PD-ACC-878

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ANNUAL BUDGET SUBMISSION

FY 1978

KENYA

BEST AVAILABLE

DEPARTMENT
OF
STATE

JUNE 1976

FY 1978

ANNUAL BUDGET SUBMISSION

KENYA

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GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : AID/W DATE: June 18, 1976

FROM : Charles J. Nelson
Director, USAID/Kenya

SUBJECT: Mission Certification of Continued Validity of Kenya DAP

The Kenya DAP and DAP Supplement received AID/Washington approval in October 1975. The program strategy outlined in the DAP is "to focus on equity concerns through TA and sector and project lending for the agricultural production 'core' of rural development, supplemented by population assistance and efforts to conserve Kenya's land resources upon which ultimately depend the prospects for considerable agricultural development and, thus, increased incomes for many Kenyans." This strategy embodies not only AID's new program directions but also the Government of Kenya's concerns that the benefits of economic development reach the 'wananchi' and is considered to be still valid.

Kenya has been quite successful since independence in achieving rapid economic growth. This impressive record was offset however by a failure to distribute the benefits of development as widely and equitably as the Government desired and by a growing problem of unemployment and continuing poverty. The Third Development Plan (1974-1978), while continuing to pursue the objective of a fast overall growth rate, shifted emphasis to the problems of employment and income distribution. In this shift it was natural that the agricultural sector became the focus of the Government's efforts to sustain economic growth and alleviate unemployment and poverty. The agricultural sector contributes the largest proportions of the GDP and exports and provides employment for the overwhelming proportion of the labor force (more than 80% of the population is primarily dependent on agriculture for its livelihood).

The Third Plan proposed to commit increased resources to the sector amounting to approximately $369 million. However, the onset of the world economic recession which lowered Kenya's export earnings and raised the cost of imports forced a reduction in overall development expenditures. In doing so, however, the Government, as evidence of its commitment to the welfare of the rural population, proposed a 68% increase in agricultural spending with the specific purpose of expanding

5010-110

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production through the small farmer. In assessing its development status the Government has also recognized the problems engendered by its burgeoning population and limited land resources. A National Family Planning Program is in the process of being implemented to try to reduce the population growth rate projected to be increasing at 5.2%. While the success of this program will have beneficial effects in the long term, the present population is creating increasing pressure on the country's arable land. The Government has therefore given high priority to introducing programs which will develop the potential of the four-fifths of Kenya which is classified as marginal or semi-arid land.

The AID program in Kenya pursues the strategy of the DAP by assisting the Government in increasing the productivity of the less productive small farmers or herders. Ongoing projects in livestock development have been oriented to smallholder production and new projects have been designed to impact on the constraints such as credit, feeder roads, and programs specifically directed to subsistence farmers, which have impeded smaller agriculturalists from increasing their productivity and incomes. The AID program has also participated along with other donors in providing Kenya assistance in implementing its family planning efforts. The program also is embarked on an effort to begin development of the agricultural potential of marginal and semi-arid areas.

While the strategy of the DAP is currently valid, the Mission plans to conduct an intensive program evaluation beginning in about September 1977 which will serve as the basis along with the Government's new Five Year Development Plan, expected to be ready in FY 1978, for an updating or revision of the DAP. It is anticipated that AID/Washington assistance may be required during FY 1978 to supplement Mission resources in preparing this revision; however, a definitive statement in this regard cannot be made at this time. It is probable that the AID program strategy will remain essentially the same, although based on recent and tentative Government proposals the program may be broadened to encompass projects in health, further marginal/semi-arid lands development, and some aspect of rural development beyond agricultural programs, possibly along the lines of rural marketing centers. Until more information is available on new project directions, the types and duration of future assistance required cannot be specified.

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ADVANCE COPY

Department of State **TELEGRAM**

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ACTION AID-59

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UNCLAS NAIROBI 6443

AIDAC

FOR HARRY MARWITZ AFR/ESA AND JIM GOVAN/AFR/DP

E.O. 11652: N/A
SUBJECT: FY 1975 ABS

1. SUMMARY TABLES I, II, AND III FY 78 ABS CONTAIN NUMBER OF ERRORS. REQUEST AFR/ESA MAKE CORRECTIONS. TABLE II UNDER PROJECT 0170 ROADS GRAVELLING FOR IQ OBLIGATION INSERT FIGURE 8,755 AND PROJECT 0167 MANAGEMENT DEVELOPMENT BY OBLIGATION INSERT 570. FOR TABLE I SUBSTITUTE FOLLOWING:

	76	IQ	77	78
FOOD/NUTRITION				
GRANTS	3,030	375	3,213	3,775
LOANS		10,905	25,200	30,000
SUB TOTAL				
GRANTS	4,039	478	5,032	5,903
LOANS		10,905	25,00	30,000

2. TABLE III FY 78 FOOD/NUTRITION GRANTS INSERT 3,775 AND FY 78 TOTAL GRANTS 5,903.

3. PAGE 30 FAMILY PLANNING TABLE CHANGE FY 76 EXPENDITURE TO 302 AND PIPELINE TO 279 AND IQ EXPENDITURES TO 83.
LINDSTROM

UNCLASSIFIED

Country/Program Kenya

Summary Table I

Funding Levels for FY 1976, IQ, FY 1977, FY 1978

	FY 1976[1/]	Interim Quarter[1/]	FY 1977	FY 1978
Food/Nutrition				
Grants	3,030	218	2,431	3,182
Loans		11,040	25,200	30,000
Population/Health				
Grants	1,009	103	1,394	1,555
Loans				
(Population)				
(Grants)	1,009	103	1,344	1,555
(Loans)				
(Health)				
(Grants)				
(Loans)				
Education				
(Grants)			425	570
(Loans)				
Section 106				
Grants				
Loans				
Sub-Total				
Grants	3,039	321	4,250	5,307
Loans	-	11,040	25,200	30,000
Supporting Assistance				
Grants				
Loans				
HIGs				
PL 480				
Title I				
Title II	1,000	400	1,600	1,600

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ABS/CP Summary	1. Transaction Code A (A = Add, C – Change, D – Delete)	2. Document Code 6	3. Country/Entity Kenya
4. Document Revision No.	5. Operational Year 77	6. Budget A. Symbol B. Code	7. Geographic Code 615
8. Type Data 1 (1 = ABS 2 = ABS Revision 3 = CP 4 = CP Notification)		9. Type Assistance (1 = Project Assistance 2 = Program Assistance)	

Project Number	Project Title	12. Qtr for Obligation	13. Est. FY Auth/ Oblig. Final	14. Appro-priation	15. Prim. Purpose Code	16. L/G	17 Budgets (in $000) AY	IQ	OY	BY	LOP
0147	Vihiga Rural Development	-	IQ	FN	810	G	225	41	-	-	1,732
0148	Agriculture Credit	2/0	77	"	140	G	644	-	324	-	2,400
0157	National Range and Ranch Develop.	1/1	81	"	130	G	860	64	871	1,082	7,206
0158	Univ. of Nairobi Vet Faculty	1/0	77	"	110	G	325	50	493	-	2,325
0162	Rural Planning	1/1	80	"	180	G	265	100	454	700	2,648
0164	Marginal/Semi-Arid Lands Pre-Investment Study	3/4	78	"	120	G	711	-	289	1,000	2,000
0008	Livestock Loan Amendment(1)	-	IQ	"	113	L	-	3,250	-	-	12,850
0170	Roads Gravelling(2)	-	IQ	"	150	L/G	-	6,794	282	96	8,855
0168	Rural Roads Systems	-	77	"	152	L/G	-	-	25,700	500	27,700
0169	Agriculture Sector Loan II (1)	-	78	"		L	-	-	-	15,000	15,000
0172	Marginal/Semi-Arid Lands Development (2)	-	78	"	142	L/G	-	-	-	15,400	16,600
0161	Family Planning	2/2	79	PH	580	G	529	103	1104	890	3,530
0165	Pop. Studies and Research Center	1/1	80	"	580	G	480	-	290	665	1,976
0167	Management Development	-/1	80	EH	551	G	-	-	425	470	2,174
0174	PfP Rural Enterprise Development		78	FN		G	-	-	180	120	300
0175	AWLF Domestic Game Ranching		78	FN		G	-	-	85	144	229
0173	IEF Rural Eye Care		78	PH		G	-	606	-	344	950
0176	CARE Water Development-II		77	FN		G	-	-	450	-	450

18 Date Document received in AID/W	MM	DD	YY

Country/Program Kenya

Long Range Program Plan

	1978	1979	1980	1981	1982
Food & Nutrition					
Grants	3,182	2,200	2,500	3,000	3,000
Loans	30,000	20-25,000	20-25,000	20-25,000	20-25,000
Population/Health					
Grants	1,503	1,206	1,500	1,500	1,500
Loans					
(Population)					
(Grants)	1,503	1,206	750	750	750
(Loans)					
(Health)					
(Grants)			750	750	750
(Loans)					
Education					
Grants	570	640	539		
Loans					
Section 106					
Grants					
Loans					
Total					
Grants	5,255	4,046	4,539	4,500	4,500
Loans	30,000	20-25,000	20-25,000	20-25,000	20-25,000
PL 480					
Title I					
Title II	1,600	1,600	1,600	1,600	1,600

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete)

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: Kenya

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 615-0172

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

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Marginal/Semi-Arid Lands Development

8. PROPOSED NEXT DOCUMENT: A. 2 (2 = PRP, 3 = PP); B. DATE MM YY: Unknown

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 78; b. FINAL FY 82

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	16,600,000
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	N/A
D. OTHER DONOR(S)	N/A
TOTAL	

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY 78 F. GRANT	E. FIRST FY 78 G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) FN	143	070	070	400	15,000	1,600	15,000
(2)							
(3)							
(4)							
			TOTAL				

12. SECONDARY TECHNICAL CODES *(maximum six codes of three positions each)*

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To increase agricultural production and incomes.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Develop potential of Kenya's marginal and semi-arid land areas for agricultural production and income generation.

17. PLANNING RESOURCE REQUIREMENTS *(staff/funds)*

18. ORIGINATING OFFICE CLEARANCE

Signature: Charles J. Nelson

Title: Director, USAID/Kenya

Date Signed: MM 6 DD 17 YY 76

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

AID 1330-2 (3-76)

PROJECT IDENTIFICATION DOCUMENT

Marginal/Semi-Arid Lands Development

615-0172

I. Summary of the Problem to be Addressed and the Proposed Response

The Kenya Development Assistance Plan and Supplement stress the significance of developing the production potential of Kenya's marginal and semi-arid lands. The IBRD also has recommended intensive production efforts that concentrate on Kenya's marginal to medium potential lands coupled with major soil and water conservation programs (Kenya: Into the Second Decade. 1975. pp. 468-479.) Increasing population pressure on a limited amount of marginal potential land has led to serious problems of soil and vegetation degradation and declining agricultural yields. Priority attention must be paid to developing water resources and to soil, land and water management in order to arrest the ecological deterioration already apparent in much of the semi-arid and marginal lands.

Agriculture is the dominant sector for employment and contribution to GDP and with only 18% of the land classified as medium to high potential, major increases in smallholder incomes and agricultural employment will be based partly on more intensive production on high-medium potential lands and partly on realizing the production potential of marginal semi-arid lands in concert with measures to conserve that resource.

To this end, the Mission has already proceeded with assistance for a resource inventory of two areas which represent 6% of Kenya's total marginal and semi-arid lands, i.e., sections of Machakos, Kitui, and Embu districts and portions of Baringo and Marakwet Districts. The resource inventory will assist the GOK in the improvement of production and management of marginal and semi-arid lands by making an assessment of the potential of the area through soil survey, range and land use assessment, integrated with an analysis of socio-economic and other development constraints. (See Revised Draft Scope of Work, Pre-Investment Study of Agricultural Potential of Selected Marginal Semi-Arid Lands of Kenya, USAID/Kenya, December 5, 1975). The multi-disciplined resource inventory will identify the core problems affecting the area's development, including population pressure, migration patterns, erosion, desertification water availability, deforestation, credit, agricultural production technology, marketing, extension services, and potential socio-cultural constraints. The inventory will also serve as a data base for identifying projects which significantly impact on the area's core development problems.

Part of the pre-investment study will be the identification of projects which address the core development constraints. These identified projects will be reviewed by the appropriate GOK ministries to select those projects for further study and design which conform to the GOK's own development program and strategies for marginal and semi-arid lands. A joint USAID/GOK team will undertake the detailed design of projects identified and approved by the GOK. The Mission proposes that AID follow up the pre-investment work with financial assistance to several of the identified and designed development projects. With USAID's deep involvement in the pre-investment stage it makes sound development sense that USAID be prepared to assist in the investment stage. In-house expertise will have been developed through the inventory work and GOK-USAID working relationships strengthened through the project identification and screening process. Finally, AID's assistance to project design will provide USAID/Kenya with a solid understanding of the background, logic and technical design of the proposed development projects.

Project details will not be available until the Marginal/Semi-Arid Lands Pre-Investment Study has identified potential projects and selection and design initiated after January 1977. However, it is anticipated that the following set of project packages will be identified for further study and eventual implementation. This PID is requesting funding for projects which may include, but not be limited to:

1. Production systems to improve smallholder food and livestock production and introduction of cash crops into the production cycle;

2. Livestock production systems to provide an optimal mix between species and available forage and fodder.

3. Farm and ranch planning designed to introduce soil conservation measures through mechanical and managerial treatments.

4. Reforestation programs to improve watershed conditions and improve the production of fuel, timber and poles.

5. Water conservation and development for household, farm, and livestock consumption.

6. Assistance in extension, credit, commodity procurement, storage and marketing of produce.

The projects identified, designed, and implemented in the two target areas should provide important information as to their replicability in similar areas of marginal and semi-arid land. While the pre-investment study focuses only on 6% of the semi-arid and marginal land of Kenya, the study area is not atypical of much of the rest. It is therefore anticipated that projects designed to address specific production and resource conservation problems within the target area will be suitable for addressing similar problems in other sectors of marginal and semi-arid land areas.

II. Financial Requirements and Plans

While it is not possible at this stage to accurately predict what magnitude of resources will be required to carry out the projects evolving from the pre-investment study or, indeed, the nature of the projects which AID may finance and the extent of other donor participation, it is conservatively estimated that a total of $1,600,000 in grant financing will be required over a four year implementation period in conjunction with an FY 1978 loan of $15,000,000. It is anticipated that this assistance may be complemented by other donors who have expressed themselves as concerned with the developement of Kenya's marginal land areas. The Government of Kenya's own concern as evidenced by the high priority it has given to developing these same areas indicates that it will be willing to participate at a level which will more than satisfy the requirement for 25% contribution.

III. Development of the Project

Project development will primarily be the task of the identification and design team assigned to the pre-investment study. They will undertake the greatest portion of the required technical analysis and it is anticipated that, based on their work, a PRP possibly can be prepared with little or no additional technical support from AID/W.

The PP may require additional TDY support from AID/W on specific technical aspects of identified projects and to complete the detailed design work that will be required once specific project sites have been selected. It is anticipated that the PP will be submitted during the last quarter of FY 77 with project activities to begin by the end of the first quarter of FY 78.

IV. Issues of a Policy or Programmatic Nature

The preliminary nature of the project does not permit identification of issues at this stage. It should be noted, however, that due to the need to design the project on the basis of the results of the Marginal/Semi-Arid Lands Pre-Investment Study, it will not be possible to submit the PRP until after the AID/W October 1976 deadline and possibly after completion of the next CP. (The Phase II seminar to identify projects is tentatively scheduled for January-February 1977, assuming arrival of the team leader in July 1976. Phase III of the study, or project design, is scheduled to require approximately the six months following Phase II.) To defer moving ahead on this proposed project until after inclusion in the CP which is to be completed in about February 1978 would mean loss of one year in work on the project and the consequent loss of momentum and, presumably, AID's opportunities for participation in this significant effort.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

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

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: Kenya

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 615-0169

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

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): Agriculture Sector Loan II

8. PROPOSED NEXT DOCUMENT

A. 2 = PRP, 3 = PP

B. DATE (MM YY): Unknown

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 78 b. FINAL FY 78

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 =)

FUNDING SOURCE	LIFE OF PROJECT
A. AID APPROPRIATED	
B. OTHER U.S. 1.	
2.	
C. HOST COUNTRY	
D. OTHER DONOR(S)	
TOTAL	

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY ____ F. GRANT	E. FIRST FY ____ G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1)							
(2)							
(3)							
(4)							
			TOTAL				

12. SECONDARY TECHNICAL CODES *(maximum six codes of three positions each)*

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

17. PLANNING RESOURCE REQUIREMENTS *(staff/funds)*

18. ORIGINATING OFFICE CLEARANCE

Signature: Charles Gladson

Title: Director, USAID/Kenya

Date Signed (MM DD YY): 6 1 7 7 6

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION (MM DD YY)

AID 1330-2 (3-76)

PROJECT IDENTIFICATION DOCUMENT

AGRICULTURE SECTOR LOAN II [1/]

615-0169

I. Summary of Problem to be Addressed and Proposed Response

Agricultue is the dominant sector in the Kenyan economy, providing a livelihood for about 85 percent of the population, about 30 percent of GDP, and 60-to-70 percent of overseas commodity exports. In real terms, the sector grew at a respectable 4.7 percent during 1964-1973, exceeding the population growth rate of 3.0-to-3.4 percent during the period, and was projected to grow at an even faster rate (5.2 percent) during the 1974-1978 Development Plan period. Actual real sector growth overall in 1974 and 1975 was marginal due to poor weather conditions, the high cost of inputs, and low world prices although production of specific crops varied with the output of tea, maize and pyrethrum increasing in 1975 while that of coffee, wheat, sugar cane, livestock and livestock products, and sisal fell.

The GOK's Third Development Plan (1974-78) recognized the need for a change from the "cash crops for export" strategy followed during the first 10 years of independence and proposed a new strategy emphasizing increased production of food and export crops while raising incomes and the quality of life in rural areas, particularly of low income agriculture producers. This strategy was to be implemented chiefly by increased spending on agriculture.

Subsequent policy statements, in particular Sessional Paper No. 4, "On Economic Prospects and Policies" of May 1975, have reaffirmed this emphasis and included measures to accelerate its implementation. For example, the Sessional Paper recognized the need to reduce Plan projections for development expenditure in light of the prevailing economic situation, but within that reduction it proposed a 68 percent increase in agriculture spending over original Plan levels and an acceleration of the shift to give priority to rural roads construction and improvement.

Implementing the above strategy will be difficult as nearly all of Kenya's limited high and medium-potential agricultue land is already densely populated. Also, 80 percent of Kenya is classed as marginal and semi-arid and is principally suited for livestock production. These areas are chronically drought-prone and ecologically fragile

1/ This PID is a revision to that submitted in the FY 1977 Annual Budget Submission for Agriculture Sector Loan III.

and are increasingly subject ot degredation and a heavy influx of migrants from the densely populated areas. Reaching these smallholders and stimulating or enabling them to raise low production/productivity levels requires special programs and reorientation of personnel working in the sector as well as additional resources.

The IBRD in its 1973 Agriculture Sector Survey - Kenya and its 1974 Basic Economic Report stressed the importance 1) of providing measures to increase rural incomes and employment and 2) of an integrated approach to smallholders combining research with effective farmer training and design of integrated delivery systems for credit and farm inputs.

The Kenya DAP and DAP Supplement also stressed the need for agriculture development to increase the incomes of low income producers, and agriculture was selected as the premier sector among the two areas of concentration chosen for AID assistance to Kenya. The sectoral constraints identified by the DAP Supplement as being most critical for achieving the GOK's equity goals were as follows:

1. Trained manpower.
2. Macro-economic policies.
3. Small producer access to agriculture institutions, services and infrastructure.
4. Research.

Both documents proposed a broadening of AID's agriculture assistance to include activities in food production and marginal/semi-arid lands development in addition to livestock. Over the last two years the Mission has moved ahead to follow through on these proposals with new projects having been approved for Kenya's first agriculture sector loan, which finances credit and the first ever program directed toward non-progressive smallholders, for rural planning assistance, and for a study (to begin shortly) of the agriculture potential of marginal and semi-arid lands; with revisions to the FY 1974 Livestock Loan, the closely related National Range-Ranch Development grant project and the Agriculture Credit project, and with work on two PP's now in various stages of finalization for assistance to Kenya's rural roads programs. Most of these new or revised efforts focus on the smallholder access constraint although some address that of trained manpower.

In addition to the above there are other AID efforts in train of significance to the sector: 1) A comprehensive study of agriculture credit in Kenya which is to begin in the IQ or early FY 1977; 2) continuing discussions with the Ministry of Agriculture regarding possible AID financing of in-depth studies of agriculture manpower, the Ministry's

in-service, pre-service and farmer training programs, agriculture research as it impacts upon the small farmer, and its extension services, and 3) discussions with the GOK to follow up on proposals made to the Secretary of State during his May visits to Kenya, which might include some future involvement in intermediate technology.

At this point in time ASL II might include a range of activities directed to one or more of the constraints listed above:

1. Follow-on assistance to Part C, ASL I to continue and expand the program which is now in its first planting season.

2. Additional funds for agriculture credit, depending in part on experience under ASL I and, more importantly, upon the results of the nine-months credit study, which is proposed to begin o/a July 1976.

3. Support for programs in agriculture training and research as a follow up to the studies now being discussed.

4. Efforts in intermediate technology.

However the proposed loan should evolve, the intended beneficiaries will be Kenya's small farmers and pastoralists. This group almost universally falls within the lowest income category and are among the 77 percent of total Kenyan households cited by the ILO/UNDP earning less than $336 annually or about $57 per person, using the 1969 census finding of an average family size of six.

II. Financial Requirements and Plans

The Mission is tentatively using a planning figure for this FY 1978 ASL of $15 million with disbursements to occur over three years. The anticipated Government contribution can only be estimated now at the 25 percent required by the FAA. Information on other donor contributions, if any, as well as a statement as to whether the project will be self-perpetuating or not will have to await further refinement of the proposed plan.

III. Development of the Project

The USAID expects to utilize its own and REDSO staff in combination with consultants to develop, first, a PRP and, then, the PP. The basis for these efforts will be the studies and/or actual experience

cited above, depending upon the loan's content, and supplemented by whatever additional in-depth investigations may prove necessary. These non-AID manpower requirements can only be spelled out when more is known about the nature and scope of ASL II.

The date for submission of the PRP is at present unknown. Certainly, the necessary information on any of the four possible subject areas mentioned above will not be available in sufficient detail to meet AID/W's revised requirements for PRP's by the October 30 deadline for PRP submissions. (For example, the credit study will not be completed until o/a March 1977, assuming no slippage in the target start-up date of July 1976.) The Mission would anticipate submission of a PP in the fourth quarter of FY 1978.

IV. Issues of a Policy or Programmatic Nature

At this point no substantive issues can be identified. There is a procedural issue regarding the timing of submission of the PRP.

Country/Program KENYA

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Vihiga Rural Development
PROJECT NUMBER 615-11-810-147
APPROPRIATION Food & Nutrition

INITIAL OBLIGATION FY 72
FINAL OBLIGATION I.Q.
TOTAL COST $1,732,000

DATE PROP/REVISION 4/75
DATE LAST PAR 6/11/76
DATE NEXT PAR -

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	225	295	6/30/76 57
Estimated Interim Quarter	41	33	9/30/76 65
Estimated FY 1977	-	65	9/30/77 0
Proposed FY 1978	-	-	9/30/78 -

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.	-	-	-	-	-	-		
Local & Tcn.	-	-	-	-	-	-		
Participants	-	-	-	-				
Commodities	-	-						
Other Costs								
TOTAL							0	0

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from	FY 1976 Obligations to	Int. Qtr. Obligations from	Int. Qtr. Obligations to	FY 1977 Obligations from	FY 1977 Obligations to	FY 1978 Obligations from	FY 1978 Obligations to
Development Alternatives Inc.	1/76	9/76	10/76	1/77	--------		---------	
Near East Foundation	9/75	1/77	-------		-------		---------	

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	----	----	----	----
PASA	----	----	----	----
Contract	2	2	----	----
Participants	----	----	----	----
Short-Term	1	----	----	----

Country/Program KENYA

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Agriculture Credit
PROJECT NUMBER 615-11-140-148
APPROPRIATION Food & Nutrition

INITIAL OBLIGATION FY 1971
FINAL OBLIGATION FY 1977
TOTAL COST $2,400,000

DATE PROP/REVISION 12/2/75
DATE LAST PAR 6/76
DATE NEXT PAR 5/77

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	644	212	6/30/76 635
Estimated Interim Quarter	0	140	9/30/76 495
Estimated FY 1977	324	615	9/30/77 204
Proposed FY 1978	0	204	9/30/78 -

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.			229					
Local & Tcn.								
Participants	95							
Commodities								
Other Costs								
TOTAL	95		229				324	

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from to	Int. Qtr. Obligations from to	FY 1977 Obligations from to	FY 1978 Obligations from to
ACDI	8/15/76 - 8/14/77	- -	8/15/77 - 9/31/78	- -
Consultants	37 mm		2 mm	

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	----	----	----	----
PASA	----	----	----	----
Contract	3	5	3	0
Participants				
ST	5	0	6	-
LT	2	2	3	3

Project: Agriculture Credit

Number: 615-11-140-148

Background

A special evaluation of the Agriculture Credit project in late FY 1975 provided the basis for a Project Paper Revision (No.1) which was approved in February 1976. The purpose and goals of the project were not changed although added emphasis was given to making credit available to small farmers and ranchers. The inputs, however, were increased to include three additional technical advisors (a Financial Analyst, a Computer Program Analyst and a Credit Examiner) who will serve in the Agriculture Finance Corporation's (AFC) headquarters; a comprehensive study of agriculture credit in Kenya; a management study of the AFC; a special evaluation at the end of the project, and nine additional participant trainees. These additions to the project were deemed necessary in order to permit the project to achieve its purpose of making AFC a more efficient and effective credit institution.

Planned Outputs. The project is expected to result in the following outputs:

(1) In-service training and on-the-job training for 235 AFC central and field office personnel by 1977.

(2) A total of nine long term academic and 19 short term trained participants returned and on-the-job with AFC.

(3) Farm management advice which is being made available to farmers by AFC field offices will have increased in scope and effectiveness.

(4) Improved organizational structure and financial management for AFC due to:

   (a) Institution of a data processing, accounting, and financial management system, and
   (b) Computerization of AFC's financial management system system to provide timely data for efficient loan administration.

(5) An effective system of credit quality review.

(6) Increased credit available to small farmers and ranchers.

Progress Toward Outputs:

The outputs of the Agriculture Credit Project were expanded and refined by the PP Revision. Numbers 1, 2 and 3 remain unchanged, however, number 4 was made more specific as to how the output was to be achieved and numbers 5 and 6 were added.

The training element of the project has proceeded at a satisfactory pace with eleven participants trained, including three degree and eight practical trainees who have returned and been assigned to responsible positions within AFC. Another three degree and five practical trainees are currently in the U.S. and will return during FY 1977. The PP revision added additional nine participants (three degree and six short-term). The three long-term participants will be the designated replacement for the three new technicians and will receive additional counterpart training before and after their U.S. training program. The in-service training carried out by the three Area Supervisors has already exceeded the targeted output with having received training under the direction of project technical advisors.

The provision of farm management advice to farmers by AFC field offices has not been particularly successful to date. AFC plans to continue to rely upon the Farm Management Division of the Ministry of Agriculture for such services rather than hire its own staff as previously planned.

AFC's overall performance as a lending institution has been steadily improving. Small farmer loans in CY 1975 numbered 6,500 an increase of 2,500 over the previous year (about 30% of AFC's portfolio is now in small farmer loans).* The time period for processing loans has been reduced by 8 to 12 weeks with the average loan now being made within four weeks. In part, the improvement stems from the application of a decentralization policy originally propounded by an AID contract General Manager and which is now being carried out under the tutelage in the field of three area supervisors who are also supplied under the project. Of the 33 field offices, 17 now have been delegated responsibility for loan approvals, servicing, collections and record maintenance. Sixteen of these can lend up to 10,000 shillings (about $1,200) without obtaining prior headquarters' approval. It is planned that field offices will shortly be given foreclosure responsibilities as well.

*Small farmer loans, however, are defined by the size of the loan rather than by income, size of holding or similar criteria.

While the progress has been encouraging, the FY 1975 special evaluation of the project identified three key areas at the headquarters level which were impediments to efficient lending operations. These areas, financial management, credit review, and computer programming, were included in a FY 1976 PP Revision for additional assistance. Three new advisors will begin assignments, hopefully,NLT October 1976 as section heads in AFC headquarters to design and oversee the installation of improved financial management, accounting and credit review systems which will expedite loan processing and monitoring and the effective utilization of lending resources.

The project now also includes consultants services for conducting an intensive study in FY 1977 of AFC's management system including recommendations for improvements; and for a study also in FY 1977, of Kenya's agricultural credit resources and needs over the next five years and to recommend appropriate role for AFC vis a vis the small farmer. These new inputs, in concert with past and present project assistance, are expected to achieve the project purpose of making AFC into a lending institution capable of implementing and managing a credit program which can expand credit for farmers and ranchers, particularly smallholders.

Funding Issues

The PP Revision resulted in an increase in the estimated life of project cost to a new total of $1,889,000. This will require an FY 1977 obligation to final fund the project of £316,000 which is above the FY 1977 CP figure of $150,000. At the project evaluation held June 17, 1976, the AFC General Manager raised the possibility of a request for the extension of one area supervisor for one year to work with the credit review specialist. As no formal request has been made, no provision for funds have been included in the ABS. If the request is sent forward and approved, it will be necessary to include an additional $45,000 for FY 1977 to fund this extension.

Country/Program Kenya

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Vet. Faculty
PROJECT NUMBER 615-11-110-158
APPROPRIATION Food & Nutrition

INITIAL OBLIGATION FY 1971
FINAL OBLIGATION FY 1977
TOTAL COST $2,325,000

DATE PROP/REVISION 1/26/76
DATE LAST PAR 12/8/75
DATE NEXT PAR 11/76

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	325	549	6/30/76 141
Estimated Interim Quarter	50	68	9/30/76 123
Estimated FY 1977	493	371	9/30/77 245
Proposed FY 1978	-	239	9/30/78 6

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.			390					
Local & Tcn.								
Participants			103					
Commodities								
Other Costs								
TOTAL			493					

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from to	Int. Qtr. Obligations from to	FY 1977 Obligations from to	FY 1978 Obligations from to
Colorado State University	7/1/75 - 7/31/76	8/1/76 - 11/30/76	11/1/76- 6/30/78	--

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire				
PASA				
Contract				
Participants	5	4	4	0
LT	6	8	8	1

Project: University of Nairobi Veterinary Faculty

Number: 615-11-110-158

Background

A PAR (USAID/Kenya 76-3) was submitted on the University of Nairobi Veterinary Faculty project in December 1975, and, as a result, a minor Project Paper Revision was issued increasing the number of participants from 12 to 18. The project continues on schedule and will conclude as planned during FY 1978.

Future Funding Issues

Despite long standing Mission requests, the contractor has not provided a satisfactory accounting of project commodity expenditures although participant expenditures were corrected in May. Until this information is made available to USAID/Kenya, the ABS' projections of contract funding needs can only be considered as tentative (see Nairobi 3594 of April 12, 1976 which fully explains the problem).

Country/Program Kenya

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME NRRD
INITIAL OBLIGATION FY 1973
DATE PROP/REVISION 5/15/76
PROJECT NUMBER 615-11-130-157
FINAL OBLIGATION FY 1981
DATE LAST PAR 6/76
APPROPRIATION Food & Nutrition
TOTAL COST $8,174,000
DATE NEXT PAR 1/77

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	860	725	6/30/76 593
Estimated Interim Quarter	64	191	9/30/76 466
Estimated FY 1977	871	1245	9/30/77 92
Proposed FY 1978	1082	979	9/30/78 195

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.	304	221	363	534			667	755
Local & Tcn.								
Participants	113	219					113	219
Commodities	74	74					74	74
Other Costs	17	34					17	34
TOTAL	508	548	363	534			871	1082

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from to	Int. Qtr. Obligations from to	FY 1977 Obligations from to	FY 1978 Obligations from to
USDA	7/1/75 - 6/30/76	7/1/76 - 9/31/76	10/1/76 - 9/31/77	10/1/77 - 9/31/78
USGS	7/1/75 - 6/30/76	7/1/76 - 9/31/76	10/1/76 - 9/31/77	10/1/77 - 9/31/78
UNK	-	-	12/76 - 11/77	12/77 - 11/78

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	-	-	-	-
PASA	10	10	10	9
Contract	-	-	1	1
Participants				
LT	4	12	8	-
ST	2	-	-	-

Project: National Range and Ranch Development

Number: 615-11-190-157

A PAR (USAID/Kenya 76-6) on the National Range and Ranch Development Project was prepared in June 1976, which has been sent to AID/W. The project underwent a Project Paper Revision in FY 1976 which increases personnel, participants and commodity inputs in order to correct identified deficiencies and give greater assurance of achieving project objectives. The project is generally on schedule although some elements are behind schedule due largely to late implementation of the complementary Phase II Livestock Development Loan.

Country/Program KENYA

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Rural Planning
PROJECT NUMBER 615-0162
APPROPRIATION Food & Nutrition

INITIAL OBLIGATION FY 1976
FINAL OBLIGATION FY 1980
TOTAL COST $2,648,000

DATE PROP/REVISION 4/28/76
DATE LAST PAR
DATE NEXT PAR

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	265	45	6/30/76 220
Estimated Interim Quarter	100	52	9/30/76 268
Estimated FY 1977	454	558	9/30/77 164
Proposed FY 1978	700	685	9/30/78 179

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.			160	324			73	324
Local & Tcn.								
Participants	34	34					34	34
Commodities								
Other Costs	260	342					260	342
TOTAL	294	376	160	324			367	700

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from	FY 1976 Obligations to	Int. Qtr. Obligations from	Int. Qtr. Obligations to	FY 1977 Obligations from	FY 1977 Obligations to	FY 1978 Obligations from	FY 1978 Obligations to
Unknown Sr. Rur Plng. Adv.	10/76	12/77	-	-	1/78	6/78	7/78	3/79
Unknown 2 Rur Plng. Adv.	10/76	9/77	9/77	12/77	-	-	1/78	3/79
Consultants	-			-	8mm		8mm	

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	-	-	-	-
PASA	-	-	-	-
Contract	-	-	3	3
Participants	-	-		
LT			1	1
ST			-	-

Project: Rural Planning

Number: 615-11-190-162

Background

A Project Paper for the Rural Planning project was submitted to AID/W for approval in May 1976. The project proposes to assist the Government of Kenya to improve its institutional capacity to plan and manage rural development (particularly agriculture) programs and projects through technical assistance to the Ministry of Agriculture and the Ministry of Finance and Planning. The project will fund, jointly with five other donors, a contract with the Harvard Institute of International Development (HIID) to provide technical advisors and training over a four and a half year period to upgrade the planning and management skills of the Ministry of Agriculture's Development Planning Division and Management Systems Evaluation Unit. The project will also bilaterally finance another host country contract with Harvard to furnish technical advisors and training for the Rural Planning Unit of the Ministry of Finance and Planning to improve and accelerate the Government's ongoing efforts to decentralize planning and attain greater local level participation in the process.

Planned Outputs

1. A reorganized Ministry of Agriculture Development Planning Division more than 50 percent staffed with trained Kenyan officials.

2. A new Management Systems Evaluation Unit attached to the Office of the Permanent Secretary, Ministry of Agriculture, 50 percent staffed with Kenyan officials.

3. A new Planning and Management Committee within the Ministry of Agriculture.

4. Reorganization of the Inter-Ministerial Estimates Working Group for Agriculture.

5. Establishment of the "Project Committee" concept within the Ministry of Agriculture whereby officers of the planning, technical and financial divisions jointly participate in project design and evaluation.

6. Preparation of detailed guidelines for developing projects at the district level.

7. Development of a project inventory matrix identifying both centrally- and locally-funded development activities by district.

8. Development of recommendations by the Rural Planning Unit for expanding local participation in planning/implementation.

9. Preparation of the rural planning section of the 1979/80 - 1983/84 Development Plan.

10. Development and installation of a system to ensure central planners have access to and consider local inputs into planning efforts.

Progress toward Outputs

Dependent upon AID/W's approval of the PP, initial obligations will be made in June and the first advisor will arrive shortly thereafter.

Country/Program Kenya

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Marginal/Semi-Arid
PROJECT NUMBER 615-11-120-164
APPROPRIATION Food & Nutrition

INITIAL OBLIGATION FY 1976
FINAL OBLIGATION FY 1977
TOTAL COST $1,000,000

DATE PROP/REVISION -
DATE LAST PAR 7/77
DATE NEXT PAR

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	711	-	6/30/76 711
Estimated Interim Quarter	-	149	9/30/76 562
Estimated FY 1977	289	800	9/30/77 51
Proposed FY 1978	1,000	51	9/30/78 -

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.	9	-	137	-	91	-	237	-
Local & Tcn.	-	-	-	-	-	-	-	-
Participants	-	-	-	-	-	-	-	-
Commodities	9	-	-	-	-	-	9	-
Other Costs	43	-	-	-	-	-	43	-
TOTAL	61		137		91	-	289	1,000

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from to	Int. Qtr. Obligations from to	FY 1977 Obligations from to	FY 1978 Obligations from to
Soil Conservation	7/1/76-6/30/78	-	-	6/30/78- -
Unknown IDQ	7/1/76-6/30/78	-	4/77 9/77	-

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	-	-	-	-
PASA	-	2	2	Unk
Contract	-	6	6	Unk
Participants	-	-	-	-

Project: Marginal/Semi-Arid Lands Pre-Investment Study

Number: 615-11-120-164

Background

The Marginal/Semi-Arid Lands Pre-Investment Study project was activated in May 1976 when the Project Agreement with the Government of Kenya was signed. Actual implementation will not start until the arrival of the Project Coordinator in July or August 1976 and the remaining study team members shortly thereafter. The project is financed with AID drought recovery and rehabilitation funds and aims to identify and design projects for the agricultural development of Kenya's marginal and semi-arid areas through a survey and analysis of natural and human resources.

Planned Outputs

The study will have three principal outputs. (1) a multi-disciplinary pre-investment resource inventory of two selected areas typical of Kenya's marginal and semi-arid regions (the Machakos/Kitui/Embu and Baringo/Kerio areas have been chosen) will be conducted by a study team composed of AID provided contract and PASA personnel and Government of Kenya employees. The resource inventory will include quantitative, narrative and graphic descriptions of the project areas' human and natural resources and existing infrastructure. Core problems that constrain development will be identified and delineated including population, migration patterns, erosion, desertification, water availability, deforestation, credit, production technology, marketing, extension, elements of agricultural education, institutional infrastructure, and also potential socio-cultural constraints. (2) at the mid-point of the resource inventory a review will be held of the data collected on the Machakos/Kitui/Embu area to identify problems and possible supporting investment opportunities, such as roads, soil conservation measures, water development, and public services which are required to improve the areas's agricultural potential. (3) following this review, development projects will be identified and designed for presentation to donors, including AID, for assistance. An additional output from the project will be the non-formal training of the Kenyan personnel as a result of working in close coordination with the U.S. experts. It is anticipated that these personnel will be capable of conducting a similar review and project identification procedure from the data collected on the Baringo/Kerio areas.

Funding Issues

The total allotment of drought recovery adn rehabilitation funds for Kenya was $1,000,000. The difference between this amount and the FY 1976 obligation of $710,725 will be applied in FY 1977 to the mid-point review and project design activities. An additional $1,000,000 has been included for FY 1978 funding in response to a Goverment request to carry out similar work in other areas of Kenya.

Country/Program KENYA

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Family Planning
PROJECT NUMBER 615-11-580-161
APPROPRIATION Pop. Planning & Health

INITIAL OBLIGATION FY 1975
FINAL OBLIGATION FY 1979
TOTAL COST $3,530

DATE PROP/REVISION 4/9/76
DATE LAST PAR 6/17/76
DATE NEXT PAR 2/77

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	529	99	6/30/76 482
Estimated Interim Quarter	103	286	9/30/76 299
Estimated FY 1977	1104	818	9/30/77 585
Proposed FY 1978	890	983	9/30/78 492

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.	9		235	200	-	-	244	200
Local & Tcn.	-							
Participants	242	217					242	217
Commodities	277	173					277	173
Other Costs	350	300					350	300
TOTAL	869	690	235	200			1104	890

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from to	Int. Qtr. Obligations from to	FY 1977 Obligations from to	FY 1978 Obligations from to
Dualabs	7/1/76 6/30/77	-----	-----	-----
Unknown IQC	--------	------	4/1/77 3/31/78	4/1/78- 3/31/79
Health Planner				
Health Econ.				
Consultants			4mm	8 mm

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	-	-	-	-
PASA	-	-	-	-
Contract	1	1	2	2
Participants				
LT	2	17	24	15
ST	-	-	-	-

Project: Family Planning

Number: 615-11-580-161

In January 1976 USAID conducted a special evaluation of the Family Planning project and as a result in April transmitted to the Government and AID/W a Staff Paper incorporating the evaluation findings and recommendations as to new directions for family planning efforts and rural health. Based on the Government's response to the Staff Paper, a Project Paper Revision will be done in the third quarter of FY 1977. A PAR facesheet (74-4) referencing the Staff Paper was issued on June 17, 1976.

Country/Program KENYA

ONGOING GRANT PROJECT FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Pop. Studies & Res. Center
PROJECT NUMBER 615-0165
APPROPRIATION Pop. Planning & Health

INITIAL OBLIGATION FY 1976
FINAL OBLIGATION FY 1980
TOTAL COST $1,976,000

DATE PROP/REVISION May 15, 1976
DATE LAST PAR ----
DATE NEXT PAR 4/78

U. S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:
Actual FY 1976	480	-	6/30/76 480
Estimated Interim Quarter	-	-	9/30/76 480
Estimated FY 1977	290	284	9/30/77 486
Proposed FY 1978	665	482	9/30/78 669

FY 1977 and FY 1978 Obligations by Cost Component/MOI

Cost Component	Direct Aid 77	Direct Aid 78	Contract 77	Contract 78	PASA 77	PASA 78	TOTAL 77	TOTAL 78
U. S. Tech.				281				281
Local & Tcn.								
Participants	80	92					80	92
Commodities	16	7					16	7
Other Costs	194	285					194	285
TOTAL	290	384		281			290	665

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations from to	Int. Qtr. Obligations from to	FY 1977 Obligations from to	FY 1978 Obligations from to
Unknown	10/1/76 9/30/77	- -	10/1/77 9/30/78	10/1/78 - 9/30/79
Consultants			6 mm	6 mm

Note: Figures differ from PP due to AID/W action on PP. Forwarding funding personnel and new cost guidelines for participants per STATE 146035.

On Board Personnel

	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	----	----	----	----
PASA	----	----	----	----
Contract	----	----	3	3
Participants				
LT	----	----	6	9
ST	----	----	2	2

Project: Population Studies and Research Center

Number: 615-0165

Background

The Project Paper for the Population Studies and Research Center (PSRC) was submitted to AID/W in May 1976 with initial obligations to be made in June 1976 and the start of project activities in FY 1977. The PSRC project is to provide assistance to the Government of Kenya in establishing at the University of Nairobi an institution to conduct research and training relative to Kenya's population/family planning efforts. the PSRC is expected to produce the high quality of supervisory level personnel required to direct the country's government and private sector family planning programs. It will also conduct research needed to expand the knowledge and perception of the consequences of population/family planning for Kenya.

Planned Outputs

AID will provide technical assistance, including a) three long-term and up to 10 short-term advisors; b) training in the United States for future staff members and associated members from other University faculties or departments; c) funds for research student fellowships, d) a professional population journal, e) special seminars, and f) commodities, including books, office equipment and furniture. This assistance is expected to result in the following outputs:

(1) The production of at least six program and policy-oriented research reports per year by the third year of the project.

(2) A continuing evaluation of Kenya's National Family Planning Program at the invitation of the Ministry of Health.

(3) The development of a highly qualified PSRC academic staff and associate staff in other departments of the University.

(4) A functioning post-graduate program graduating at least three PSRC-trained MA's and one PhD per year by the fourth year of the project.

(5) A Population/Family Planning curricula planned and initiated in at least eight departments of the University.

(6) A seminar program for approximately 150 opinion leaders and 350 civil servants over the life of the project.

(7) A population library consisting of at least 2,000 volumes and periodicals.

ABS CONTRACEPTIVE TABLES

TABLE 1

Program Analysis for Orals and Condoms to Achieve Replacement Level of Population Growth

(000's)

	1975	1976	1977	1978	1979	1980
A. "Full Supply" Analysis						
1. Women (15 - 49) - (See Annex A)	2,670	2,758	2,849	2,943	3,041	3,141
2. 65% of line A1 (Contracepting women required to achieve replacement level)	1,735	1,793	1,852	1,913	1,977	2,042
3. 50% of line A1 (Contracepting women utilizing orals and condoms)	1,335	1,379	1,425	1,472	1,521	1,571
4. Annual stock requirements for "full supply"						
a. Orals-½ of line A3 x 13 monthly cycles	8,678	8,964	9,263	9,568	9,887	10,212
b. Condoms-½ of line A3 x 100 units	66,750	68,950	71,250	73,600	76,050	78,550
B. Annual New Supply from non-AID Bilateral Sources						
1. Private Commercial Sector						
a. Orals		NA				
b. Condoms (gross)		20,000				
2. Other Donors						
a. Orals	NA	2,000				
b. Condoms	0	0				
3. Host Country Government Procurement						
a. Orals	0	0				
b. Condoms	0	0				
4. Total In-Country Stock (as of Jan. 1, 1976)						
a. Orals		1,304				
b. Condoms (gross)		43,480 (6,261,120 pieces)				
C. Gap to be filled to Achieve "Fully Supply"						
1. Orals (line A4a less line B4a)		7,660				
2. Condoms (line A4b less line B4b)		25,470				
D. AID Bilateral Supply Objectives						
1. Orals		0				
2. Condoms		2,483 (pieces)				
E. Total New Supply						
1. Orals (line B4a plus line D1)		1,304				
2. Condoms (line B4b plus line D2)		8,744 (pieces)				
F. Remaining Supply Gap						
1. Orals (line A4a less line E1)		7,660				
2. Condoms (line 4Ab less line E2)		60,206				
G. People Gap						
1. Orals (line F1 divided by 13)		589				
2. Condoms (line F2 divided by 100)		6,020				
3. Total (line G1 plus line G2)		6,609				

See Attached Statement

Table 3

AID Bilateral Logistic and Financial Analysis of Condoms

A. AID Inventory Analysis	GROSS		Calender Year		
	1976	1977	1978	1979	1980
1. Beginning of year stock	6,400	5,400	See Attached Statement		
2. Add: Scheduled deliveries (See Annex B)	-	-			
3. Less: Expected Use	1,000	2,000			
4. End of year stock	5,400	3,400			

To be completed by AID/Washington

B. Financial Analysis (FY 77)

1. CY 1977 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 77 (To be determined by AID/W)

C. Financial Analysis (FY 78)

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

Table 2

AID Bilateral Logistic and Financial Analysis of Orals

A. AID Inventory Analysis	Calender Year				
	1976	1977	1978	1979	1980
1. Beginning of year stock	0	See Attached Statement			
2. Add: Scheduled deliveries (See Annex B)	0				
3. Less: Expected Use	0				
4. End of Year Stock	0				

To be completed by AID/Washington

B. Financial Analysis (FY 77)

1. CY 1978 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 77 (to be determined by AID/W)

C. Financial Analysis (FY 78)

1. CY 1979 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (To be determined by AID/W)
3. Estimated total cost for FY 1978 (To be determined by AID/W)

SUBJECT: FY 1978 Guidance for Preparation of the Contraceptive Procurement Tables

REFERENCE: AIDTO CIRCULAR A-223, 4/20/76

The following comments are made with respect to the referenced Airgram and its attached tables.

1. It appears that for Kenya the program rationale places too much emphasis on the use of condoms. Indeed, Government clinics' reports indicate that in excess of 70 percent of all contraceptors are oral contraceptive users, with condoms representing less than one percent. Program administrators and clinic personnel at all levels and in the public and private sector report that condoms are the least popular of all methods. It is quite likely that the Family Planning Association of Kenya (FPAK) has a higher usage of Depo Provera than condoms. For example, FPAK's January 1, 1976 inventory showed only 78 gross of condoms in stock with 500 gross on order, contrasted to 20,000 3cc vials of injectables. It is estimated that commercial sector sales for 1975 were 18,000 gross. The low usage rate of condoms in clinics (public and private) may indicate program emphasis rather than method (un)popularity. This subject should be explored more fully.

2. Because neither the Government nor the private sector is oriented in the direction of forward commodity management, it is impossible to tell the level of annual new supply from either AID or non-AID sources. This includes the commercial sector as well. For example, the Government's 1976 order for oral contraceptives was not placed until the latter part of 1975, and no order has yet been drafted for 1977. Further, because of the availability and variety of orals on the local market and because of price discounting, the FPAK does not feel pressured to order far in advance knowing that stocks can be replenished easily and re-sold in the clinics at a price far below the local commercial market. For these reasons it was difficult to complete the columns in Table 1.

3. With respect to Table 2 and Table 3, Government has indicated that it anticipates ordering no condoms from USAID at least through CY 1976. Only a complete condom inventory matched to past usage patterns will likely change this decision. In addition, the Government has indicated it will order orals only from SIDA and, indeed, has done so. This decision was reached in early 1975, and there is no reason to believe this policy will change. In addition to orals, SIDA can and will through the same purchase orders provide the MOH with foam, tablets, IUD's, disposable gloves, Depo Provera, etc.

4. Table 1, B.4.a., might well be much higher than indicated for the following reason: The Ministry is able to report only that stock on hand as of January 1 which is in the Central Medical Stores. The end of year inventory does not include shelf stock in Provincial, District and Divisional warehouses nor in clinics throughout the country. The FPAK and other hospitals in the private sector report total unused stock at year-end.

5. The commercial sector provides the largest gap of information and particularly so with the closure in 1975 of the PSI office, which was able to give fairly accurate estimates of condom sales.

To partially overcome some of the problems discussed above, it is suggested that for the next submission the guidelines be sent to the field as early as possible, and that a consultant be assigned to work with the Mission Population Officer for approximately two weeks in preparing the tables, especially for the commercial sector.

PL 480, Title II

The FY 1978 PL 480 Title II program in Kenya, administered by the Catholic Relief Services (CRS), is projected to feed a total of 86,000 recipients. The Mission endorses the CRS request as outlined in the attached FY 1978 Program Plan prepared by CRS. While the total recipient level of 86,000 does not represent a significant change over prior years (85,000 authorized in FY 1976, 90,000 requested in the FY 1977 AER), increased resources are to be focused on MCH programs in FY 1978.

GOK Nutrition Policy and Title II

The GOK has yet to ennunciate a policy on nutrition. As suggested in the FY 1977 ABS, such a policy might include: a strategy for rural development that fosters widespread improvements in productivity and output, measures to influence the combination of foods produced and processing techniques employed so as to improve the quality of the diet, and nutrition-related health education. The initial enthusiasm generated by the May 1975 "Workshop on a Food and Nutrition Strategy for Kenya" has not been sustained nor has it resulted in any concrete actions by the GOK toward recognizing the role and importance of nutrition in health, food production, and the quality of life in general. In fact, given its other economic and development problems GOK policy-makers have indicated that nutrition is not now a high priority for the Government. Sessions such as the May 1975 Workshop, the Meharry workshops, and the June 1976 Cornell Multisectoral Workshop for government planners can lay the foundation for future action on the part of the GOK; however, action by the GOK in the near future is not foreseen. Future activity with regard to developing a nutrition policy will be governed by the pace at which the GOK is able to assign a higher priority to nutrition and focus both human and financial resources upon the problem.

For the near term, USAID's April 1976 Staff Paper, Rural Health/ Maternal and Child Health/Family Planning, acknowledges the role of nutrition and proposes to the GOK Ministry of Health a two-pronged approach through the GOK's rural health program: (a) action directed at creating nutrition awareness and motivation and (b) identifying current and potential nutrition problems through a nutrition screening program. The GOK has not yet reacted to the above proposal but if the response is positive, there is a possibility of integrating Title II efforts with the GOK's overall rural health/MCH program. Briefly, the GOK's rural health/MCH program is expected to build a national infrastructure composed of a National Family Welfare Center, rural health centers, training facilities, and 400 fixed Service Delivery Points (SDP's). The fixed Service Delivery Points are the primary means for

delivering the full range of preventive health care services, including MCH. The GOK has made rapid progress within the past year in establishing SDP's - there are now about 200 in place, although less than 100 of these are fully-staffed.

The Mission has encouraged CRS to operate in GOK MCH clinics to the maximum extent possible, but the results to date have not been significant - only 10 of 112 centers with an estimated total of 5,000 out of 65,000 recipients. Part of the poor performance to date is due to the lack of trained GOK personnel and facilities, and bureaucratic problems (e.g., GOK personnel in clinics are not allowed to handle money) and part of the poor performance may relate to CRS's not following up GOK progress. But as the GOK builds and staffs its planned SDP's, the prospects for incorporating Title II MCH programs into the GOK health care network may become more favorable. This also assumes a positive response by the GOK to USAID's Staff Paper. It should be made clear that although the Staff Paper did not specifically mention Title II as a means of assisting the GOK to incorporate nutritional-related education and health care into its rural health/MCH program, the Mission clearly views Title II as one means of fulfilling this role.

The Mission views the future of Title II in Kenya as being linked to the progress and direction of the MOH's rural health program. This, however, does not imply dramatic increases in recipient levels since the current program level should be sufficient to cover use of Title II as one means of demonstrating the importance of nutrition in comprehensive rural health programs. Put another way, there is great potential for increasing the effectiveness of Title II without altering the magnitude of the program itself.

(Note: School Feeding programs have been excluded from the above discussion due to the SF phase-out initiated in FY 1975. This FY 1978 Program Plan is the first such plan without a School Feeding element.)

CRS/Kenya Management

The Area Auditor General conducted a survey in January 1976 of CRS's management capabilities at the request of the Mission. The report noted that while there was some improvement over the findings of earlier audit reports, end-use checking and feeding center reporting procedures were still deficient. CRS has responded to the audit with a feeding-center specific plan-of-action designed to correct these deficiencies. The plan-of-action provides for the suspension or termination of operations in feeding centers that have not reported on a regular basis. CRS has submitted a partial listing of centers not regularly reporting, and the audit will be cleared when a complete list of feeding centers is submitted and CRS states the corrective action taken toward each such center.

Since the managerial problems are mostly limited to the School Feeding and Other Child Feeding programs with FY 1977 being the last year for School Feeding, CRS will be able to concentrate its non-MCH personnel on the Other Child Feeding program institutions. This should result in improved management of this program component. Reporting and supervision has to date been especially good in the MCH program. Only two of 95 MCH feeding centers were delinquent in reporting, and only one had not been visited by CRS staff within the past 14 months.

CRS's ability to manage its operation is in part tied to the size of its American staff. For many years only one American managed the program, but, partly because of repeated audit findings criticizing CRS management, an Assistant Director position was added. The first Assistant Director arrived in April 1975 only to be transferred seven months later. His replacement took over in November 1975 and resigned in February 1976. The position has been vacant since then. The Mission views with considerable concern the continued inability of CRS to staff this position. There is no doubt that the Assistant Director's position is justified - in addition to acting in the absence of the Director, the scope of CRS activities in Kenya and the Seychelles (for which the Kenya staff are also responsible) dictate the presence of two Americans. In summary, understaffing can only continue to have a detrimental effect on the overall performance of the program.

CRS-GOK Written Agreement

There is no written, formal agreement between CRS and the GOK governing Title II operations. Although USAID has approached the Ministry of Finance and Planning on numerous occasions over the last two years about such an agreement, the GOK has refused to conclude an agreement with CRS. In large part this is a result of their reluctance to set a precedent by negotiating a blanket agreement with a voluntary agency when no such agreements now exist or seem to be required with any other volag operating in Kenya. The GOK sees nothing to be gained by such an agreement and, further, they note that CRS continues to operate effectively without an agreement. (See also the Program Plan). USAID hereby certifies that the CRS program can operate effectively in the absence of a formal, written agreement, and that the criteria specified in HB 9, Chapter 4I.2.a, including duty-free entry of commodities, sales tax remission, and assistance in implementing the program, are being met by the GOK.

PL 480 Title II FY 1978

Country: Kenya

Sponsor: Catholic Relief Services - U.S.C.C.

(Recipients, Quantities, Dollars all expressed in thousands)

A. Maternal and Child Health — Total Recipients: 75

No. of Recipients by Commodity	Name of Commodity	Kilograms	Value
75	CSM	1,890	$ 888
75	Bulgur	1,215	224
75	VegOil	450	268
		3,555	$ 1,380

B. Other Child Feeding - Nurseries — Total Recipients: 5

No. of Recipients by Commodity	Name of Commodity	Kilograms	Value
5	CSM	108	$ 51
5	VegOil	9	5
		117	$ 56

C. Other Child Feeding - Institutions — Total Recipients: 6

No. of Recipients by Commodity	Name of Commodity	Kilograms	Value
6	CSM	324	$ 152
6	VegOil	36	21
		360	$ 173

Total Recipients: 86

Total Value: $1,609

PLAN OF OPERATION - FISCAL YEAR 1978

A. IDENTIFICATION:

1. Name of Distribution Agency: Catholic Relief Services - USCC

2. Country: Republic of Kenya

3. Date Submitted: June 8, 1976

4. Name and Address of Agency counterparts in foreign country:

   a. Ministry of Health
   b. Ministry of Housing & Social Services,
   c. P.O. Box 45958, Nairobi, Kenya
   c. Eight C.R.S. "Area Coordinators" and 23 Sub-Area Coordinators.

5. American citizen representative:

   Mr. Robert E. Dugas, Director
   Catholic Relief Services
   P.O. Box 49675
   Nairobi, Kenya

B. AGENCY AGREEMENTS:

1. Catholic Relief Services does not operate under a "blanket" agreement negotiated between the Kenya Government and the U.S. Government.

2. Catholic Relief Services' written agreement with the Kenya Government relating to Title II food distribution has expired. However, the provisions of the original agreement are still fully honored through normal Government of Kenya administrative procedures and regulations which:

   a. Provide for duty-free entry of P.L. 480 foods and other relief supplies per Customs Tariff (Remission) Order 1968.

   b. Provide that the Kenya Government through an annual grant-in-aid pays a modest portion of the cost of food handling at the port and inland transportation. Receiving agencies bear other costs that exceed the Kenya Government's grant-in-aid.

   c. Grant Sales Tax exemption on all P.L. 480 foods, and other goods imported by CRS for the needy (Legal Notice No. 1632 of 1974.)

d. Give CRS and its counterpart agencies freedom of action and permit close supervision.

e. Enable CRS to confiscate foods found in unauthorized channels.

f. Exempt CRS from taxation under the Income Tax Act of 1973.

g. Provide U.S. Government and CRS inspectors authority at all times to control and inspect foods at any stage of the distribution process.

h. Allow appropriate publicity to inform people that the foods are a gift from the American people to the people of Kenya.

3. Recent public statements by a Kenya government minister included the following comments which can be taken as elements of a national nutrition policy:

a. "Expanded food production must be supplemented by other policies and programs. Such policies include measures to improve the economic well-being of the lower-income groups; food fortification, distribution and marketing; educational programs on family planning and family life; changes in dietary habits; preventative and curative health strategies; and direct intervention measures to protect the groups at greater risks".

b. "A major need at the moment is to increase the major sources of protein in our traditional diets. (We have) embarked on a program of promoting production of beans and other sources of protein in order to assist families in improving the quality of their diet when purchasing power restricts the consumption of milk and other expensive animal protein foods."

c. "There are several voluntary organizations involved in nutrition activities in this country whose existence is recognized and appreciated by the Government."

4. The CRS/Kenya operation, as detailed herein, is complementary and supportive of GOK policy in general and specifically as follows:

   a) It is targeted to lower income groups.

   b) It provides them nutritious, low-cost food.

   c) It encourages curative and preventative health strategies.

   d) It aims to change dietary habits.

   e) Through demonstration (kitchen) gardens (maintained at 40 pre-school clinics) it stimulates the production of local high protein foods as well as the raising of chickens and rabbits for home consumption.

C. AREA - SCOPE - CONDITIONS OF OPERATIONS:

1. The program is nation-wide.

2. Distribution:

   a. Mothers/Pre-School Aged Children:

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

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

   -- Registration of children in the 0-5 age group.

   -- Weighing of each child, and recording the weight on a weight chart which is kept by the mother and returned at each monthly visit.

-- Interpretation of the data to the mothers. The chart serves as an educational device, indicating to the mother whether or not the growth of her child is satisfactory; she is given relevant individual advice accordingly.

-- The general appearance of the child is checked; minor ailments are treated and, if necessary, the child is referred to a hospital or dispensary for further examination or treatment. Illnesses and diseases are recorded on the charts.

-- Innoculations and immunizations are administered and anti-malarials provided to the children in accordance with the recommendations of medical authorities. These are also recorded on the charts.

-- Education of mothers is given through lessons in nutrition, hygiene and child-care and through practical demonstrations in preparing food that is particularly valuable for young children. Emphasis is placed on local foods, supplemented by foods made available through CRS, which might best be used for this age group. Mothers are encouraged to participate in this preparation and serving of food; they are also encouraged to grow more of the nutritionally valuable foods for their families' use.

-- Distribution of P.L. 480 foods (CSM, bulgur wheat and oil) to serve as a supplement to the common diet of the children.

-- Mothers and their pre-school aged children are expected to attend these clinic sessions at monthly intervals.

-- Each participating mother contributes U.S. $0.36 per child, per visit; these funds are used to pay transport charges from the port of entry to the respective center; they are also used to defray the cost of personnel engaged in the pre-school program.

Evaluation of Progress: Satisfactory implementation of the program and the continuous evaluation of its effectiveness, calls for periodic supervision of its various aspects to be carried out by trained and experienced personnel. To be sure that the mothers understand the

instructions and are able to apply in their own homes the advice given to them, follow-up visits need to be made. Discussions with the mothers help to determine whether the advice given at the clinics is being followed and if there is need for adjustment in methods of approach.

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

A comprehensive evaluation of the national program is presently being prepared. The data being compiled for end of CY 1976 publication will cover the following:

i. The number and percentage of regular attendance of mothers and their children.

ii. The number and types of immunizations carried out.

iii. Determination of the differences in child mortality rates prior to and after the introduction of this program, whenever it is possible to gather this data.

iv. The weight charts in themselves serve as indications of the rate of growth of the child and also as indicators of the success of the program.

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

b. Other Child Feeding:

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

ii. Institutions

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

3. By means of a quarterly review of all feeding categories with the eight area co-ordinators and 23 sub-area co-ordinators, not only is the entire listing of the various centers adjusted as necessary, but also measures taken to improve the actual flow of supplies.

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

D. CONTROL RECORDS - RECEIPTING PROCEDURE/AUDITING:

1. Prior to actual arrival of foods at port, each receiving agency receives an advance notice of the foods he can shortly expect to receive.

2. CRS forwards distribution instruction with other shipping documents to the forwarding agent for filing with the customs at least four days prior to the notified date of arrival of foods at port.

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

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

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

   a. Short-landed units. These are recorded on the survey.

   b. Units landed in defective or damaged condition are taken to a "breakage room" for resewing or rebagging. After these have been weighed and recorded on the survey, port examination vouchers, copies of which CRS/Kenya forwards to CRS/New York for the purpose of claims against the carriers are issued.

   c. Railroad Delivery - Differences between quantities railed and received are settled with the railways.

   d. Area Warehouses - A monthly "Central Warehouse Control Record" is sent to the CRS office by each area coordinator.

   e. Individual Center - "Monthly Inventory Report: by each pre-school center and a "Quarterly Inventory Report" by all other recipient centers is sent to CRS Nairobi.

   f. End-Use Checking.

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

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

E. PORT FACILITIES - PRACTICES:

1. Off-loading facilities at Mombasa are adequate to handle food required.

2. Cargo surveys are conducted on all Title II shipments.

F. STORAGE FACILITIES:

1. Storage will only be done at the major distribution centers. No foods will be stored at the port. There is adequate storage available at central warehouses in all areas.

2. C.R.S. retains control of all foods in storage.

G. INLAND TRANSPORTATION:

1. Rail and trucking facilities are available for inland distribution.

2. As in most African countries, inland transportation costs are high.

H. PROCESSING:

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

I. FINANCING:

It is important to note the cash and kind contribution of local agencies which make possible the implementation of CRS/Kenya's PL 480 program. A comparison between the value of the food and the local input is presented below:

- PL 480 commodities (Est. CCC full reimbursement value)	$1,656,049
- Ocean freight (USA/Mombasa for 4,032 metric tons)	$ 562,950
Total USG Inputs:	$2,218,999

Volagency - General Administration:	$ 72,000
Volagency - Preschool Administration:	38,000
Inland Transport of foods:	344,000
Preschool Clinics: supervisory staff	136,000
OCF - Food preparers:	46,000
Additional Food Inputs:	315,000
Additional Medical Inputs:	228,000
Storage & Security	36,000
Total Local Inputs	$1,215,000

J. ACCEPTABILITY OF AVAILABLE FOODS & RATION LEVELS:

Bulgur, Corn Soya Milk (CSM) and Vegetable Oil have been used extensively in former CRS/Kenya programs and have been found to be quite acceptable.

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

Maternal Child Health

Commodity	Kilos @ Month	Grams @ day	Calories @ day	Days @ month
C.S.M.	2.1	70	261	30
Bulgur	1.35	45	161	30
Veg.Oil	.5	17	150	30
Daily Total		132	572	

Other Child Feeding- Nurseries

Commodity	Kilos @ Month	Grams @ Day	Calories @ Day	Days @ Month
C.S.M.	2.4	120	448	20
Veg.Oil	.2	10	88	20
Daily Total		130	536	

Other Child Feeding - Institutions

Commodity	Kilos @ Month	Grams @ Day	Calories @ Day	Days @ Month
C.S.M.	4.5	150	559	30
Veg.Oil	.5	17	150	30
Daily Total		167	709	

K. PROGRAM PUBLICITY:

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

STATISTICAL SUPPLEMENT FOR VOLUNTARY AGENCIES AND INTERGOVERNMENTAL ORGANIZATIONS

FY 1978 TITLE II PROGRAMS

I. Maternal/Child Health

A. Number of mothers participating - 44,000.

B. Number of children participating (age 5 and under) - 75,000.

C. Number of persons served prepared foods through health clinics and nutritional education centers - NONE.

D. Number of persons served bulk commodities for home consumption through clinics and nutrition education centers - 75,000.

II. Other Child Feeding (Pre-School and School Age)

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

	Preschool Age	Primary/ Age	Secondary/ Age	Total
1. Nurseries	5,000			5,000
2. Orphanages	2,500	750		3,250
Home for Disabled	300	800	750	1,850
Training Centers			900	900
				11,000

The break-down in paragraph 2 above is an estimate as CRS records do not show actual division of age groups.

Country/Program KENYA

Support to Private Voluntary Organizations and Developing Country Cooperatives

($000)

	FY 1977	FY 1978	Functional Account
ONGOING			
A. Ongoing OPGs			
CARE Water Development	$300	-	FN
Subtotal	(-)	(-)	(-)
B. Non-OPGs			
NONE			
Subtotal	(-)	(-)	(-)
NEW			
A. OPGs			
PfP Rural Enterprise Development	180	120	FN
AWLF Domestic Game Ranching	85	144	FN
IEF Rural Eye Care	-	344	PH
Subtotal	(-)	(-)	(-)
B. Non-OPGs			
NONE			
Subtotal	(-)	(-)	(-)
LOANS			
NONE			
Subtotal			
TOTAL-------	$565	$608	

Country/Program Kenya

MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

(1) Project / Title & Number / Subject	(2) Date of Last Evaluation	(3) Number of Last PAR (if applicable)	(4) Date of Submission FY 1977 and/ or FY 1978 Evaluation	(5) Period Covered Next Evaluation	(6) Remarks
Food & Nutrition					
Vihiga, 615-147	3/20/76	76-5	3/77	10 months	March 1977 evaluation will be terminal PAR
Agriculture Credit, 615-148	6/17/76	76-8	5/77, 8/78	11 months	May 1977 - Special Evaluation August 1978 - FY 78 is terminal PAR
Veterinary Faculty 615-158	10/10/75	76-3	11/76,11/77	13 months	
NRRD, 615-157	4/08/76	76-6	1/77, 1/78	9 months	
Livestock Loan, 615-T-008	4/13/76	76-7	1/77, 1/78		
Rural Planning, 615-162	N/A(new activity)	N/A	12/77, 7/78	15 months	First advisors arrive 9/76. July 1978 is special "mid-point" evaluation
Marginal/Semi-Arid Lands Pre-Investment Study, 615-164	N/A (new activity)	N/A	7/77	12 months	
CARE Operational Program Grant, 615-166	N/A (new activity)	N/A	TQ	12 months	
ASL I, 615-T-009	N/A(new activity)	N/A	10/76, 10/77	12 months	
Roads Gravelling Loan and Grant, 615-170	N/A (new activity)	N/A	8/77	12 months	Loan and grant to be authorized
Rural Roads Systems Loan and Grant, 615-168	N/A (new	N/A	10/77	12 months	Loan and grant to be authorized

Country/Program Kenya

MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

(1) Project / Title & Number / Subject	(2) Date of Last Evaluation	(3) Number of Last PAR (if applicable)	(4) Date of Submission FY 1977 and/ or FY 1978 Evaluation	(5) Period Covered Next Evaluation	(6) Remarks
Population Planning and Health					
Population Dynamics					
-Health Education, 615-141.1	1/13/76	76-1	N/A	N/A	Terminal PAR
-POPLABS, 615-141.2	4/30/75	N/A	TQ	15 months	Evaluation moved to TQ per Nairobi 5042
-Vihiga, 615-141.3	10/28/75	76-2	N/A	N/A	terminal PAR
Family Planning, 615-161	1/24/76	76-4	2/77, 2/78	13 months	Special evaluation conducted in January 1976. PAR facesheet to be submitted in June. Future evaluations may be multi-donor joint reviews.
Population Studies and Research Center 615-165	N/A (new activity)	N/A	4/78	8 months	Full team of advisors not on board until August 1977
Intl Eye Foundation (OPG)	N/A (new activity)	N/A	9/77,9/78	12 months	Assumes AID/W approval of IEF OPG application and activity start by September 1976
Education and Human Resources					
Management Development, 615-167	N/A (new activity)	N/A	FY 79	12 months	Full team of advisors not on borad until January 1978
Other Activities					
PL 480, Title II	see remarks	see remarks	11/76, 11/77	N/A	Title II program audited in January 1976

Country/Program Kenya

MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

(1) Project / Title & Number / Subject	(2) Date of Last Evaluation	(3) Number of Last PAR (if applicable)	(4) Date of Submission FY 1977 and/ or FY 1978 Evaluation	(5) Period Covered Next Evaluation	(6) Remarks
Housing Investment Guarantees					
Nairobi City Council, 615-HG-003	see remarks	see remarks	8/76(TQ) 8/77, 8/78	14 months	TQ will be first evaluation; loan agreements were signed in June 1975
National Housing Corp., 615-HG-004	see remarks	see remarks	8/76(TQ) 8/77, 8/78	14 months	
Program Evaluation	N/A	N/A	9/77	N/A	Evaluation of AID assistance program to Kenya vis-a-vis DAP, GOK Development Plan, and Kenya's requirements