 75% accomplished. The target for association membership has not been reached due to disappointing performance of the Chamber of Commerce (no longer assisted), but other components such as KREP, KMAP, and KAM continue to increase membership. The PED project will be extended in order to continue some activities while a follow-on project is being designed. Based on the evaluations and assessments conducted to date, it is likely that KREP, KMAP and KAM will continue whereas IPC, IESC, and the TRUST will not. Both KREP and KMAP work successfully with micro-enterprises, the likely target group for the follow-on project. KREP has been effective at reaching large numbers, and KMAP has proven to be a very efficient form of assistance. KAM has played a key role in improving the enabling environment for business in Kenya through advocating for key policy reforms. IESC and the TRUST have been effective, but tend to work with larger firms that are likely to fall outside the target group for the follow-on project. USAID and the donor and NGO community in Kenya continue to use the experience and lessons learned from all the components in developing private enterprise activities.

** See note on modification of employment data above.

IV. Project Outputs

<u>DESCRIPTION</u>	<u>LOP TARGET</u>	<u>THIS PERIOD</u>	<u>TOTAL TO DATE</u>	<u>STATUS (% COMPLETED)</u>
IPC Investments Approved	70	0	147	210%
KAM Policy Studies Completed	10	0	9	90%
KEM/IPS Projects	20	2	18	90%
K-MAP Clients Registered	600	39	627	105%
KREP Firms Assisted	13,000	1,783	15,050	116%
IESC Clients	140	59	186	133%

V. Progress During Reporting Period

Kenya Rural Enterprise Program: KREP continues to play a significant role in micro-enterprise lending in Kenya. KREP has surpassed its target of 13,000 assisted firms by assisting 15,050 firms, 61% of which are owned by women. Based on a sample survey of 700 borrowers, total employment increased in assisted firms is estimated to be between 2,258 and 4,967, with 40% of employment going to women. This implies that around one in five borrowers hires a new employee. One entrepreneur, a restaurant manager, used the KREP loan to move his premises from a shack in an alley to a shop on a street. The resulting increase in his business led him to hire a new cook and a new waiter. The loan repayment rate for the Juhudi and NGO schemes improved during the period and reached 90%, while the Chikola repayment rate remains 100%. The Chikola scheme continues to expand rapidly, and now 21% of borrowers are under this scheme. Activities at the branches affected by the so-called "tribal clashes" have picked up, and many affected firms have been able to re-start their businesses by re-scheduling or re-financing their loans. During the period, KREP instituted a new management structure to streamline operations and adjust to its rapidly expanding program. KREP sponsored an evaluation of KREP-assisted NGOs. It suggested that the NGOs will take 4 years, rather than 2, to reach loan disbursement and sustainability targets. In addition, KREP is currently undergoing USAID's external evaluation and is carrying out a feasibility study for transforming its current lending program into a "rural bank". These studies will contribute to the direction and strategy of further USAID assistance.

Kenya Management Assistance Program: During the period, KMAP exceeded PED's target number of clients registered. To date, KMAP has counselled 411 of these clients and 2,216 entrepreneurs have attended training. Based on a sample survey of around 100 firms, total employment increased in counselled firms is estimated to be between 1,196 and 2,092. The average size of firm, before assistance, is between 3 and 5. Women constitute 16% of the firm owners, 31% of the employees in counselled firms, and 28% of trainees. This period, KMAP was especially helpful to a travel agent who had serious financial problems due to inadequate costing and pricing techniques. The counsellor streamlined the accounts and is assisting the entrepreneur to institute a pricing policy. In the training sphere, K-MAP has responded to the needs of the private sector by adding to its training program courses on coping with the changing economic situation. The course offered this semester was entitled, "Survival Strategies Under Liberalization," and primarily attracted firms with under 7 employees. Regarding KMAP's institutional sustainability, British ODA signed a \$600,000 agreement with KMAP to establish a training unit for retired civil service officers, women, and KMAP counsellors (to improve their counselling techniques). The funding will also reduce KMAP's dependence on USAID by contributing to KMAP's administrative expenses. Due to KMAP's strong performance in increasing employment in micro-enterprises, assistance is likely to be continued.

International Executive Service Corps: The Volunteer Executive (VE) program has been effective in delivering technical assistance, transferring technical skills and technology and in helping small, medium and a few large firms to increase employment, revenues, investment and foreign exchange. To date, IESC has assisted 186 firms, against a target of 140, and 17% of the firms are owned by women. Assisted firms, which originally employed 16,414 people, have increased employment by between 467 and 1,011 in total. During this period, IESC completed five VE projects and two ABLE studies. To improve the quality of monitoring data, IESC now evaluates all firms twelve months after assistance, rather than one third of assisted firms six months after assistance. One firm evaluated during the period, Santowels, produces plastic products. The VE assisted in setting standards of quality control and improving plant efficiency. Santowels has hired 45 additional workers. IESC has implemented four of the six evaluation recommendations, including charging higher fees to larger firms, directing ABLE assistance to better off firms who can afford to use the advice, discontinuing the Joint Venture scheme, and amending the Grant Agreement to extend the completion date to August 31, 1994. Assistance is unlikely to continue under the follow-on project because IESC is not well placed to assist micro-enterprises mainly because micro-enterprises cannot afford to pay the cost of VE assistance. Assistance to IESC is likely to continue, however, under the Kenya Export Development Support Project.

Investment Promotion Center: The IPC component will be closed out, pending completion of the final audit report.

Kenya Trust for Enterprise Development: To date, 86% of the \$7 million line of credit had been used. IPS has completed its \$3 million line of credit. KEM has used \$3 million and now has sufficient investments in the pipeline to use its remaining \$1 million by the September 1994 PACD. During the period, KEM concluded two projects, bringing the total number of projects to 18 and the total number of firms assisted to 13. According to the recently completed evaluation, employment in assisted firms increased by 1,540 (33% female) following investments received through KEM and IPS. Prior to assistance, five of these firms were start-ups, two were small, two were medium and two were large, but after assistance, seven were large, three were medium, and two were small. No micro-enterprises were assisted. One of the companies assisted, FRIGOKEN, is a food processing firm that employs 350 people. 320 of the employees are women and all of its goods are exported. The evaluation concluded that the TRUST component achieved its purposes of increasing employment, investment, output as measured by revenues, foreign exchange earnings and tax revenues. IPS and KEM, however, invested in fewer firms than anticipated and through different modalities than anticipated. Thus, the objective of establishing a commercial equity market for venture capital in Kenya was not met. The evaluators also concluded that the market is not mature enough to support a firm or activities devoted primarily to venture capital investments. While this conclusion is contested by KEM and IPS, both agree that they are not suitable partners for working with micro-enterprises. In addition, the evaluation concluded that the TRUST component was under funded. For the latter two reasons, the component will be closed in September 1994.

Kenya Association of Manufacturers: During the period, KAM embarked on a capacity building exercise aimed at improving KAM's advocacy strategies, increasing KAM's in-house policy analysis skills, and improving KAM's financial sustainability. This exercise emerged from the evaluation, which observed that KAM's policy studies contributed to policy reform, but that KAM could be more pro-active in lobbying for change, given the new political climate in Kenya. Of ten action decisions agreed by KAM and USAID after the evaluation, KAM has implemented four: 1) KAM's Implementation Plan for the Action Decisions has been approved by USAID; 2) the USAID/KAM Cooperative Agreement has been amended and extended up to August 31, 1994; 3) KAM has established a Policy Steering Committee composed of four members of the Executive Committee plus KAM's Chief Executive; 4) KAM increased membership fees by 20% in January 1994. In addition, the Scope of Work for a Corporate Strategy Study has been approved by USAID. Since September 1993, KAM has attracted seven new members in the association, bringing the total membership to date to 598.

VI. Evaluations and Audits

KREP: The evaluation is ongoing. The audit for FY 93 was completed during this period, and the report is pending.

KMAP: The audit recommendations have been closed. The evaluation is completed. The evaluation found that KMAP had effectively met its targets.

IESC: The evaluation was completed. General findings were that IESC effectively assists small to large businesses to become more productive and increase employment, at a below market cost. A USAID/W audit has been completed and IESC Kenya audit issues have been resolved.

IPC: The audit was conducted this period, and the report is pending. No evaluation is planned.

TRUST: The evaluation was completed this period. General findings were that quantitative targets were met, but the intended "venture capital" mechanism was not used. Modified instruments were used that reflected Kenya's immature financial market. In addition, firms assisted tended to be medium sized and many grew into large firms. An audit is planned for next period.

KAM: The audit recommendations have been closed. The evaluation has been completed. General findings were that KAM policy studies played an important supportive role in policy change by supplying policy options and technical information to key players, and that training activities no longer need USAID support.

VII.

Issues, Problems, Delays and Corrective Actions

1. The follow-on project, due to start in FY '94, has been delayed. In order to prevent funding gaps in activities that are likely to continue under the new project, the PACD of PED will be extended and relevant cooperative agreements and contracts amended.
2. Trust: A total of \$7 million in loans will be outstanding when assistance to KEM and IPS ends. A mechanism to ensure satisfactory repayment and use of the reflows must be put in place before then. The project manager will form a project review committee to design the mechanism.

VIII.

Major Actions Planned for the Next Semester

- | | | |
|---|-----------|----------------------|
| 1. Extend the project PACD & component agreements | August | PEO:Office/PRJ:Gitau |
| 2. Close out IPC component | June | PEO: Brewer |
| 3. Close out IESC component | September | PEO: N'gan'ga |
| 4. Close out TRUST component | September | PEO: Khasiani |
| 5. Review Impact Monitoring | July | PEO: McVay |
| 6. Review KREP Evaluation | June | PEO: McVay/Ratemo |

IX.

Gender Considerations

More than half (59%) of the firms assisted by PED are owned by women, and women make up 35% of the labor force in assisted firms.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993- MARCH 31, 1994

A___ B X C___

I. BACKGROUND DATA

Project Title: Kenya Export Development Support
 Project Number: 615-0249
 Date of Authorization: original 06/19/91 amendment 00/00/00
 Date of Obligation: original 07/12/91 amendment 04/01/93
 PACD: original 12/31/98 amended to 00/00/00
 Implementing Agencies: KAM; FPEAK; HCDA; EPP0
 Major Contractors: DAI
 AID Project Officer: Migwe Kimemia
 Status of CPs/Covenants: All CPs to initial disbursement, except the CP regarding the EPZ Swap Fund, have been fulfilled. Covenant requiring GOK to elevate EPP0 to a Department not met.

FINANCIAL DATA (IN THOUSANDS)

Amount Authorized:	DA/ESF Grant: original	\$15,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$ 6,728	amended to \$
Amount Committed:	Period:	\$ 0	
	Cumulative:	\$ 4,092	
Accrued Expenditures:	Period - Projected:	\$ 1,256	
	Period - Actual:	\$ 760	
	Cumulative:	\$ 2,475	
	Period - Next:	\$ 1,744	
Pipeline:	Period - Beginning FY	\$ 5,013	
	Period - Actual	\$ 4,253	
Counterpart Contribution:	Planned:	\$ 7,449	
	Actual:	\$ 780	
% LOP Elapsed		37%	
% of Total Auth. Oblig.		45%	
% of Total Oblig. Exp.		37%	
% of Total Auth. Exp.		17%	

Date of Last Evaluation: 00/00/00	Next Evaluation: 11/01/94
Date of Last Audit: 00/00/00	Next Audit: 10/15/96
Date of Last Field Visit: 09/10/93	Next Field Visit: 00/00/00

II. PROJECT DESCRIPTION AND PURPOSE

The purpose of the KEDS Project is to increase non-traditional exports through increased investment in the export sector and development of a more favorable trade environment. The KEDS Project has four major components: 1) Public Sector Component provides support to the newly established Export Promotion Programmes Office (EPP0) to assist GOK in implementing export incentives programs; 2) Firm-Level Assistance Component provides direct assistance to Kenyan exporting firms and to several export sector support organizations to expand non-traditional exports; 3) Studies Component is intended to develop policy analysis capability within EPP0 to improve Kenya's export climate; and 4) EPZ Swap Facility was intended to provide hard currency in U.S. Dollars to domestic firms investing in Kenya's export processing zones.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

<u>Indicators</u>	<u>EOPS Targets</u>	<u>Impact To Date</u>
1. Increase in foreign exchange earnings (nominal dollar terms) from manufactured, horticultural and other non-traditional exports between 1990-1998	55%	xx ¹
2. Increase in non-traditional exports as a percentage of total exports (1989 base year (42%), plus 6 percentage points)	48%	46%
3. Geographical diversification of export markets by reducing exports to EEC as a percentage of total exports (1989 base year).	39%	40%

The project has made some progress in the achievement of its purpose especially in the improvement of the export environment. Since the commencement of project implementation two years ago, the policy environment for non-traditional exports has improved significantly. For example, GOK has recently raised Retention Accounts, a major export incentive for non-traditional exports, from 50% to 100%. The challenge now is for the exporters to respond to the changing environment. The firm-level assistance component of the project is expected to enhance exporting firms' competitiveness in export markets thereby increasing foreign exchange revenues and employment.

IV. Project Outputs

<u>Description:</u>	<u>LOP TARGET</u>	<u>THIS PERIOD</u>	<u>TOTAL TO DATE</u>	<u>STATUS (% Completed)</u>
PUBLIC SECTOR COMPONENT:				
EPP0 Seminars/Workshops on Policy Studies	10	1	1	10%
FIRM-LEVEL ASSISTANCE AND PRIVATE SECTOR COMPONENT:				
1. Export Firms directly assisted by PEMU	15-40	0	0	0%
2. Export firms assisted by IESC, referred by PEMU	10-20	0	0	0%
3. Increased employment in PEMU/IESC assisted firms (Average annual growth rate over project life.)	5%	0	0	0%
4. Increased foreign exchange earnings in PEMU/IESC assisted firms. (Average annual growth rate.)	10%	0	0	0%
5. International trade fairs attended by trade associations	15	3	6	40%
6. Seminars/Training held on export topics	15	2	3	20%
7. Participants trained in export seminars	300	130	294	98%
SPECIAL STUDIES COMPONENTS:				
Special Studies	8-12	3	8	67%

V. Progress During Reporting Period (Qualitative Outputs)

A. **PUBLIC SECTOR COMPONENT:**

The KEDS Export Promotion Advisor at the Export Promotion Programmes Office (EPP0) continues to play an active role in pushing for trade policy reform through his participation in the policy-making process within GOK. Also the advisor has been instrumental in organizing the KEDS Advisory Committee meetings where policy and regulatory issues have been discussed. The KEDS project is therefore, associated with the current changes in the export policy environment.

During the reporting period, GOK announced several policy reforms that are intended to improve the Kenyan export environment. In particular, GOK floated the Kenya shilling and merged the official and market exchange rates in October 1993. Also, GOK further liberalized the foreign exchange regime by increasing retention of foreign exchange earnings by non-traditional exporters from 50% to 100%, allowing Kenyan residents to open hard currency bank accounts, allowing foreign-owned companies to borrow locally, allowing domestic companies to borrow offshore in hard currencies and relaxing restrictions on the export of the Kenya Shilling.

EPP0 continues to create fora for constructive public/private sector dialogue. EPP0 organized a workshop on "Export Finance: Policies and Modalities", which attracted 75 senior officials from GOK, USAID, and banking and insurance industries. The workshop recommended several regulatory reforms in the Kenyan Banking and Insurance Acts in order to create an enabling environment for export finance instruments. In addition, the KEDS Advisory

¹ Reliable source document yet to be determined.

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Committee (KAC) met in February 1994 and discussed several issues, such as export sensitization within GOK, market information services and EPP0 staffing levels. KAC is composed of both private and public sector senior officials and meets quarterly at the Ministry of Finance.

On institutional capacity, computerization of EPP0 records on Duty/VAT Remission (DVR) Program has been completed and a data base has been installed. GOK is now considering the need to privatize some of EPP0's audit functions in order to accelerate DVR approvals.

B. SPECIAL STUDIES COMPONENT:

This component continue to provide essential information regarding policy, regulatory and firm-level constraints to export growth.

During this period, EPP0 coordinated and participated in Kenya Export Competitiveness study which generated three separate reports: 1) Policy and Regulatory Framework 2) Institutional Capacity and 3) Basic Factor costs of Production. The key findings of the study are: 1) Kenya has relatively good stated policies but they are not being implemented as effectively, consistently and transparently as in some comparator countries, resulting in a major crises in business confidence; 2) Kenya compares well in costs of production but export finance is both high cost and comparatively underdeveloped 3) Kenya's competitive edge in exports is not likely to last beyond three years unless policy implementation deficiencies and business confidence issues are immediately addressed and 4) GOK export support agencies need to be streamlined in order to avoid overlapping.

C. FIRM-LEVEL ASSISTANCE AND PRIVATE SECTOR COMPONENT:

1. Private Enterprise Management Unit (PEMU): Activities & Institutional Development

PEMU Office continued to provide administrative support to the project through professional services of three long-term advisors: one Export Development Advisor and two Deputy Export Development Advisors. During the reporting period, PEMU developed the Eligibility Criteria for the Export Development Fund (EDF). The criteria has been approved by the Mission and sent to 242 private exporting companies. PEMU is currently scrutinizing business plans for eligible firms in order to implement the EDF program. Also, PEMU negotiated a Memorandum of Understanding with IESC to provide firm-level assistance in production, quality control, packaging etc. to 20 exporting firms under EDF. In addition, PEMU continues to provide support to trade associations as described below.

2. Fresh Produce Exporters Association of Kenya (FPEAK): Activities & Institutional Development

FPEAK held a luncheon on, "How to Benefit from International Trade Shows." On trade shows, FPEAK participated in HORTEC '94 trade show which attracted over 4,000 people including suppliers of materials and equipment to the Kenyan horticultural industry, international buyers of fresh produce and FPEAK members.

On institutional development, FPEAK drafted the Kenya Fresh Produce Declaration as a first step towards establishing a Code of Practice for exporters. FPEAK also has drafted a new constitution to be approved by the Annual General Meeting in April 1994. The association has continued to produce monthly news letters for its membership. FPEAK has installed a database of the UNCTAD/GATT Market News service in Geneva which provides market information for the horticultural industry.

3. Horticultural Crops Development Authority (HCDA): Activities & Institutional Development

HCDA completed the final draft of the HCDA Export Crop Manual which is currently being vetted by local and international authorities for accuracy and completeness. HCDA has developed in-house capability to produce newsletters, such as Horticultural News. Also, HCDA participated in the above mentioned HORTEC '94 trade show.

4. Kenya Association of Manufacturers (KAM): Activities & Institutional Development

KAM participated in the Uganda International Trade Fair '93. KAM had 16 exhibitors who negotiated over U.S. \$1 million in export sales during the show. Two workshops on Export Finance were held for KAM exporting members. On institutional development, KAM has developed an in-house capability to produce newsletters for its members. A computer software has been installed and staff trained to manage the KAM resource library. Also, a database has been installed to manage the export opportunity offers and enquiries which KAM identifies abroad.

VI. Evaluations and Audits

KEDS mid-term evaluation has been scheduled for November 1994. The first audit is planned for in FY 96.

VII. Issues, Problems, Delays and Corrective Actions

1. GOK has not adhered to the Project Agreement's covenant requiring GOK to staff EPP0 with qualified economists. The KEDS project has held off all overseas EPP0 staff training until the office is fully staffed with key professionals. With increased responsibility to cover indirect exporters in the

Duty/VAT Remission (DVR) Scheme, EPPO will find it extremely difficult to process approvals within 7 days as required. The KEDS Advisory Committee has raised the issue with GOK. KAM has also complained about delays in DVR approvals. However, GOK has informed us that adequate office space for EPPO has recently been identified and 10 officers assigned to the office which is only 20% of the total staff requirements. The Mission Director may need to follow-up the issue with senior GOK officials.

2. The EPZ Swap Facility component is no longer necessary due to the current deregulation of foreign exchange regime and the new U.S. legislation, "Foreign Operations, Export Financing and Related Programs Appropriations Act, 1993", which prohibits the use of A.I.D. funds in establishing or developing export processing zones resulting in the loss of jobs in the U.S. This component will therefore be modified to address other export sector constraints identified in the KEDS Project Paper. A Project Committee has been formed to review and recommend various options for alternative uses for the EPZ Swap Funds. The Project Committee will then discuss the recommended options with GOK prior to realigning the project budget.
3. DAI, the KEDS institutional contractor has decided to replace the long-term Export Development Advisor after two years in the project. DAI believes that the action will enhance effectiveness in project implementation and also provide a more effective project team in the field. The Mission has concurred with DAI's decision.

VIII. Major Actions Planned for the Next Semester

	<u>Target Date</u>	<u>Responsibility</u>
A. PUBLIC SECTOR:		
1. KEDS Export Promotion Advisor's contribution to GOK Budget Speech	April-June 1994	Adrian Strain
2. Follow-up on Export Finance Workshop	May 1994	EPPO
3. Hold Workshop on Export Competitiveness Study	August 1994	EPPO
4. Privatize EPPO audit functions	May 1994	EPPO
5. Production of EPPO's first Newsletter	July 1994	EPPO
6. Develop KEDS Policy/Regulatory Reform Agenda	August 1994	EPPO:A. Strain/M. Kimemia
B. PRIVATE SECTOR INSTITUTIONS		
1. KAM Participation in Dar-es-Salaam International Trade Fair	July 1994	KAM
2. Completion of Export Crop Manual	July 1994	HCOA
3. Development of Quality Assurance Manual	June 1994	FPEAK
4. FPEAK Annual General Meeting	April 1994	FPEAK
C. FIRM-LEVEL ASSISTANCE		
Provide direct firm-level assistance to exporters	April 1994	PEMU
D. SPECIAL STUDIES		
Completion of Export Competitiveness Study	April 1994	TSG & EPPO
E. OTHER ACTIONS		
1. Draft KEDS PP supplement	June 1994	PEO:MKimemia
2. Draft KEDS Action Memo to Mission Director on reprogramming the EPZ Swap Funds	June 1994	PEO:MKimemia
3. Draft KEDS Project Authorization Amendment	June 1994	PRJ:NGitau
4. Draft PIL realigning KEDS project budget	July 1994	PEO:MKimemia
5. Recruit KEDS Export Development Advisor	June 1994	DAI/PEMU

IX. **WID**

During the reporting period, the project funded 2 seminars which attracted 130 participants of which 3% were women.

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KEDS PIR: ISSUES

To date, GOK has not fulfilled the Project Agreement's covenant requiring EPP0 to be headed by a senior government official at the level of Deputy Secretary and to be fully staffed with at least three Chief Economists or specialists in trade policy. The Mission and the KEDS Advisory Committee have raised the issue with senior GOK officials and very little has been done. What course of action should the Mission take?

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B X C___

I. BACKGROUND DATA

Project Title: Capital Markets Authority
 Project Number: 615-0240.04
 Date of Authorization: original 06/06/86
 Date of Obligation: original 08/19/88
 PACD: original 06/30/91 amended to 9/30/94
 Implementing Agencies: Capital Markets Authority
 Major Contractors: None
 AID Project Officer: Abu Khasiani
 Status of Cps/Covenants: N/A

FINANCIAL DATA ('000)

Amount Authorized:	DA/ESF Grant: original	\$775
Amount Obligated:	DA/ESF Grant: original	\$775
Amount Committed:	Period:	\$56
	Cumulative:	\$669
Accrued Expenditures:	Period - Projected:	\$256
	Period - Actual:	\$70
	Cumulative:	\$607
	Period - Next:	\$168
Pipeline:	Period - Beginning FY	\$238
	Period - Actual	\$168

Counterpart

Contribution:	Planned:	\$346
	Actual:	\$346
% LOP Elapsed		93%
% of Total Auth. Oblig.		100%
% of Total Oblig. Exp.		86%
% of Total Auth. Exp.		86%

Date of Last Evaluation: N/A	Next Evaluation: June/94
Date of Last Audit: Oct/93	Next Audit: N/A
Date of Last Field Visit: N/A	
Next Field Visit: N/A	

II. PROJECT DESCRIPTION AND PURPOSE

The project was designed to expand the securities market, provide prudential regulation and establish industry rules and practices through the Capital Markets Authority and the Nairobi Stock Exchange (NSE). The project seeks to increase the supply of debt and equity capital and ultimately provide a more diversified and stable financial base for Kenyan industry. An amendment granted assistance to the Nairobi Stock Exchange for preparation and release of educational/promotional materials to stimulate greater use of the Nairobi Stock Exchange by entrepreneurs and GOK for divestiture.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

The purpose of the project i.e setting up CMA, providing for prudential regulation, establishing industry rules and regulations has been largely met. Similar progress has not been made in meeting fourth purpose, expanding the securities market. However, there is increased interest in the stock market. There are 8 new companies wanting to become brokers. There is a strong demand for the existing and new shares. In the reporting period the securities market in Kenya has had very robust trading. The value of shares traded from October 1993 to March 1994 is Kshs 1.3 billion, compared to Kshs 327 million traded from March to Sept 1993. In the period, there have been no public offerings and so no new equity was raised. Listed companies, however, gave out bonus shares of approximately Kshs 1.5 billion value. The effect was to increase the number of shares that could be traded from 852 million to 986 million. The total capitalization of the market rose from Kshs 42.1 billion at the beginning of the period to Kshs 118 billion at the end of March 1994.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>	
1) Awareness of CMA	60%	effort continues
2) Awareness of NSE	60%	effort continues
3) GOK divestment (Privatization)	31%	in fits and starts
4) NSE educational/promotional campaign	20%	has started well
5) Established CMA (offices & staff)	100%	6/90
6) Modernized trading floor	100%	10/91
7) Legislation	100%	12/92

V. Progress During Reporting Period

The Project Assistance Completion Date was extended from 12/31/93 to 9/30/94. This was to allow time for completion of project activities whose implementation had been delayed. The host country contract with the Advisor was also extended. The new broker admitted by the Nairobi Stock Exchange (NSE) has not yet received the requisite license from CMA. He has therefore not started trading.

In the period the NSE held the third and last of its "How to get listed" seminars in Kakamega. The CMA, assisted by the USAID Advisor, mounted two Brokers Courses in the period. The Basic Brokers Course was attended by 36 trainees and the Advanced Brokers course was attended by 42 trainees. A total of 18 firms were represented.

There has been no offer to sell shares of a government parastatal or a private company during the period. However, government entities and entities with quasi-government interests have been advertised and sold. The original figure of 207 companies to be privatized may be reduced by 37. These are 36 tea factories under KTDA and the Kenya Tea Packers Ltd (Ketepa). The reason is, it has yet to be determined that the GOK owns shares in the 36 tea factories and Ketepa which it had listed as amongst the enterprises to be sold. The Attorney General has been asked to study and advise on this issue. Out of the remaining 170 a total of 59 parastatals have been sold. The majority of the sales (31) have been via liquidation. Seven (7) have been receiverships and 13 have been sales where, under preemption rights, an existing shareholder has been allowed to buy the GOK shares. Only 3 have been sold as a result of inviting public bids. There have been five which have gone through the stock exchange; two have been part privatization (GOK retained some ownership) and three were sales of government shares through the stock Exchange. Although the NSE is encouraging private entrepreneurs to float their companies through the exchange, it has not had success.

VI. Evaluations and Audits

A financial audit has been completed and an exit conference is planned for on April 29 1994. The evaluation of the project starts in June 1994.

VII. Issues, Problems, Delays and Corrective Actions

1. As at last PIR CMA had suggested that it wants to mount a National Program of Education (through Television and Radio), put up an Information Center for the public and start development of new capital market instruments. Since USAID was not allocating new funds for the new activities CMA was advised to inform USAID how it proposed that the new activities be funded. The anticipation was to drop some previously planned activities and to use the balances left over from already completed activities. This did not happen and the project has stayed with the original activities.

2. At project start in 1989 USAID purchased capital goods, mainly furniture, fittings and payment for office partitions. In 1992, without notifying and obtaining USAID concurrence the CMA "sold" these USAID financed office furniture et al to the NSE. USAID has informed CMA the transaction cannot be approved and has suggested that since the NSE is, in the project, being assisted as an extension of the CMA, the CMA should donate the furniture to the NSE. The CMA argues it has a debt in its books for the agreed sum of Kshs 900,000 and the NSE must learn to pay its way. PEO intends to resolve this matter, ensuring compliance with USG regulations, and will keep management advised.

3. Faster progress in privatization could increase the number of listed companies and volume of shares in the market. The mechanisms are in place for sale of parastatals through the NSE. Project management recommends that any further project assistance to CMA be tied to the privatization process with a view towards getting the GOK to make better progress on selling the entities in a timely and transparent manner.

VIII. Major Actions Planned for the Next Semester

- | | | | |
|---|-----------------------------------|---------------|--------------------|
| - | Conduct CMA Evaluation | June 5-30, 94 | PEO:Khasiani/McVay |
| - | Closeout CMA component of SAAPTAP | Sept 94 | PEO:Khasiani |

IX. Gender Considerations

WID impacts are difficult to assess in projects of this nature and it has not as yet been attempted by project management or the implementing agencies.

office directory:\pircma.mpm

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B C___

I. BACKGROUND DATA

Project Title: PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT ENTERPRISES LTD (PRIDE)
 Project Number: NONE¹
 Date of Authorization: original 10/14/93 amendment 00/00/00
 Date of Obligation: original amendment
 PACO: original 09/30/95 amended to 00/00/00
 Implementing Agencies: PRIDE
 Major Contractors: NONE
 AID Project Officer: Zachary Ratemo
 Status of CPs/Covenants:None

FINANCIAL DATA (IN THOUSANDS)

Amount Authorized:	DA/ESF Grant: original	\$500
Amount Obligated:	DA/ESF Grant: original	\$Nil
Amount Committed:	Period:	\$Nil
	Cumulative:	\$Nil
Accrued Expenditures:	Period - Projected:	\$Nil
	Period - Actual:	\$Nil
	Cumulative:	\$Nil
	Period - Next:	\$Nil
Pipeline:	Period - Beginning FY	\$Nil
Period - Actual		\$Nil
Counterpart		
Contribution:	Planned:	\$40
	Actual:	\$36
Local Currency (FY)	Programmed: current (FY)	\$800
	Cumulative Receipts	
	from MOF (FY)	\$800
	Expenditures (FY)	\$439
	% LOP Elapsed	25%
	% of Total Auth. Oblig.	-%
	% of Total Oblig. Exp.	-%
	% of Total Auth. Exp.	-%

Date of Last Evaluation: 00/00/00	Next Evaluation: 06/01/95
Date of Last Audit: 03/01/94	Next Audit: 03/01/95
Date of Last Field Visit: 03/22/94	Next Field Visit:05/20/94

II. PROJECT DESCRIPTION AND PURPOSE

The goal of the Promotion of Rural Initiatives and Development Enterprises (PRIDE) credit program is to increase employment and income in micro-enterprises in Kenya. To achieve this goal, the PRIDE program has the following purposes: 1) to increase employment in the assisted firms; 2) increase incomes of assisted firms; and 3) increase institutional sustainability of PRIDE/Kenya -- central and branch offices.

This project is funded partly by the GOK's owned local currency of Ksh.48 million which has been fully disbursed to PRIDE/Kenya. This funding is expected to be supplemented by APPLE funds of \$500,000 from USAID/Washington during this fiscal year. The obligation mechanism for these funds will be through PED I.

¹ This project has no number since it is solely funded under the Local Currency program. However, it is expected to be a component of PED I project (615-0238) when the APPLE Funds are received and obligated.

PRIDE/Kenya was established in 1989 by the Council for International Development (CID), a US PVO. PRIDE received the first USAID funding through KREP of Ksh.6 million in 1989 to support a micro-enterprise lending program in its first branch at Baringo. The same branch received support from Barclays Bank of Kenya in 1989. In September 1990, through CID, PRIDE received a two-year grant from USAID of \$330,000 to support its institutional strengthening efforts and replication of the Baringo branch at Nyahururu. The USAID grant fund was used to support all of PRIDE's overhead costs. Funds for the additional 5 branches came from CID, Gatsby Trust, Kenya Commercial Bank and reflows. This project will now provide funds for PRIDE's overhead and all branch costs, and an expansion of lending operations up to 16 branches by the end of the project. By funding overhead costs, this project is contributing to PRIDE's overall operations and, as a result, all its activities are reported here regardless of the origin of the funding for loans.

<u>Indicators:</u>	<u>EOPS</u>	<u>Impact</u>
	<u>Targets</u>	<u>To Date</u>
1. Increase employment in assisted firms*. Total employment increase	2,013	603 - 1,328
Per firm employment increase	.15 - .33	.15 - .33
2. Increase income in assisted firms.	--	--
3. Institutional sustainability of PRIDE/Kenya		
-Cost coverage		
-Branch Performance ratings (average)		To be determined
-Loan Repayment rate (average for branches)		
-Loan Insurance Fund/Loans Outstanding		

III. Progress Toward Purpose Achievement and Project Officer's Assessment

PRIDE/Kenya achieved impressive results during the reporting period. After a delay of 2 months, PRIDE received GOK/USAID funds in late November, 1993 and moved quite rapidly to disburse its first loans to borrowers. During the reporting period, assisted firms are estimated to have increased employment by between 266 and 586 jobs (based on sample survey of 700 firms in similar programs -- 95% confidence interval). The project has a target of creating 2,013 jobs over a two-year period. Based on the performance during the first six months, it is feasible that the project will achieve its target by the PACD. For the second indicator, it is not possible to measure increase in incomes of the assisted firms at the moment until a survey is carried out. Private Enterprise Office is also in the process of working with PRIDE/Kenya to establish the targets for measuring institutional sustainability indicators.

IV. Project Outputs

<u>Description:</u>	<u>LOP TARGET</u>	<u>THIS PERIOD</u>	<u>TOTAL TO DATE</u>	<u>STATUS (% Completed)</u>
1. Increase Credit availability to micro-enterprises				
-Number of borrowers.	8,750	1,776	4,026	46%
-Amount Lent	\$2.5M	\$0.31M	\$0.80M	32%
-Average Loan size	\$290	\$175	\$199	
2. Institutional Development of Pride				
-Number of branches operational	16	2	9	56% (2 branches funded by KCB)
-Number of staff	70	2	38	54%
-Number of staff trained	54	9	11	20%
3. Increase the number of micro-enterprises served by banks				
-Number with bank accounts	6,500	1,227	1,227	19%
-Number "graduated" to borrowing from banks	87	0	0	0%
4. Increase skills of assisted entrepreneurs				
-Number trained	600	129	129	22%
-Number referred to other training programs	190	34	34	18%

V. Progress During Reporting Period

PRIDE was able to overcome a severe liquidity problem during the reporting period. The organization had to suspend disbursement of loans in one of its branches due to lack of funds. However, with the receipt of the GOK/USAID funds, PRIDE was able to continue with its normal operations of providing credit through a network of 9 branches. Prior to receiving GOK/USAID funding, PRIDE had 7 branches operating. These branches and the head office had a total of 36 employees. The expected APPLE funds of \$500,000 will enable PRIDE to expand its branch network to 16 and provide credit to 8,750 borrowers during the life of the project. Progress in each of the main components of the project is as follows:

A. INCREASING CREDIT AVAILABILITY:

During the reporting period, PRIDE disbursed loans worth \$311,043 to 1,776 borrowers. This brings the number of borrowers to date up to 4,026 of whom 2,250 had received their first loans prior to PRIDE receiving GOK/USAID funds. Approximately 52% of loan recipients are female. Recruitment of borrowers is progressing well with 3,661 (1,922 female) registered to date. That is 42% of targeted borrowers. There was low recruitment of borrowers

during the first quarter of the project due to the late receipt of the GOK funds. PRIDE expects to make up for the delay during this year.

B. INSTITUTIONAL DEVELOPMENT:

1. PRIDE - Central Office

Two additional staff based at the head office were hired during the reporting period. This will strengthen monitoring activities of the increased branch operations.

2. PRIDE - Branch Offices

To date, PRIDE has opened nine branches of which seven are USAID funded. The branches are located at Baringo, Nyahururu, Machakos, Limuru, Kiambu, Thika, Nanyuki and Mombasa. Kisauni branch in Mombasa has been approved and a credit officer was posted there during the reporting period. The market survey for the proposed Kisumu and Kakamega branches were undertaken during the period and expected to be operational in the next semester. A workshop to evaluate, standardize and review borrowers' training methodology was held during the reporting period. Seven members of staff attended the workshop.

C. LINKING FIRMS WITH BANKS

Every borrower is required to open an account with a commercial bank. To date, PRIDE has assisted 19% of the targeted borrowers to open new individual savings accounts. Prior to PRIDE receiving GOK/USAID funding, 2,250 borrowers had opened their accounts. PRIDE has been negotiating with banks to work out modalities of graduating borrowers into the formal banking system. PRIDE is also a member of the Small Enterprise Credit Association (SECA), which is planning to establish a credit reference service. Despite these efforts, both banks and, ironically, firms, are resisting the graduation process. Firms have, in fact, expressed reservations about formal banks, preferring to remain in the PRIDE program if the loan size can increase.

D. TRAINING & REFERRAL SERVICES

During the period, PRIDE held a workshop for borrowers to exchange business ideas, experiences and skills. It was attended by 41 entrepreneurs of whom 21 were female. During the same period, 34 (13 female) entrepreneurs were referred to the ILO sponsored exchange program. This program provides the entrepreneurs in the informal sector with the opportunity to visit and exchange ideas with those in large formal sector businesses.

VI. Evaluations and Audits

No evaluations are planned. The annual audit for fiscal year 1993 is in progress.

VII. Issues, Problems, Delays and Corrective Actions

1. USAID/APPLE funds have not been obtained. PEO office is following-up on this with USAID/Washington.
2. Barclays Bank of Kenya changed their policy on minimum balances in savings accounts and suspended special bank accounts for PRIDE borrowers. PRIDE is currently negotiating with the participating commercial banks to reinstate the special accounts.
3. PRIDE is currently short of adequate computer equipment for tracking loans. The release of APPLE funding by USAID/Washington will enable PRIDE to procure the required equipment.

VIII. Major Actions Planned for the Next Semester

	<u>Target Date</u>	<u>Responsibility</u>
1. Amendment of the GOK/PRIDE agreement to incorporate the second tranche of Ksh. 38 million	05/31	PROG:Ali
2. Obtain FY 94 APPLE funds for PRIDE	07/31	PEO:Ratemo/Hobgood

IX. WID

	<u>Female%</u>
Total number of staff	16%
Number of staff trained	17%
Number of borrowers	53%
Funds lent	51%
Entrepreneurs trained	53%
Entrepreneurs referred	38%
New clients recruited	53%
Total membership	52%

memorandum

DATE: June 15, 1994

REPLY TO
ATTN OF: *Heuser*
Steffi Meyer, Chief, Office of Projects

SUBJECT: Program Office - PIR meeting of 5/9/94
for the period ending March 31, 1994

TO: See Distribution

The Semi-Annual PIR meeting for Program Office was held on May 9, 1994. The agenda (+) and results (-) of the discussion are as follows:

A. Training for Development - 615-0234

1. + The Project still has a balance of US\$ 400,000. What are the plans for use of the funds?
 - Program Office has a proposal from the Alumni Association for US\$ 175,000 under review for financing. The balance of US\$ 225,000 to be used as follows: 1) US\$ 50,000-60,000 to finance TFD Alumni Association to improve their systems to be able to qualify for USAID grant and; 2) US\$ 165,000 still not specified. One option may be to support TFD Alumni endowment fund once the guidelines become clear.
 - The meeting recommended that the Program Office explore: 1) a possible buy-in contract to help the Alumni Association develop systems and 2) prepare a PIL authorizing a six-month PACD extension.
2. + What is the status of the review of the proposal submitted by the Alumni Association?
 - The PRC meeting reviewed the proposal in early March. Currently the Mission is exploring the possibilities of assisting the association either through an IQC firm to provide management assistance or establishing an endowment. Mission is also awaiting a response from OIT on possible assistance mechanisms.
3. + DPM has written a letter requesting the handing over of project property per the Grant standard provision. What is the status of this request? What is the implication of the request in light of the proposed project extension?

- A decision cannot be made now until the two issues above are resolved. Once the above issues are resolved, the possible options will include: 1) transferring all the property to GOK; 2) transfer only the non-expendable property to the GOK, i.e., computers, office equipment and 3) sell household equipment and assign the proceeds to the project and transfer the NXP to the GOK.

B. Structural Adjustment Assistance Program - 615-0240.02
Microcomputerization

1. + The PIR report indicates that the issues not addressed during the LOP will be reviewed/considered as CPs & covenants in the D/G project. What are the unaddressed issues? How compatible are the issues to the D/G project?

- The unaddressed issues remain the establishment of adequate posts and grades for the MISD staff. This affects the sustainability of MISD and its work.

2. + What is the Program Office strategy to have MISD institutionalized as a permanent department of the GOK?

- The only strategy is to have it as a conditionality to all future assistance to the Ministry of Finance.

C. Structural Adjustment Assistance Program - 615-0240.06
Tax Modernization

1. + a) The PIR report indicates that good progress has been made in the establishment of a fully functioning computer support unit but additional time and funding is required. The African Development Bank (ADB) is likely to be the main donor in this area. The ADB will seek other donors to participate. What is the likelihood that the Mission will participate in this joint venture?

- The ADB contributed US\$4.2 million. GOK has not indicated its figure. The Mission may co-finance the TA component for the project for the support for the establishment of the Tax Authority. USAID assistance may mainly fund training. However, we are still waiting for the GOK to put up a proposal especially during the budget speech. If the proposal is acceptable, then we will look for a less management intensive of method of providing support, possible through UNDP or ADB.

SK

+ b) During the last PIR it was agreed that the Program Office would provide Mission management with a justification paper for continued support for a large tax modernization effort. Has this been done? If so, what are the evolving options?

- The justification paper became part of the D/G project.

D. Program Development and Support - 615-0510

1. + (a) What proportion of the FY 93 LSGA funds has been committed to date?

- About US\$ 336,452 is under the LSGA. Out of that, about US\$204,190 is earmarked/committed. A balance of \$132,260 is uncommitted.

+ (b) What is the likelihood that the Mission will commit all the FY 93 funds under the LSGA?

- For the US\$132,260 unearmarked/uncommitted, Program Office will issue a memo to relevant project managers requesting them to prepare PIO/Ts for earmarking the funds. This will be followed by a meeting with the Project Manager to review their priorities and get their assurance of using the funds already programmed.

+ (c) What is the Program Office strategy to speed up the obligation of FY 94 funds?

- Through the same memo referred to in (b) above, the technical offices (especially three design activities) will indicate whether they intend to utilize the FY94 funds. If they do not intend to use the funds, then the funds will be obligated through the LSGA.

E. Human Resources Development Assistance - 698-0463.15

1. + Program Office is proposing to have the Host Country pay round-trip airfare for US and Third Country training revoking the existing general country waiver exempting payment of international travel costs. Is the original basis for granting the waiver now invalid? What will be the impact of requiring payment of travel costs on the private sector and NGO-community trainees?

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- After much discussion, it was decided that the existing general country waiver exempting payment of international travel costs should not be revoked. The Mission wanted to retain the flexibility the waiver provides.
- 2. + What are the planned follow-on activities to the observational tour for the MPs?
 - As with other HRDA-funded training, no follow-on activities are planned at this time. However, individual MPs have submitted proposals requesting assistance to establish offices and provide staff support at the National Assembly and constituency levels. These proposals have been reviewed but support has not been included in the D/G project under design.
- 3. + The Program Office plans to amend the LSGA to provide additional funds and revise existing procedures. What will the anticipated changes contribute to project implementation?
 - The procedures to be revised are those relating to the management of private sector participants for both in-country and overseas training. DPM has written a letter indicating that they no longer wish to participate in the implementation of the private sector component of the project. The LSGA will be amended to reflect the change.

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A_x _ B___ C___

I. BACKGROUND DATA

Project Title: Training for Development
 Project Number: 615-0234
 Date of Authorization: original 08/25/87 amendment 04/01/93
 Date of Obligation: original 08/26/87 amendment 04/01/93
 PACD: original 08/30/94 amended to 00/00/00
 Implementing Agencies:
 Major Contractors: Pragma Corporation
 AID Project Officer: Teresa Muraya/Aminah Salim
 Status of CPs/Covenants: None

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$10,000,000	amended to \$10,500,000
Amount Obligated:	DA/ESF Grant: original	\$10,000,000	amended to \$10,500,000
Amount Committed:	Period:	\$ 450,000	
	Cumulative:	\$10,058,374	
Accrued Expenditures:	Period - Projected:	\$ 450,000	
	Period - Actual:	\$ 440,000	
	Cumulative:	\$ 9,871,206	
	Period - Next:	\$ 628,794	
Pipeline:	Period - Beginning FY	\$ 1,076,333	
	Period - Actual	\$ 628,794	
Counterpart Contribution:	Planned:	\$ 4,762,000	
	Actual:	\$..	
Local Currency (FY)	Programmed: current (FY)	\$ 64,516	
	Cumulative Receipts from MOF (FY)	\$	
	Expenditures (FY)	\$ 51,613	
% LOP Elapsed		94%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		93.6%	
% of Total Auth. Exp.		93.6%	

Date of Last Evaluation: 10/30/93 Next Evaluation: 00/00/00
 Date of Last Audit: 05/01/93 Next Audit: 07/01/94
 Date of Last Field Visit: 03/18/94 Next Field Visit: 05/20/94

II. PROJECT DESCRIPTION AND PURPOSE

The Training for Development Project is a \$10.5 million dollar general training project that provides long (academic) and short-term training to carefully selected Kenyans with potential for professional leadership in both public and private sectors. The purpose of the project is to provide increased training for Kenyans who will hold positions of significant responsibility in national development.

Major Components are:

- a) Private sector training (include internships and follow-on activities in Kenya)
- b) Public sector training (include internships and follow-on activities in Kenya)
- c) Management of trainees by the Contractor
- d) Evaluation/Audit
- e) Follow-on activities (including Alumni Association)

III. Progress Toward Purpose Achievement and Project Officer's Assessment

Project Officer's assessment, supported by findings of the impact evaluation, is that, overall, all EOP indicators of the Training for Development Project were met and/or significantly exceeded, and the impact in all categories was extremely high. Relative to the purpose EOPs, impact was very high. Returnees have organized themselves and registered an Alumni Association. The Alumni submitted an unsolicited proposal for funding. USAID is reviewing it and has sought USAID/W assistance.

IV. Project Outputs

<u>Description</u>	<u>Status (% Completed)</u>
<u>Total Participants 189</u>	100%
Public: Long-term	Private: Long-term
Male 25	Male 26
Female 18	Female 15
Public: Short-term	Private: Short-term
Male 29	Male 34
Female 22	Female 20

V. Progress During Reporting Period

- 1) Pragma's Contract ended 12/30/94
- 2) Project property: discussions under way for disposition
- 3) Alumni Association proposal for funding was received and is being reviewed by Mission with assistance of OIT/AID/W.
- 4) Exploring the possibility of PACD no-cost extension to allow for Alumni funding.
- 5) Sorted issue of tax liability by participants who were in training during 1993 but returns had to be made after Pragma's contract ended.

VI. Evaluations and Audits

Pragma audit for scheduled June 1994.

VII. Issues, Problems, Delays and Corrective Actions

Issue: If USAID/W or RLA recommend against/refuse to agree with an endowment for the Alumni Association, should USAID amend the PP, extend the PACD and assume the management responsibility for follow-on activities with the Alumni Association? The uncommitted balance is US\$400,000. Is it prudent to extend the PACD and incur the management cost/liabilities associated with managing a project of this size? If so, for how long? A summary of the options identified by the Project Committee is attached.

VIII. Major Actions Planned for the Next Semester

- | | | |
|---|----------------------|-----------|
| 1) Close-out of Pragma Contract: | Muraya | May/June |
| 2) Decision Re:Support for Alumni Association: | Muraya/PRJ Committee | June/July |
| 3) Disposition of project property | Muraya/PRJ Committee | April/May |
| 4) Prepare PP Amendment to extend project, if agreed upon | Muraya/Meyer | August |

IX. Gender Considerations

40% of fellows/associates trained were women.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A ___ B_X ___ C ___

I. BACKGROUND DATA

Project Title: Structural Adjustment Ass. Prg. Microcomp.
 Project Number: 615-0240.02
 Date of Authorization: original 08/18/88 amendment 07/01/92
 Date of Obligation: original 05/15/87 amendment 07/01/93
 PACD: (Element) original 12/31/91 amended to 03/31/94
 Implementing Agencies: Ministry of Finance
 Major Contractors: Thunder and Associates, Inc.
 AID Project Officer: Elizabeth Martella/NAli
 Status of CPs/Covenants: N/A

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$ 3,979	amended to \$ 6,518
Amount Obligated:	DA/ESF Grant: original	\$ 3,979	amended to \$ 6,518
Amount Committed:	Period:	\$ 0	
	Cumulative:	\$ 6,358	
Accrued Expenditures:	Period - Projected:	\$ 150	
	Period - Actual:	\$ 137	
	Cumulative:	\$ 6,468	
Pipeline:	Period - Next:	\$ 30	
	Period - Beginning FY	\$ 187	
	Period - Actual	\$ 50	
Counterpart			
Contribution:	Planned:	\$ 2,173	
	Actual:	\$ 2,173	
% LOP Elapsed		100-%	
% of Total Auth. Oblig.		100-%	
% of Total Oblig. Exp.		99-%	
% of Total Auth. Exp.		99-%	

Date of Last Evaluation: None Next Evaluation: 5-6/94
 Date of Last Audit: 02/20/93 Next Audit: N/A
 Date of Last Field Visit: 09/16/93 Next Field Visit: N/A

II. PROJECT DESCRIPTION AND PURPOSE

The Project is designed to provide technical assistance in support of the Structural Adjustment Program by financing among other things technical assistance, training and commodities to support the computerization of the budget process and the strengthening of the Budget Information System. Phase III focuses on institutionalization of this process.

9/1

III. Progress Toward Purpose Achievement and Project Officer's Assessment

The Microcomputerization Information Systems Department (MISD) started as a team of six junior staff assigned from the Government Computer Services (GCS) and became the Microcomputer Section of GCS in 1987. The department now has 35 staff. In November 1988 it was given status as a department and now consists of fourteen divisions or units. MISD has a full operational budget and individual client departments which provide operational budget support for their own computer systems. MISD is now also recognized by GOK for the high quality and sustainability of its systems and for the systematic application of effective standards and methodologies for information strategies. Systems development standards and guidelines for information technology have been formalized and disseminated through MISD. The GOK through the Ministry of Finance has assumed most of the operational costs for the systems of MISD through its recurrent and development budgets so that operations will continue in the absence of donor financing.

IV. Project Outputs

<u>Description</u>	<u>Status (% Completed)</u>
1. Systems development and support capabilities in MISD	100%*
2. Microcomputer Systems Training Program	100%
3. The Budget Information System	100%
4. Priority Expenditure Control Information Systems	100%
5. Technical Maintenance Unit and Program	100%*
6. Systems Advisory Services and Development Support	100%

* Support capability fully-established, but MISD experiences fluctuations in capacity due to high staff turnover and lack of institutionalization of the MISD in MOF.

V. Progress During Reporting Period

The GOK funding through Budget Monitoring System (BMS) became fully active resulting in significant progress on EMS. The Budget Expenditure Monitoring System was implemented in August. Technical team established for managing and providing services required for the receipt, testing and installation of the MBS micro-computers. The GOK has upgraded the job groups of ten MISD officers. Three persons from MISD were sent for graduate studies at the University of Nairobi, and support provided for two persons sent for short term advance training in India. The training department has been very active during this period. A series of inhouse training sessions and workshops were sponsored including those for systems development, system reviews and systems standards. The highest priority has been planning and training activities related to Budget Monitoring System.

VI. Evaluations and Audits

A final impact evaluation is planned for May/June 1994.

NFA: USAID has transferred action to USAID/W because TAI's original documents/files are in the Washington, D.C. area.
Commodity Audits: TAI has prepared and submitted the documents USAID requested (terms specified in the contract for procurement and management of commodities and clarification of how TAI complied with these contractual requirements).

VII. Issues, Problems, Delays and Corrective Actions

Issues not successfully addressed during the life of this project (activity) will be reviewed/considered as covenants and/or Conditions Precedent for the Accountability Component of the Democracy and Governance Project presently under design.

VIII. Major Actions Planned for the Next Semester

Complete project (activity) and contract close-out procedures.

IX. Gender Considerations

None (Project Activity completed as of the date of this report).

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A ___ B X C ___

I. BACKGROUND DATA

Project Title: Tax Modernization
 Project Number: 615-0240.06
 Date of Authorization: original 08/31/89 amendment 00/00/00
 Date of Obligation: original 08/31/89 amendment 00/00/00
 PACD: original 12/31/91 amended to 09/30/94
 Implementing Agencies: UNDP/World Bank
 Major Contractors: Peat Marwick, HIID, Thunder & Associates
 AID Project Officer: Cyrilla Bwire, PRG
 Status of CPs/Covenants: N/A

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$1,000,000	amended to \$1,050,000
Amount Obligated:	DA/ESF Grant: original	\$1,000,000	amended to \$1,050,000
Amount Committed:	Period:	\$ - 0 -	
	Cumulative:	\$1,000,000	
Accrued Expenditures:	Period - Projected:	\$1,050,000	
	Period - Actual:	\$ 300,000	
	Cumulative:	\$1,050,000	
	Period - Next:	\$ 750,000	
Pipeline:	Period - Beginning FY	\$ 750,000	
	Period - Actual	\$ 750,000	
Counterpart			
Contribution:	Planned:	\$ 200,000	
	Actual:	\$ 200,000	
Local Currency (FY)	Programmed: current (FY)	\$	
	Cumulative Receipts		
	from MOF (FY)	\$	
	Expenditures (FY)	\$	
% LOP Elapsed		98%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		99%	
% of Total Auth. Exp.		100%	

Date of Last Evaluation: 10/30/91 Next Evaluation: None
 Date of Last Audit: N/A Next Audit: N/A
 Date of Last Field Visit: 03/15/94 Next Field Visit: 05/25/94

II. PROJECT DESCRIPTION AND PURPOSE

This is a project to modernize Kenya's tax system. The major components are tax policy analysis, tax administration, and computerization. The project purpose is to support key structural reforms in Kenya's tax system and to strengthen tax institutions through the provision of policy advice, training and commodities.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

1. An established Tax Policy Unit in MOF - This has been accomplished.
2. An operational and effective Tax Policy Unit - Good progress but additional time required.
3. An established Computer Support Unit in the Income Tax Department - This has been accomplished.
4. A fully functioning Computer Support Unit - Good progress but additional time and funding is required.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>
1. Personal Identification Number (PIN) designed and implemented	100%
2. Provision of advice in tax policy analysis	70%
3. Computerization of the Master Tax File	100%

V. Progress During Reporting Period

The Personal Identification Number (PIN) system is now functioning satisfactorily. The company tax has been lowered from 45 percent to 35 percent. The top individual income tax rate has been decreased from 65 percent to 40 percent. The Tax Policy Unit has influenced reforms affecting import duty rate structure and the VAT tax base.

VI. Evaluations and Audits

The audit for this project falls under Agency Audits for International Organizations (IG Audits).

VII. Issues, Problems, Delays and Corrective Actions

The project pipeline remains at \$750,000. According to the TA team, this money has been spent. However, UNDP has yet to submit claims to USAID. Increased effort is going to be made with resident UNDP Mission to hasten the claim process.

VIII. Major Actions Planned for the Next Semester

Begin planning for project closeout since PACD is September 1994.

IX. Gender Considerations

Measurement of gender impact is difficult to assess for a project of this nature.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A ___ B X C ___

I. BACKGROUND DATA

Project Title: Program Development & Support
 Project Number: 615-0510
 Date of Authorization: original 10/01/84 amendment 00/00/00
 Date of Obligation: original 01/30/85 amendment 00/00/00
 PACD: original 00/00/00 amended to 09/30/94
 Implementing Agencies: None
 Major Contractors: None
 AID Project Officer: Nimo Ali/E. Martella
 Status of CPs/Covenants: N/A

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$ 7,157	amended to \$ N/A
Amount Obligated:	DA/ESF Grant: original	\$ 7,157	amended to \$ N/A
Amount Committed:	Period:	\$ 12	(FY93 LSGA)
	Cumulative:	\$ 6,877	
Accrued Expenditures:	Period - Projected:	\$ 204	
	Period - Actual:	\$ 200	
	Cumulative:	\$ 6,752	
	Period - Next:	\$ 250	
Pipeline:	Period - Beginning FY	\$ 750	
	Period - Actual	\$ 404	
Counterpart Contribution:	Planned:	\$ N/A (depends on FY94 LSGA amount)	
	Actual:	\$ N/A (except for specific LSGAs)	
% LOP Elapsed		%N/A	
% of Total Auth. Oblig.		%98.6	
% of Total Oblig. Exp.		%94.3	
% of Total Auth. Exp.		%93	

Date of Last Evaluation: N/A Next Evaluation: N/A
 Date of Last Audit: 08/08/88 Next Audit: 00/00/00
 Date of Last Field Visit: N/A Next Field Visit: N/A

II. PROJECT DESCRIPTION AND PURPOSE

1. CPSP related studies, sector assessments, or other special studies;
2. Project or program development, feasibility studies. Operation research and pilot testing hypotheses leading to final project design or new program direction;
3. Project level and non-project evaluations; and
4. On exceptional basis, (a) pre-project implementation costs or bridge funding; (b) monitoring and auditing of Local Currency; c) travel or short-term training costs for Host Country counterpart personnel.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

Allocations of PD&S funds was based on the four priority funding areas of PD&S guidance. Mission programmed 2/3 of FY 94 funds for Design activities, (KPHP, PVO Co-Finance II and PED II). The balance will be programmed for upcoming CPSP related studies and Pre-project implementation costs.

IV. Project Outputs

<u>Description:</u>	<u>Status: (% Completed)</u>
N/A	N/A

V. Progress During Reporting Period

During the first two quarters of this fiscal year, Mission programmed PD&S funds according to priority order. Memo have been sent to this effect. Reporting cable on the actual uses of PD&S was sent to AID/W in October. Finalized the Mission Order on uses of PD&S with the help of Project Office.

VI. Evaluations and Audits

one

VII. Issues, Problems, Delays and Corrective Actions

Obligating PD&S funds have been very slow in the first two quarters of the fiscal year. To date no FY94 funds have been obligated (about \$90,000 under reservation). All technical offices should try and submit their PIO/Ts before the end of this quarter. This will enable us to obligate FY94 funds and most important to commit/utilize funds in the FY 93 LSGA before the PACD. A reminder memo will be sent out in early May to all offices to this effect.

VIII. Major Actions Planned for the Next Semester

1. Work on obligations for the last two quarters of FY94.
2. Reprogram any balance of FY94 unobligated PD&S funds and preferably put some funds under a Limited Scope Grant Agreement.
3. FY94 draft LSGA prepared, it will be finalized in the fourth quarter.
4. Commit the Funds under FY93 LSGA as early as May (before the PACD of 09/30/94).

Gender Considerations

During this period Mission funded one Women in Development activity under PD&S project. Mission co-funded (with AID/ and other Missions in the Region) a workshop for WID Officers and coordinators. The workshop was on Gender Dimension of Development.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B_ X _ C___

I. BACKGROUND DATA

Project Title: Human Resources Development Assistance
 Project Number: 698-0463.15
 Date of Authorization: original 07/07/88 amendment 00/00/00
 Date of Obligation: original 07/07/88 amendment 00/00/00
 PACD: original 09/30/95 amended to 09/30/97
 Implementing Agencies:
 Major Contractors:
 AID Project Officer: Aminah Salim/Teresa Muraya
 Status of CPs/Covenants: NON

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$2,108,970	
Amount Obligated:	DA/ESF Grant: original	\$2,108,970	amended to 2,508,970
Amount Committed:	Period:	\$ 336,428	amended to 2,108,970
	Cumulative:	\$1,586,189	
Accrued Expenditures:	Period - Projected:	\$ 200,000	
	Period - Actual:	\$ 354,016	
	Cumulative:	\$1,384,495	
	Period - Next:	\$ 300,000	
Pipeline:	Period - Beginning FY	\$1,079,491	
	Period - Actual	\$ 725,474	
Counterpart Contribution:	Planned:	\$ 527,250	
	Actual:	\$	
Local Currency (FY)	Programmed: current (FY)	\$ 60,000	
	Cumulative Receipts		
	from MOF (FY)	\$	
	Expenditures (FY)	\$	
	% LOP Elapsed	69%	
	% of Total Auth. Oblig.	84%	
Date of Last Evaluation: 00/00/00	Next Evaluation: 00/00/00	% of Total Oblig. Exp.	55%
Date of Last Audit: 03/30/94(FKE)	Next Audit: 09/30/94(DPM)	% of Total Auth. Exp.	55%
Date of Last Field Visit: 03/14/94	Next Field Visit: 05/11/94		

II. PROJECT DESCRIPTION AND PURPOSE

HRDA is an African Regional Project whose purpose is to stimulate, facilitate and support national and regional training programs that supply qualified technical, scientific and managerial personnel and policy planners who will strengthen African development institutions; enhance the growth of the private sector; and increase the participation of women in development.

Major Components are:

- Public sector in-country training
- Private sector in-country training
- Public sector 3rd country training
- Private sector 3rd country training
- U.S. training (public and private sector)

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

- Public sector - DPM has effectively identified public sector training needs and facilitated delivery of quality training programs that are responsive to these needs
- Private Sector - Through a grant to the Federation of Kenya Employers (FKE), a number of small-scale export firms have been trained in areas supportive of Mission strategic objectives.
- Support for selected U.S. and third country training allows Mission flexibility to address discrete and important training objectives not addressed through on-going projects or where projects do not have training budgets.
- Approximately 40% of all those trained represent women.

IV. Project Outputs

<u>Description:</u>	<u>Target</u>	<u>Number trained</u>
U.S. Training	100	61
Total trained	2500	2000
Women trained	805	500
Private sector	1150	917
Third Country	200	118

V. Progress During Reporting Period

A. Directorate of Personnel Management:

1. 2nd commercialization of research and research findings course, October 1993
2. Management improvement seminar for executive assistants, November 1993
3. Management and Administration of supplies services at District level, November 1993
4. Prosecution course for water officers, December 1993
5. Standardization of statistical collections and training projection course, November 1993
6. Agriculture policy analysis seminar, January 1994
7. 2nd Advanced Training of Trainers course, March 1994
8. Effective management of early childhood Education Research centers, February 1994
9. Proposals for FY94 reviewed
10. Observational tour for 15 Members of Parliament, February 1994

B. Federation Of Kenya Employers:

1. Monitoring and evaluation system within FKE established
2. Audit completed, March 1994
3. Seminar on managing for quality and international competitiveness, November 1993
4. Export Trade Course, October 1993
5. Seminar on export documentation procedures, November 1993

VI. Evaluations and Audits

- Centrally funded project
- FKE recipient Audit, March 1994
- DPM audit planned for September 1994

VII. Issues, Problems, Delays and Corrective Actions

Issue: USAID is looking for a possibility of Host Country paying roundtrip international travel as per Handbook 10 requirements.

Corrective Actions: During the next period, per USAID/W guidance, project management will seek to increase women's participation to 50% in all categories of training (in-country, third-country and U.S.).

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VIII. Major Actions Planned for the Next Semester

- Amend the sixth LSGA (funds and procedures)
- Design courses for magistrates
- Training for councillors for local authorities
- Prepare grant for Business & Professional Women's Club
- Review/approve additional courses from DPM
- Prepare funding documents for selected individuals and organizations
- Arrange Cedpa Women in Management course for in-country
- Organize HRDA Committee review of proposals received from technical offices, take decisions and implement
- Training and consultancy for selected firms and individual small scale businessmen and women to continue (FKE Grant)
- Evaluation of in-country training programs

IX. Gender Considerations

The project has achieved the minimum acceptable standard, thirty-five percent of all women trainees.

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memorandum

DATE: June 15, 1994
REPLY TO: *[Signature]*
ATTN OF: Steffi Meyer, Chief, Office of Projects
SUBJECT: Office of Projects - PIR meeting of 5/19/94
for the period ending March 31, 1994
TO: See Distribution

The Semi-Annual PIR meeting for Office of Projects was held on May 19, 1994. The agenda (+) and results (-) of the discussion are as follows:

A. PVO Co-Financing - 615-0236

1. + According to the last PIR report, the project was supposed to initiate the process of conducting an EOP evaluation by developing a SOW, advertising and securing a contractor. However, this PIR report indicates that the evaluation which was scheduled for April has been rescheduled for July 1994. What is the status of the actions taken in preparation for carrying out the EOP evaluation? Is the delay likely to have an impact on the design of Co-Fi II?
 - The Project Manager reported that the Scope of Work for the evaluation is ready. He plans to meet with the REDSO/CON office to identify an IQC to carry out the evaluation.
 - The Manager also reported the delay in some project activities is due to shortage of staff because of the lack of a NGO Project Specialist and a Financial Management Specialist. The PVO Project Manager also advised members that the delay in conducting an EOP evaluation is likely to have an impact on the design of the Co-Fi II. However, with the DOA given to the Mission, the process is likely to move a little faster.
2. + The EOP indicators of beneficiary level impact provides useful information on People Level Impact (PLI). During the report period, this information was not reported. Why is this so and when is it likely to be updated?
 - The Project Manager advised members that he could not give the figures since they were not verified due to heavy workload. He expects to update them at a later date.

3. + How does the impact study now in progress differ from the planned EOP evaluation? Is there likelihood of duplication of effort?

- The Project Manager advised members that there is a difference in the two activities though there might be a slight overlap. The EOP will focus on development of institutional capability of NGO assisted. It will also look at the management mode and future direction of the project. The impact study will only focus on the development impact the 17 NGOs who have received grants from the PVO Co-Fi Project have on the project beneficiaries.

4. + The PIR report indicates that the process of accessing the Price Waterhouse Management Contract and turnaround time continued to be problematic. Why is this a problem? What is the status of the utilization of the contract and what is the project office strategy to maximize the utilization of the contract?

- The Price Waterhouse management contract is still a problem. The activities are not moving as fast as they ought to. The Contractor is slow in the delivery of services. The Price Waterhouse management contract have so far done four jobs, i.e., Strategic Planning and Management Workshop, YWCA, SALTICK and Partnership for Productivity. The contract requires that a work order be prepared for each new activity the project needs Price Waterhouse to perform and they use this to amend the contract each time. It means that contract must be amended piecemeal, per NGO request. This greatly slows down implementation. The unused funds committed under this contract will be used in the design of PVO Co-finance II Project.

- The Program Office sought to know whether the PVO Co-Fi project would utilize all the programmed funds. The PVO Project Manager gave a list of activities, i.e., three grants in circulation for clearance; Tenwek Hospital - \$115,000, CARE (K) - \$71,750, KFFHC - \$00,078. Also three other proposals; SALTICK - \$100,000, Salvation Army - \$60,000, World View - \$100,000 are under review. These, if all funded, will utilize all the available funds.

- The Project has five training participants with a total of \$100,000. PVO Co-Fi EOP estimated \$100,000 and PWH \$130,000.

B. Human Right Activities - 116(e)

The issue of the intensive management nature of the project was discussed given that the project grantees are new with very rudimentary operational systems. The meeting recommended that Project Office explore the possibilities of having an umbrella NGO to work with small civil society NGOs to help strengthen their institutional capacities.

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B_X___ C___

I. BACKGROUND DATA

FINANCIAL DATE

Project Title: Kenya PVO Co-Financing
 Project Number: 615-0236
 Date of Authorization: original 05/29/85 amendment 07/21/88
 Date of Obligation: original 06/18/85 amendment Continuous
 PACD: original 04/30/92 amended to 04/30/95
 Implementing Agencies: USAID, Kenya
 Major Contractors: Price Waterhouse
 AID Project Officer: Victor Masbayi
 Status of CPs/Covenants: None

Amount Authorized:	DA/ESF Grant: original	\$12,000	amended to \$N/A
Amount Obligated:	DA/ESF Grant: original	\$6,562	amended to \$N/A
Amount Committed:	Period:	\$(34)	
	Cumulative:	\$6,472	
Accrued Expenditures:	Period - Projected:	\$644	
	Period - Actual:	\$540	
	Cumulative:	\$5,288	
	Period - Next:	\$586	
Pipeline:	Period - Beginning FY	\$1,843	
	Period - Actual	\$1,274	
Counterpart			
Contribution:	Planned:	\$2,629	
	Actual:	\$2,001	
% LOP Elapsed		84%	
% of Total Auth. Oblig.		55%	
% of Total Oblig. Exp.		72%	
% of Total Auth. Exp.		40%	

Date of Last Evaluation: 02/01/91 Next Evaluation: 07/01/93
 Date of Last Audit: Multiple (Grants) Next Audit:
 Date of Last Field Visit: 10/26/93 Next Field Visit: 06/20/94

II. PROJECT DESCRIPTION AND PURPOSE:

PURPOSE:

The purpose of the PVO Co-Financing Project is to assist PVOs in Kenya increase their development impact by strengthening their institutional, implementation and beneficiary outreach capabilities. Assistance is given through grants, technical assistance, workshops and international training. Under the grants component, grants are made to PVOs based on solicited and unsolicited proposals from the PVOs with a focus on developing institutional capacity. The technical assistance component involves the provision of consultancy services in the area of finance, management and evaluation. Annual workshops revolve around the topics that are related to capacity building. Selection of participants for international training is based on the identified needs of the PVOs and the ability of the participant to make an impact on the institutional capability of the PVO. Also, courses selected must respond to the PVOs weaknesses.

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III. Progress toward Purpose Achievement and Project Officer's Assessment

Key EOPS under the PVO Co-financing project remain, a) An increase in beneficiaries reached by recipient PVOs, b) Strengthened institutional capacity, and c) improved/enhanced NGO and/or community sustainability. Due to work overload we have not been able to fully update the data in the format of last quarter's report.

Individual quarterly reports from the grantees have, however, continued to report an increase in households and individuals benefitting from the project, particularly in the areas of general training, health/child survival, access to potable water, increased household agricultural production, and income generation. In the area of institutional development and sustainability the status is as follows:

<u>EOPS</u>	<u>Status Targets</u>	<u>Achievement To date</u>
INSTITUTIONAL STRENGTHENING:		
a) NGOs using improved management, financial & implementation systems	25	19
b) NGOs using evaluation in project planning and evaluation	20	17
SUSTAINABILITY		
Linkages established between NGOs, industry and donor community	20	4

IV. Project Outputs

<u>DESCRIPTION:</u>	<u>TARGETS:</u>	<u>STATUS (% COMPLETED)</u>
Systems for collecting baseline data in place	60% of 25 grantees (15)	17 PVOs - 113%
NGOs with acceptable financial management systems in place	60% of 25 (15)	19 PVOs - 122%
NGO staff trained	No target	90 trained
NGO staff sponsored for international training	between 5-10 per year (average of 7/yr) = 35	122%
PVO with evaluation systems established	At least 25 evaluations	17 - 68%
Institutional contractor utilized	15	40%

V. Progress During Reporting Period (October 93-March 94)

- Grants: No grants were signed during this reporting period.
- Proposals: During the reporting period, four (4) proposals and four (4) concept papers were reviewed.
- Participant Training: A total of two participants were nominated and proceeded for short term training.
- Evaluations: One midterm evaluation was carried out during the report period- YWCA.
- Management Contract: Two NGOs received technical assistance from Price Waterhouse during this period. A baseline survey for SALTICK was completed and resulted in a proposal. Technical assistance to develop a strategic plan, streamline financial management and administration of Partnership For Productivity was completed.

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VI. Evaluations and Audits

An impact study of the PVO Co financing project was initiated in February and field work is underway by Matrix Development Consultants. A report is expected by early June.

VII. Issues, Problems, Delays and Corrective Actions

WORKLOAD: In the absence of the Financial Management Specialist and the Project Specialist, there is an increasing backlog of work and some aspects of the project are running behind schedule. E.G End-of-Project evaluation and workshops.

Management Contract: The process of accessing the Price Waterhouse contract and the turn around time has continued to be problematic. It took Price Waterhouse longer than anticipated to complete work for PFP and SALTICK.

Contract Amendment: At least one more amendment will be necessary in order to have Price Waterhouse carry out at least one more workshop and/ or technical assistance to one or two PVOs.

VIII. Major Actions Planned for the Next Semester

- Review and sign five grants averaging U\$ 100,000 each.
- Advertise and secure contractor to carry out end of project evaluation
- Organize and run one workshop for PVOs.
- Complete the impact study on PVO Co-Financing grantees
- Prepare PID/PP for PVO CO Fi II
- Recruit Project Specialist and Financial Management Specialist.

IX. Gender Considerations

- Out of 43 participants sponsored for short term training under this project, 53% are women.

COMMENTS

The impact study currently underway will provide a better understanding of progress on institutional and sustainability indicators that have been difficult to track because of their qualitative nature.

The PVO Co-Financing project has progressed well, given its constraint of a limited pool of registrable NGOs.

DEMOCRACY AND HUMAN RIGHTS FUND (SECTION 116 (e) (MAY 1994)

Three grants were approved during PIR the period:

- 1) Kenya Family Development Association (KENFAD): \$64,000. This is a civic education program for 2,870 women leaders in Eastern Province.
- 2) Gender Sensitive Initiatives (GSI): \$20,000. This is to finance the National Concerns Council (NACCO) Conference on tribal clashes. About 110 people are expected to participate in the conference including journalists, businessmen, politicians, civil servants, etc.
- 3) Kenya Human Rights Commission (KHRC): \$20,000. This is to finance a Rights Awareness Project (RAP) which aims at developing materials for a legal education program.

This brought to five the number of active grants under the project and eleven (11) the number of projects funded under DHRF with total funding of \$453,200 since 1991.

STATUS OF 116(E) GRANTS

- 1) National Council of Women of Kenya:
Grant No. 698-9801-G-00-1055

Purpose: To provide support for seminars and newsletters to educate women on traditional practices that affects their health.

Amount: U.S. \$25,000

Period of Grant: 07/18/91 - 07/31/92

Audit completed - Final report not submitted

Next step: Project close out

- 2) International Federation of Women Lawyers, Kenya Chapter:
Grant No. 698-9801-1048

Purpose: To set up a legal clinic in Nairobi in order to provide the rights and improve the conditions of children and women prisoners.

Amount: U.S. \$45,000 (unexpended \$3,587)

Period of Grant: 07/12/91 - 07/31/93

Final Report completed; Audit report forwarded to Controller

Next step: Close-out

- 3) International Commission of Jurists:
Grant NO. 698-9801-G-00-1039
- Purpose: To provide support for a newsletter and two seminars.
Amount: U.S. \$70,000 (unexpended \$13,142)
Period of Grant: 05/22/91 - 07/31/93
Final Report completed, Audit in progress
Next step: Close-out
- 4) International Commission of Jurists:
Grant NO. 698-9801-G-00-1064
- Purpose: To meet the costs of establishing a paralegal clinic that will provide legal services to the rural poor.
Amount: U.S. \$30,000
Period of Grant: 08/31/93 - 08/31/94
Interim report indicated implementation problems and ICJ has asked for a no-cost extension.
Next step: Review justification for requesting an extension
- 5) Windle Charitable Trust:
Grant No. 698-9801-G-00-2048
- Purpose: to provide support for a National Seminar for sensitization on refugee rights and law.
Amount: U.S. \$19,200 (KSh 74,000 unsupported expenses incurred still outstanding)
Period of Grant: 08/13/92 - 12/31/93
Final Report completed
Next step: Resolve the issue of outstanding payment (\$1300).
- 6) Kituo Cha Sheria:
Grant No. 698-0541.15-G-00-2051
- Purpose: to provide support for a project for the timely development, production, and dissemination of accurate information about election purposes.
Amount: U.S. \$39,000 (unexpended \$11,669)
Period of Grant: 09/01/92 - 03/31/93
Final Report completed
Next step: Audit
- 7) International Commission of Jurists/International Federation of Women Lawyers (FIDA/ICJ):
Co-operative Agreement No. 698-054.15-A-00-2057
- Purpose: to provide support for Kenya's national elections.
Amount: U.S. \$100,000 (unexpended \$44,331)
Period of Grant: 09/30/92 - 03/30/93
Final report: None

8. International Commission of Jurists and Federation Women Lawyers (ICJ/FIDA): Grant No. 698-0541.15-G-00-2056

Purpose: to provide support for Kenya's national elections.
Amount: U.S. \$100,000 (unexpended \$200 to pay auditors)
Period of Grant: 09/30/92 - 03/30/93
Next step: Have issued BOC for \$1620.

9. Kenya Human Rights Commission (KHRC): Grant No. 698-0541.15-G-00-3063

Purpose: to meet the costs of producing two Human Rights reports.
Amount: U.S. \$25,000
Period of Grant: 08/31/93 - 08/31/94
Good progress made in production of Human Rights reports.

ISSUES/PROBLEMS/DELAYS

1. Most NGOs involved in Human Rights activities are new with very rudimentary operational systems. Therefore, their capacity to submit technical reports absorb, and account for funds effectively is very low. This makes them management intensive.

ACTIONS PLANNED

1. Prepare status report for 116(e) grant or submission to Washington by June.
2. Submit proposals to the 116(e) Committee in USAID/W by July.
3. Close-out 7 grants.

DEMOCRACY/GOVERNANCE AND DHRF 116 (E) PROPOSALS – 93/94

ORGANIZATION	TITLE	AREA/ACTIVITIES	AMOUNT REQUESTED	DATE SUBMITTED	DATE REVIEWED	STATUS COMMENTS
Kenya Grassroot Movement	Grassroot Masses Development Education Program (GRAMADEP)	Civil Education and Economic Development	Not indicated	-	Dec., 1993	Rejected
FIDA/Kenya	FIDA Proposal for 1994/1995	Institutional Strengthening	\$15,000	-	Dec., 1993	Deferred
Education Instit. for Democ. (EID)	Education Institute for Democracy: A Post-Election Program In Kenya	Election Monitoring, Research, Civic Education Institutional Strengthening	\$899,784	-	Dec., 1993	To be considered under D/G project
Kenya Family Dev. Association (KENFAD)	Sensitization of Women Groups on Multi-Party Demo for Responsible Citizenship Dev. Ed.	Civic Education	\$64,000	-	Dec., 1993	Approved
Gender Sensitive Initiatives (GSI)	Support to Local Capacity: Grassroot Initiatives	Civic Education	\$10,500	Jan. 1994	Jan. 1994	Deferred
National Musicians & Artists Dev. Assist. (NAMADAN)	The Concern Concert	Support for destitute Children	Not indicated	Sept. 1993	Dec. 1993	Rejected
Justice E. Owoor (Chairperson)	Task Force on Laws relating to Women	Legal Reform	\$2,400.00	Jan. 94	-	To be considered under D/G Project
Presbyterian church of E.A. (PCEA)	A Christian Study in the Art of Democracy and Good Governance, A Christian Education Program for the Presbyterian Church	Civic Education	\$12,060/-	Sept. 93	Dec. 93	Rejected

DEMOCRACY/GOVERNANCE AND DHRF 116 (E) PROPOSALS – 93/94

ORGANIZATION	TITLE	AREA/ACTIVITIES	AMOUNT REQUESTED	DATE SUBMITTED	DATE REVIEWED	STATUS COMMENTS
National Council of Women of Kenya (NCWK)	NCWK's involvement in the 1994 Dakar preparatory Activities & 1995 Beijing Fourth World Women Conf. as Femnet Focal point	Institutional Strengthening	\$99,522.49	Oct. 1993	Dec. 1993	Rejected
Voice of Children International	To arrange local and International Childrens hearings	Advocacy & Civic Education	Not indicated	-	Dec. 93	Rejected
Rights Awareness Project (RAP)	Rights Awareness Project	Civic Education, legal services	\$80,000	Oct. 93	Dec. 93	Approved with partial funding of \$20,000
National Concerns Council	Workshop on Democracy In a Multi-ethnic Society	Conflict Resolution	\$20,000	Jan. 94	Jan. 94	Approved but funded through Gender Sensitive Initiatives
Attorney General's Chambers	Assistance in the area of Legal Reform & Administration of Justice	Legal Reform	Not indicated	Jan. 94	-	To be considered under D/G/ Project
ICJ and Committee for Democracy & Governance	Strengthening Parliament: A two-year pilot Project	Legislative Performance	Not indicated	Jan. 94	-	Incomplete proposal
Law Reform Commission (A.K. Kharnati)	Taskforce for Landlord/ Tenancy Legislation review	Legal Reform	\$250,000	Feb. 1994	-	Deferred

DEMOCRACY/GOVERNANCE AND DHRF 116 (E) PROPOSALS - 93/94

ORGANIZATION	TITLE	AREA/ACTIVITIES	AMOUNT REQUESTED	DATE SUBMITTED	DATE REVIEWED	STATUS COMMENTS
The African Council For Communication Education (ACCE)	Training Media Professionals	Civic Education	\$33,100	Feb.'94	Mar.'94	Rejected
FIDAK	Project proposal and Workplan	Insti. support, Paralegal, research Gender violence	\$500,000	Mar '94		To be reviewed under D/G Project
James Gathii	Freedom of Press in Kenya	Research	\$7,000	Apr'94		To be reviewed under D/G Prj
Ex-prisoners Assoc.	Rehabilitation Prg. Funding Proposal	Civic Education & Legal Fees for Compensation Suit.	\$90,000	Apr'94		Deferred
Bank Monitoring Unit	Bank Monitoring Unit Proposal for 1994	Institutional Support & Civic Education	\$55,000	Apr'94		Deferred

ACCE advise to Resubmit

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

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I. BACKGROUND DATA

FINANCIAL DATA

PL 480 Title II - CRS/Kenya

OUTPUTS DESCRIPTION	PLAN 93	TO DATE	OUTPUT DESCRIPTION	PLAN 93	TO DATE	DOCUMENTATION (COMPLETION DATES):
Call Forward (C/F)	: 2	2	Phased Out Centres	: 17	12	MYOP Submission : 5/90
Oil (Amt(mt))	: 724	1345.00	Training Seminars	: 10	13	Initial AER Signing : 6/90
Wheat NFDM (Amt(mt))	: 12,065	19101	FFW Comp.(Benefic.)	: 5000	4252	MYOP Amendment : 4/92
Commodity/Recipient St/Rpt.	: 4	3	FFW: Water Develop.	: 18	12	Monetization Report : 5/94
MCH Component (Benefic.)	: 60000	56838	FFW: Agroforestry	: 32	16	Annual Progress Report: 1/94
Operational Centres	: 88	88	G.Relief (Benefic.)	: 8800	1714	Input Value FY 92 :

II. PROJECT DESCRIPTION AND PURPOSE

To provide developmental and humanitarian food assistance to the most needy.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

IV. Project Outputs

Description:		Status (% Completed)
A. MATERNAL CHILD HEALTH		
- MCH Program (Mothers/child - 0 to 5 yrs:	60,000	56,838
- Attend Education Sessions	55,000	55,847
- MCH Centre Personnel received training:	100	70
- Primary Immunization at MCH Centre	100	100
B. FOOD FOR WORK		
- Average Monthly Beneficiaries	950	1,424
- Work Activities for maize, beans & oil	5,000	2,400
- Soil Conservation/Terraces in Meters:	24,000	15,450
- Agroforestry/trees planted	3,000	25,000
- Water pipes (km)	10	6.7
- Wells dug	950	36
C. GENERAL RELIEF FOR 400 BENEFICIARIES		
- Provide ea/mo 3 kg maize/2 kg beans/ 1 kg oil:	633	199
- Beneficiaries reached per month	8,800	1,714

V. Progress During Reporting Period

56,838 beneficiaries were reached. This was encouraging given that most centres were without food. Another important achievement was that 100% of the children reached were under 36 months of age. Seven workshops were conducted that covered all the counterparts that were supposed to be reached through the 10 workshops planned. 95% of the MCH centres provided monthly education to participating mothers.

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VI. Evaluations and Audits

VII. Issues, Problems, Delays and Corrective Actions

- a. The prolonged drought that characterized most parts of Kenya during the year under review, caused enormous food shortages leading to most centres being turned to merely food distribution centres.
- b. In the FY 93 agreement, CRS was forced to change commodities from beans to millet only to realize that millet was also not available in most NCPB stores. This led to early termination of the swap agreement with the NCPB. Thus, we were only able to provide 2185 MT of food instead of the planned 4320 MT for the MCH Program.
- c. The new Monitoring Information System (MIS) focussing on weight gain/loss did not come in place in FY 92 as planned making it difficult to monitor 10% increase in children weight as was planned.

VIII. Major Actions Planned for the Next Semester

1. Finalize the MIS.
2. CRS to work with Dioceses implementing the projects to be responsible for their program design, implementation and evaluation.
3. CRS to explore alternative means of transport to avoid banditry in Garissa.
4. Put in place a new food log.
Phase down counterparts from 17 to 12.

IX. Gender Considerations

Most of the project activities were geared towards women (mothers) and their children.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B___ C___

I. BACKGROUND DATA

FINANCIAL DATA

PL 480 Title II - WV/Kenya

OUTPUTS DESCRIPTION	PLAN 93	TO DATE	OUTPUT DESCRIPTION	PLAN 93	TO DATE	DOCUMENTATION (COMPLETION DATES):
Call Forward (C/F)	: 2	2	Phased Out Centres	:		MYOP Submission : 5/90
Oil (Amt(mt))	:		Training Seminars	:		Initial AER Signing : 6/90
Wheat NFDM (Amt(mt))	:		FFW Comp.(Benefic.)	:		MYOP Amendment : 4/92
Commodity/Recipient St/Rpt.	: 4	3	FFW: Water Develop.	: 18	12	Monetization Report : 5/94
MCH Component (Benefic.)	: 60000	56838	FFW: Agroforestry	: 32	16	Annual Progress Report: 1/94
Operational Centres	: 88	88	G.Relief (Benefic.)	:		Input Value FY 92 :

II. PROJECT DESCRIPTION AND PURPOSE

To optimize water resource use for greater food security and improved quality of life of the Morulem people through the efficient operation of Morulem's seasonal irrigation scheme and through optimizing the utilization of the overall resource base for mitigation of the household's vulnerability to crisis.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

The project continues to make good progress towards the purpose achievement. Specific achievement are listed below.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>	
Rehabilitation of existing canal networks	150 acres	100%
Canal extension	425 acres	36%
Farmers provided with 1/2 acre each	1000	128%
Yield per farmer (sorghum per year)	720 kg	40%
Identify and train contact farmers	-	25%
Tree nursery managed by Women's group	7000 seedlings	-

V. Progress During Reporting Period

1. Rehabilitation and expansion.
 - a. 150 acres were rehabilitated completely.
 - b. 157 acres were cleared of brush, demarcated into blocks, groups and basins with the conveyance system for excavation.
 - c. Fencing of the scheme was done.
2. Agricultural training and extension.
 - a. Weekly meetings were held between the project staff and the scheme management committee.

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- b. 20 farmers went for a course at the Manor House Agricultural Center (MHAC) on biointensive agriculture.
 - c. 20 farmers attended Lodwar Agricultural show in the company of project staff.
 - d. The farmers were provided with seeds for planting.
- 3. **Water and sanitation.**
 - a. Three shallow boreholes were sited and drilled. Hand pumps were bought and installed.
 - b. 8 pit latrines have been excavated and two of them have floor slabs.
 - c. Baseline surveys on the health and sanitation of the beneficiaries was done to assess the impact of the wells and pit latrines.
- 4. **Agro-forestry.**
 - a. Agro-forestry nursery is being established.
 - b. Continuous training of the community on the need for conservation is going on.

VI. Evaluations and Audits

Final evaluation is planned for September 94.

VII. Issues, Problems, Delays and Corrective Actions

- 1. The Project Manager resigned causing delays in project implementation activities.
- 2. The inclusion of the 228 farmers did increase the size of land to be prepared and this led to the delay in land preparation as more land had to be prepared to suffice the increased number of farmers.
- 3. The breakdown of the drilling and backhoe machines led to the delay of the works being completed.

VIII. Major Actions Planned for the Next Semester

- 1. Treatment through packing the well with gravel is planned so that the well water can be used.
- 3. Baseline surveys on the health and sanitation of the beneficiaries is planned in order to assess the impact of the wells.

IX. Gender Considerations

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B___ C___

I. BACKGROUND DATA

FINANCIAL DATA

PL 480 Title II - FHI

OUTPUTS DESCRIPTION	PLAN 93	TO DATE	OUTPUT DESCRIPTION	PLAN 93	TO DATE	DOCUMENTATION (COMPLETION DATES):
Call Forward (C/F)	: 2	2	Canal extension (acres):			MYOP Submission : 9/90
Oil (Amt(mt))	:		Shallow wells dug :	3		Initial AER Signing :
Wheat NFDM (Amt(mt))	:		Trees planted by indiv.:	7000		MYOP Amendment : 4/92
Commodity/Recipient St/Rpt.	: 4	0	FFW: (Benef.) :	1000	12	Monetization Report : 4/92
Operational Centres	: 1	1	Training :			Input Value FY 92 :

II. PROJECT DESCRIPTION AND PURPOSE

The purpose of the project is to increase food security for farmers at Huluhula through an extensive agricultural training and by providing and increased supply of water to the community.

III. Progress Toward Purpose Achievement and Project Officer's Assessment

(a) The construction of the water pan was began; (b) The training strategy was revised by food security team members and the community development committee to reduce the training group size and conduct training at the members farms.

IV. Project Outputs

Description:

Status (% Completed)

- | | |
|--------------------|--|
| 1. Water Pan | a. Construction began March 1993; 30% of construction completed by 30 September 93 (50% by 30 November). |
| | b. Distribution system surveyed and re-designed; all materials were requisitioned; construction delayed because of water pan delays. |
| 2. Farmers Trained | a. 21 training sessions held; with help of Community Development Committee, redesigned format of sessions to train smaller groups (20-23) people at a time. |
| | b. 109 families visited with 57 planting new crops; 19 who are contact farmers were visited regularly with all 19 planting new crops; 16 demonstration sessions were held on the farms of contact farmers. |
| | c. 30 community members were intensively trained while working at the demonstration garden. |

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3. Demonstration/Research Garden Operational
- a. Average of 30 crops planted and demonstrated each growing season; 8 new crops tested in FY 93 with two showing positive signs of adoption by local farmer trainees; papayas and bananas harvested for the first time ever in this community.
 - b. Trees for fruit, fuel, fodder, and windbreaks continue to be planted and demonstrated; demonstration windbreak makes growing papayas banana possible.
 - c. Records maintained and compiled for regular reporting (monthly, semi-annual and annual reports).

V. Progress During Reporting Period

See above.

VI. Evaluations and Audits

The project conducted an internal evaluation in August 92. Preliminary findings include:-

- a need to conduct a participatory evaluation with program beneficiaries;
- carry out assessments in other communities in preparation for expanding the food security; and
- document and refer to the monthly evaluation meetings held by the food security team.

VII. Issues, Problems, Delays and Corrective Actions

Construction of the water pan was delayed by an upsurge of banditry in the Marsabit area. Once construction began, delays have resulted from the difficulties in getting spare parts to Marsabit (transportation problems, as well as foreign exchange controls which prevented importation of spare parts in a timely manner) and the general water shortage in Marsabit as water is needed to build the embankment.

Now that the contractors are on-site, the construction is not greatly affected by banditry activities at the site, however, transporting spare parts to Marsabit is sometimes delayed due the bandit attacks on the road to Marsabit.

VIII. Major Actions Planned for the Next Semester

- FHI will initiate continuous community awareness creation; this will be done through the training groups;
- Establish in each community a group of decision makers; This has been partially done, formally in Hulahula and informally in Karantina;
- Provide all staff with basic skills in community intervention; this will be a continual process--in addition to on-the-job training, staff members are sent for relevant community development courses.
- Develop and submit a plan to expand the project to village or more interested farmers that have been requesting to be included under the project.
- Expand and modify FHI's food program in Marsabit district within the three year period from 1994-96 using a Title II grant.
- Complete water pan and its distribution systems.

IX. Gender Considerations

OFDA GRANTS

<u>GRANTEE/PROJECT #</u>	<u>PROJECT NAME/\$ AMOUNT</u>	<u>PURPOSE & LOCATION</u>	<u>DATES/LOP</u>	<u>STATUS OF GRANT</u>	<u>ACTION</u>
Action Nord-Sud 623 2050-G 00 3106	Sanitation & Medico-Nutritional Assistance// \$113,360	Assist nomadic drought affected pop's in Garissa thru medical/nutritional pgm & improved sanitary conditions.	7/93 - 12/93	Continuous security problems, however project completed. Request for property disposition in USAID process.	USAID audit underway USAID property disposition
Action Nord-Sud 623 2050-G 00 3106	Mobile Dispensary \$139,381	Consultations & basic treatment thru mobile clinic for affected populations in Garissa District.	7/93 - 2/94	as above	USAID audit underway
CARE Kenya Grant Doc in process	Post Drought Transitional Prj \$441,703	Act as lead agency in 4 dist's for food distributions & FFW programs: Mandera/Wajir/Garissa/Tana River	4/94 - 12/94	Waiting for grant doc from OFDA; FFP approval received.	OFDA - grant
CRS Grant Doc in process	Drought Response in Ngong Diocese// \$162,700	Lead agency for clinic based food distributions/FFW pgms (drought related) for pastoralists. Kajiado District	4/5/94 - 1/4/95 (9 month)	Pre-grant authorization (PGA) issued. Full grant awaited. Commodities called forward.	OFDA - grant
CRWRC Grant Doc in process	Resettlement & Rehabilitation for Displaced families // \$229,878	Food relief/FFW programs to resettle & rehabilitate ethnic clash victims. Mt. Elgon, Bungoma, Busia	3/15/94-12/15/94 (9 month)	PGA recvd. Full grant overdue. Seeds/tools distributed. Temporary resettlement in trading centers underway.	OFDA - grant
FHI 968 1032-G 00 3016	Marsabit District Emergency Relief Program // \$134,780	Improve nutritional status of drought affected Pop thru general relief distrib/nutritional monitoring. Marsabit	1/93 - 1/94	Final report rcvd, FHI continuing as lead agency in district. Mission endorsed FHI rqst to retain vehicle/radios/computer.	OFDA - Property Disposition
MSF Spain AOT-4010-G-00 4059	Emergency Prj for Victims of Ethnic Violence in Kenya// \$492,060	Relief/rehabilitation support (via mobile teams) for local NGO's & churches on clashes. Rift Valley, West Prov's	3/15/94 8/31/94 (6 month)	PGA and full grant doc very slow - impeded implementation. 1st implementation report received.	
MSF Spain AOT-2050-G-00 3135	Ijara Project \$346,960	Food distribution and nutritional monitoring; Treat, prevent malnutrition/improve nutritional status. Garissa	7/93 - 1/94	Rains/security problems impeded prj. 1 mo no-cost extension granted. Prj activities completed; final report received.	USAID - audit needed
UNDP Grant Doc in process	UNDP QUIPS for Agricultural Inputs \$185,000	Short term agri inputs into 3 farm groups in clash affected Molo areas of Nakuru District.	5/94 -	UNDP involvement solicited by GOK. Approval received from Of DA. Issues re fertilizers responded by Mission.	OFDA - PGA letter OFDA - grant
WCAF 623 4031 G 00 4030	Warehousing Costs \$25,000	AMB Disaster Funds: Procure/install 1 storage unit & supplies to start up project. Narok District	3/17/94-4/30/94 (6 weeks)	Delay clearing warehouse thru customs.	WCAF
WCAF Grant Doc in process	Maasai Drought Relief Prj \$206,245	Lead agency for drought relief, working with UN agencies & NGO's on food relief & FFW programs. Narok District	4/1/94 9/30/94 (6 months)	Pre grant and grant process slow. Delays licensing radios with GOK. USAID letter sent.	WCAF - procurement and customs clearance
WVRD AOT-2040 G 00 3140	Turkana Relief Prj \$91,620	Lead NGO for food/seed distrib to improve nutrition in drought affected areas of Turkana: Lokori & Kalilo div's	8/1/93 2/28/94	Grant extension rejected by OFDA. WVRD deficient & erratic. Site visit needed.	USAID

memorandum

DATE: June 15, 1994

REPLY TO
ATTN OF: *Steffi Meyer*
Steffi Meyer, Chief, Office of Projects

SUBJECT: Urban Infrastructure Division - PIR meeting of May 9, 1994
for the period ending March 31, 1994

TO: See Distribution

The Semi-Annual PIR meeting for Urban Infrastructure Division was held on May 9, 1994. The agenda (+) and results (-) of the discussion are as follows:

- A. Small Towns Shelter & Community Development Project
615-HG-006
1. + Under the community and infrastructure facilities component, five projects planned are considered not feasible and no construction has been initiated. What is UID's plan to use funds programmed for the five projects?
 - No funds were programmed for these five projects nor were they UID-approved projects. All these projects were termed by Local Government as USAID projects whereas there were not actually USAID projects.
 2. + The report indicates that a PACR is now underway. Why are we working on the project close-out process while other activities of the project are still in progress?
 - The exercise is not a project assistance close-out process. It is a data collection process on technical completeness, assessment of projects that are operational but not considered complete, assessment of the rate of occupancy of the housing units and an attempt at collecting all remaining completion certificates. It is important to note that in some cases, these sub-projects can be operational although not completed. UID has requested PD&S funds to carry out a project evaluation after completion of data collection process. UID will follow up on the request with the program office.
 3. + REDSO/UID is not happy with the way the programmed local currency earmarked for local government training by GTI is managed by MOLG. UID through an inter-office memo had requested the Program Office to intervene through Treasury. To date no improvements have been noted. UID would like the review meeting to explore the next steps to be taken

- To resolve the issues, it was agreed that UID draft a letter to Treasury for the Director's signature detailing all the circumstances. For future disbursements, it was agreed that conditionality be included for local currency programmed for the MOLG.

B. Kariobangi Community Development Project - 615-0252

1. + In the last PIR, UID and NACHU had opened discussions with HCFK regarding affordable mortgage to the recipients of Kariobangi Housing Project after it became clear that the mortgage charges under co-op bank were unaffordable. What came of the negotiations with the HCFK? What is the likelihood that NACHU and CFL will arrive at affordable interest rates?

- While HCFK offered the lowest rates in the market then, at 27%, the company had suspended all lending. The waiting would have been indefinite, and unwise. So NACHU resumed negotiations with Credit Finance Limited (CFL), a subsidiary of the Cooperative Bank. CFL has in principle agreed to charge 30% interest on its matching funds of Ksh. 6m. To make the scheme affordable, it will be necessary to lower the interest rate on the USAID seed capital of KShs. 9.4 million. UID is confident the scheme will be affordable.

C. Kenya Credit Union Co-operative Housing - 615-HG-008

1. + Since neither the GOK nor the Mission can meet the criteria for the housing guarantee program, would the Mission be willing to initiate the process for the closure of this project to get it off the books?

- UID has already initiated discussion with USAID/W in relation to project deauthorization. UID is now waiting for advise from USAID/W. Mission will be advised.

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PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B___ C___

I. BACKGROUND DATA

Project Title: Small Towns Shelter & Community Dev. Prj.
 Project Number: 615-HG-006
 Date of Authorization: original 08/00/79 amendment 00/00/00
 Date of Obligation: original 04/00/85 amendment 00/00/00
 PACD: original N/A amended to 00/00/00
 Implementing Agencies: Ministry of Local Govt/Natinal Housing Corp.
 Major Contractors:
 AID Project Officer: Richard Mwangi
 Status of CPs/Covenants: None

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$16,000,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$14,550,000	amended to \$
Amount Committed:	Period:	\$	
	Cumulative:	\$14,550,000	
Accrued Expenditures:	Period - Projected:	\$	
	Cumulative:	\$14,550,000	Period - Actual:\$
	Period - Next:	\$	
Pipeline:	Period - Beginning FY	\$N/A	
	Period - Actual	\$	
Counterpart			
Contribution:	Planned:	\$14,550,000	
	Actual:	\$14,550,000	
Local Currency (FY)	Programmed: current (FY)	\$	
	Cummulative Receipts		
	from MOF (FY)	\$	
	Expenditures (FY)	\$	
% LOP Elapsed		-%	
% of Total Auth. Oblig.		100%	
% of Total Oblig. Exp.		91%	
% of Total Auth. Exp.		100%	

Date of Last Evaluation: 01/89	Next Evaluation: FY 94
Date of Last Audit: None	Next Audit: 00/00/00
Date of Last Field Visit: 10/02/93	Next Field Visit: 07/15/94

II. PROJECT DESCRIPTION AND PURPOSE

The Kenya Small Towns Shelter and Community Development Project was meant to demonstrate improved methods for administration of public sector low-cost shelter programs in small towns, including community facilities and employment generation components with special attention to project identification, innovative design and post-occupancy management. Project aimed to develop shelter projects and community facilities and infrastructure, provide shelter for people below the median income (Ksh 3,000) and improve the weakened financial base of Local Authorities (LA's).

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

To date all 19 shelter components have been completed. Out of 56 community and infrastructure facilities, 37 have been completed, 4 are over 85% complete and the remainder are at various stages of completion. Related training has been implemented through Government Training Institute (GTI), Local Government Department. Initial funding was through an assistance grant and continuing work is funded from the counterpart budget.

Field visits conducted in 1991 revealed problems with post-occupancy management, especially cost recovery of community facilities. REDSO/UID in conjunction with MLG and GTI responded by designing project management consultative workshops, where managers of various projects exchange experiences and propose alternative management approaches. During the semester, two workshops were conducted and attended by 54 officials from 10 LA's.

IV. Project Outputs

<u>Description:</u>	<u>Status (% Completed)</u>
Shelter Components	
19 core housing units	- 100%
Community and Infrastructure facilities	
a) 37 sub-projects	-100%
b) 4 sub-projects	- over 85% complete
c) 10 sub-projects	- Between 10-60% complete
d) 5 sub-projects	- Not feasible, no construction initiated

V. Progress during Reporting Period

The last shelter project was completed during the semester. In the last PIR, we reported 33 infrastructure projects complete. An additional 4 projects have been completed. We anticipate completion of another 4 projects by the end of next semester.

VI. Evaluations and Audits

A mid-point evaluation was done, but no audit has so far been done on this project. A PACR is now in preparation. The final evaluation is planned for the last quarter of FY'94, but not yet funded.

VII. Issues, Problems, Delays and Corrective Actions

All but two shelter components have met the goal of sheltering people below the median income. These two were affected by the recent devaluation which had the effect of increasing prices of building materials, and hence pushed prices of houses beyond the reach of the target beneficiaries. We are assured their is sufficient demand for the houses at the going prices. We anticipate to be able to complete the 4 infrastructure projects that are over 85%, but remain concerned at the slow pace of construction. We have taken up the issue with MLG and have been assured everything will be done to speed up the work.

VIII. Major Actions Planned for the Next Semester

<u>Activity planned</u>	<u>Time span</u>
a) Complete last 4 infrastructure projects	- By September 30, 1994
b) Complete Project Assistance Completion Report	- By October 31, 1994
c) Start final project evaluation	- By July 30, 1994

IX. Gender Considerations

The project has taken into consideration gender concerns. Our market infrastructure facilities have continued to benefit women, who are the main users, while the core houses were open to both men and women applicants within the median income range.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A__ B_X__ C__

I. BACKGROUND DATA

FINANCIAL DATA

Project Title: Kariobangi Community Development Proj.
 Project Number: 615-0252
 Date of Authorization: original 06/11/90 amendment 00/00/00
 Date of Obligation: original 06/11/90 amendment 00/00/00
 PACD: original N/A amended to 05/31/94
 Implementing Agencies: National Cooperative Housing Union.
 Major Contractors: MEGDEV Construction Company
 AID Project Officer: Richard Mwangi
 Status of CPs/Covenants: NACHU contribution to be reduced to \$0.39m

Amount Authorized:	DA/ESF Grant: original	\$1,170,000	amended to \$
Amount Obligated:	DA/ESF Grant: original	\$1,170,000	amended to \$
Amount Committed:	Period:	\$NONE	
	Cumulative:	\$1,126,206	
Accrued Expenditures:	Period - Projected:	\$ 18,147	
	Period - Actual:	19,924	
	Cumulative:	\$ 269,995	
	Period - Next:	\$ 29,545	
Pipeline:	Period - Beginning FY	\$ 919,929	
	Period - Actual	\$ 900,005	
Counterpart Contribution:	Planned:	\$ 390,000	
	Actual:	\$N/A	
Local Currency (FY)	Programmed: current (FY)	\$	
	Cummulative Receipts from MOF (FY)	\$	
	Expenditures (FY)	\$	
	% LOP Elapsed	100%	
	% of Total Auth. Oblig.	100%	
	% of Total Oblig. Exp.	95%	
	% of Total Auth. Exp.	100%	

Date of Last Evaluation: None	Next Evaluation: In Progress
Date of Last Audit: 00/00/00	Next Audit: 00/00/00
Date of Last Field Visit: 00/00/00	Next Field Visit: 05/20/94

II. PROJECT DESCRIPTION AND PURPOSE:

The Kariobangi Community Development Project was meant to establish a replicable model of privately undertaken slum upgrading in Kenya and to promote self-help community development as a means of reducing settlement upgrading costs. The Project was intended to (1) incorporate self-help community upgrading and mobilize household resources to reduce settlement upgrading costs, (2) recover project costs from beneficiaries and create a revolving fund to use in similar projects in future and (3) undertake development of 300+ housing units in the 12 acre site belonging to Kariobangi Cooperative Society.

A project paper proposing certain amendments to the Cooperative Agreement has been put together and is being circulated for necessary approvals. This document proposes a reduction of the Kariobangi scope project so that the balance of funds could be used on developing similar projects elsewhere.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

Difficult site conditions at Kariobangi precluded contractor from proceeding with all the 192 units of what became phase I of the project. Of the 120 units started, 95 have been completed, allocated and beneficiaries are moving in. The remaining 25 units will be taken over by the KHSC, which will find ways and means of completing them.

Beneficiaries have continued to make down payments at Ksh 14,400 per person. The number of beneficiaries who have completed the full amount of down payment, reported as 70 in the last PIR has now increased to 105. The 10 families that did not get housing units, have been allocated similar houses that were initially meant to be rental units. To that extent project has succeeded in mobilizing household resources towards settlement upgrading. Further project has started recovering costs with beneficiaries paying a provisional monthly instalment of Ksh 1,200. The final figure will depend on consultation currently going on between NACHU, CFL and REDSO/UID.

IV. Project Outputs: Kariobangi Project

<u>Description:</u>	<u>Status (% Completed)</u>
a) New/Improved housing units	99%
b) Households benefitting from improved water reticulation, sanitation, drainage and roads	100%
c) Project Cost recovered	Beneficiaries have started paying at Ksh 1,200 per month. Besides each of the 105 members have completed initial deposit of Ksh 14,400

V. Progress During Reporting Period

NACHU and KHSC encountered problems securing water meters from NCC for project beneficiaries. This has now been resolved. NCC has availed the meters for installation to all those who have paid the required deposit. Initial lack of water meters had the effect of slowing the pace of occupying houses. Since the resolution of this problem, about ten families have occupied their units, and more are expected to do so in the coming weeks.

The number of beneficiaries who have completed the full amount of down payment has increased from 70 to 105. All houses have been allocated and people taken possession of them, thereby absorbing the contractor from responsibility.

NACHU has advanced its negotiations with CFL, a subsidiary of Cooperative Bank which will provide mortgage under CHMP

VI. Evaluations and Audits

We directed NACHU to seek bids from audit firms acceptable to USAID. They received four bids and chose Price Waterhouse. We have since received their engagement letter and had it reviewed by RIG/A. NACHU has already awarded the contract to Price Waterhouse and the audit is thus underway. An evaluation of the project implementation and impact is in progress and is expected to be completed soon, now that beneficiaries are occupying their houses.

VII. Issues, Problems, Delays and Corrective Actions

Liberalization of interest rates and devaluation saw interest rates rise to over 35%, in spite of the fact that the scheme to assure affordability, was designed with an interest rate of 19% in mind. First the Coop Bank did not appear keen to discuss lending, and when they did, they refused to reduce the interest rate beyond a point. Since then interest rates have been declining and the bank has now agreed to charge at 30%. To assure affordability, USAID Ksh 9.4 million would have to earn very low interest. We are working on calculations of interest rates to arrive at the final figure.

Initial non-availability of meters delayed occupation of houses by the intended beneficiaries, but this has since been resolved. The slow pace of occupation has also been attributable to security considerations in that allottees felt obliged to first improve on security by installing metal doors in place of wooden ones. The fact that some allottees live outside Nairobi meant they would have to wait for tenants and this added to the delay.

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VIII. Major Actions Planned for the Next Semester

Our timetable for the next semester is as follows:

Activity	End of Activity
1) Achieve 50% beneficiary occupation	August 30, 1994
2) Complete evaluation	October 15, 1994
3) Undertake site dedication	September 30, 1994
4) Start new sub-projects	November 1, 1994

IX. Gender Considerations

The majority of households within Kariobangi Housing settlement Cooperative are women headed. A large number of beneficiaries are therefore women.

PROJECT IMPLEMENTATION REPORT
OCTOBER 1, 1993 - MARCH 31, 1994

A___ B___ C___

I. BACKGROUND DATA

Project Title: Kenya Credit Union/Coop Housing
 Project Number: 615-HG-008
 Date of Authorization: original 08/21/87 amendment 00/00/00
 Date of Obligation: original 00/00/00 amendment 00/00/00
 PACD: original N/A amended to 00/00/00
 Implementing Agencies: Housing Coops/SAACCOS
 Major Contractors: N/A
 AID Project Officer: Howard Sumka
 Status of CPs/Covenants:

FINANCIAL DATA

Amount Authorized:	DA/ESF Grant: original	\$10,000.00	amended to \$N/A
Amount Obligated:	DA/ESF Grant: original	\$None	amended to \$
Amount Committed:	Period:	\$	
	Cumulative:	\$N/A	
Accrued Expenditures:	Period - Projected:	\$None	
	Period - Actual:	\$None	
	Cumulative:	\$None	
	Period - Next:	\$N/A	
Pipeline:	Period - Beginning FY	\$N/A	
	Period - Actual	\$N/A	
Counterpart			
Contribution:	Planned:	\$	
	Actual:	\$	
Local Currency (FY)	Programmed: current (FY)	\$	
	Cumulative Receipts		
	from MOF (FY)	\$	
	Expenditures (FY)	\$	
	% LOP Elapsed	-%	
	% of Total Auth. Oblig.	91%	
	% of Total Oblig. Exp.	100%	
	% of Total Auth. Exp.	100%	

Date of Last Evaluation: 00/00/00	Next Evaluation: None
Date of Last Audit: None	Next Audit: 00/00/00
Date of Last Field Visit: 00/00/00	Next Field Visit: 00/00/00

II. PROJECT DESCRIPTION AND PURPOSE

To increase the accessibility of long-term housing finance through the private sector, by stimulating housing development through the cooperative housing finance sector, including credit unions and cooperative housing societies. The project is sub-part of the world wide private sector HG program developed in Washington.

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III. Progress Toward Purpose Achievement and Project Officer's Assessment

The Ministry of Finance and USAID agreed to provide NACHU with 18 million in counterpart funds to help establish a cooperative housing finance scheme (CHFS) involving the Coop Bank and NACHU. The RHUDD worked with Ministry of Finance, NACHU, Coop Bank and Coop groups to implement a community Housing Mortgage Program (CHMP), which would eliminate the need for individual titles and provide long term finance to households which might not otherwise qualify for loans.

IV. Project Outputs

Description:

Status: (% Completed)

None.

V. Progress During Reporting Period

None.

VI. Evaluations and Audits

None.

VII. Issues, Problems, Delays and Corrective Actions

Project on hold pending resolution of external issues and clarification of possible local currency guaranty mechanism.

VIII. Major Actions Planned for the Next Semester

None. Such actions would depend on the resolution of the external issues and clarification of Local Currency Housing Guaranty.

IX. Gender Considerations

N/A.