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AGENCY FOR
INTERNATIONAL
DEVELOPMENT

KENYA

COUNTRY DEVELOPMENT STRATEGY STATEMENT

FY 83

BEST AVAILABLE

January 1981

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

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SUPPLEMENT

TO

FY 1982-1986 USAID/KENYA CDSS

Supplement

to

FY 1982-1986 USAID/Kenya CDSS

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January 31, 1981

I. MACROECONOMIC ASSESSMENT

Despite a relatively high level of commitment to development, Kenya has faced increasing difficulty in matching the rapid progress it experienced during the first ten years after independence in 1963. From 1964 through 1973, real Gross Domestic Product (at Factor Cost) grew at an average rate of 6.6 percent per year, and per capita GDP rose at an average rate of 2.9 percent. More recent developments are less promising. GDP growth during the period 1974-79 has averaged only 4.4 percent annually, and the rate for 1980 is estimated to be less than 3 percent. Growth in per capita GDP has been negative in four of the last seven years including both 1979 and 1980. Recent developments have demonstrated Kenya's vulnerability to external events including the collapse of the East African Community in 1976, the end of the coffee boom in 1977, international recessions (1974/75 and 1979/80), continuing increases in the price of petroleum and related products (especially in 1974, 1975, 1979, 1980), and periodic drought (1979, 1980). Partially as a result of such factors, Kenya's growth rate has been erratic. Results in the past two years have been particularly disappointing. (See following Table 1.) If growth estimates for 1980 hold true, per capita GDP (at Factor Cost) will have amounted to no more than $332 based on a realistic mid-year population estimate of 16.4 million. (Per capita GDP at Market Prices would be $380; per capita GNP would be $359. All conversions made at the 1979

Table 1

Kenya: Growth Rates of Real GDP, 1970-1980

Year	1970	1971	1972	1973	1974	1975
Rate	6.8	7.0	6.8	4.3	1.1	4.1
Per Capita	3.0	3.2	3.0	0.5	-2.7	0.3
Year	1976	1977	1978	1979	1980	
Rate	2.4	8.8	6.6	3.3	2.7 (est.)	
Per Capita	-1.4	5.0	2.8	-0.5	-1.1 (est.)	

Note: Per capita rates are approximate. The population growth rate averaged an estimated 3.8 percent per year between mid-1969 and mid-1979.

average exchange rate.) Previous calculations of per capita GDP must be revised downward to be consistent with the higher population estimates based on new fertility and census data.

Kenya's relatively poor growth rates over the last two years are based on a number of factors including reduced value added in the agricultural sector, a weakening of growth in the manufacturing sector, and instability in the balance of payments. Poor weather, lower world prices for coffee and tea, unclear pricing policy and lack of credit contributed to a decline of 1.2 percent in value added in the agricultural sector in 1979. In 1980, prices for many agricultural products were raised, and credit availability improved. Nevertheless, coffee and tea prices remained largely unchanged and drought conditions continued in some areas. As a result agricultural output last year is estimated not to have risen above the level of 1979. In the manufacturing sector a weakening in total demand, and reduced availability of imported inputs acted to restrain output in

both years. In 1980 a drought-induced shortage of electricity further curtailed production during the early months of the year. Overall value added in manufacturing rose only 7.1 percent in 1979 compared with 12.6 percent in 1978 and 15.9 percent in 1977. The rate for 1980 is estimated to have fallen further to about 4 percent. General macroeconomic conditions have impacted on business attitudes. Foreign exchange limitations and difficulties in obtaining import licenses have added to the overall feeling of uncertainty. This uncertainty has been increased by new directives on trading: manufacturers have been told they cannot retail their own products; wholesalers have been told they cannot engage in retail trade; there have been statements that only Africans will be granted trading licenses, etc. This climate of uncertainty will be an additional drag on investment and business activity until corrected.

The erratic performance of the external sector has affected the level of output in the economy as a whole. In December 1978, the GOK elected to undertake severe measures restricting imports including: (a) suspension of all import licenses granted in October, November and December 1978; (b) introduction of an import deposit scheme, with some deposits being 100 percent of the value of imported goods, and (c) restrictions on international travel, profits and dividend remittances, and on borrowing for imports. Net foreign exchange reserves bottomed in March of 1979 (See Table 2) and then improved throughout the remainder of the year. Budgetary controls and credit restrictions were also part of the

overall package designed to bring the balance of payments on current account back into line. The orthodox credit/budget/import restrictions of 1978/79 had their desired effect and the current account deficit narrowed in 1979 by almost 1.5 billion shillings ($200 million). The value of imports of goods and non-factor services declined by more than 6 percent, while exports of goods and non-factor services rose by more than 4 percent. Sharp curtailment of imports along with associated macroeconomic restrictions also contributed to a significant decline in Kenya's overall level of economic activity and there was a decline in per capita GDP of one half of one percent in 1979.

Table 2

Kenya: Foreign Exchange Reserves, 1979-80

	Total Reserves Minus Gold	Net Use of IMF Fund Credit	Net Foreign Exchange
	(Million US Dollars)		
1976	275.5	98.8	176.7
1977	522.4	57.9	464.5
1978	352.6	68.1	284.5
1979			
March	367.8	87.5	280.2
June	460.8	85.8	375.0
Sept.	613.3	144.5	468.8
Dec.	627.7	142.7	485.0
1980			
March	577.0	133.3	443.7
June	576.4	138.8	437.6
Sept.	452.0	135.3	316.7

Source: IMF, IFS, December 1980.

Note: April-June 1980 Import Value = $502.1 million.

The pattern for 1980/81 is likely to parallel that of 1978/79 in many respects. With foreign exchange reserves rising and with import restrictions choking economic growth, the GOK relaxed import restrictions on Novemebr 30, 1979. Required import deposit levels were lowered and the requirement for 90/180 day overseas credit was withdrawn. As Table 2 indicates, net foreign exchange reserves began falling once again in the first quarter of 1980. The decline was very rapid throughout the first three quarters of the year. By the end of the year, total reserves stood at approximately $500 million, equivalent to only three months of imports. In fact, the situation was much worse than the overall reserve figure suggests. Exchange reserves at year's end included more than $240 million in external credits since September. One hundred million dollars came via drawdown of an earlier Eurodollar loan, 71 million from the IMF, and 70 million from the Structural Adjustment Credit of the World Bank.

The Central Bank has recently curtailed foreign exchange allocations, and import licenses have been difficult to obtain in Kenya since October 1980. The budget for FY 1980/81, submitted in June 1980, introduced a number of measures designed to improve the foreign exchange position. The GOK broadened an existing export compensation scheme to include all non-traditional exports (approximately 38 percent of all exports). The level of compensation was doubled to 20 percent of f.o.b. value, and payments will now be made directly through the Central Bank of Kenya in order to expedite

claims. On the import side a temporary surcharge of 10 percent was levied on all dutiable goods and higher duties were applied to a number of items. The Government has indicated its intention to replace existing quantitative restrictions with tariffs as soon as practical. A new tariff became effective at midnight on June 30, 1980.

Paralleling the pattern of 1979/80, the budget for 1980/81 is basically conservative. Revenues and expenditures are each expected to increase by approximately 22 percent in 1980/81 above the actual levels attained in 1979/80. The increase in Development Account expenditures will be closer to 30 percent, with the Development share rising from 27.8 percent of actual expenditure in 1979/80 to 30 percent of budgeted expenditure in 1980/81. With a growing nominal GDP base the overall government deficit fell from 8.4 percent of GDP in 1978/79, to 6.8 percent in 1979/80. A further reduction to 6.2 percent of GDP is expected in 1980/81 despite new demands on the Treasury inherent in a recently approved civil service salary reform and the possible requirement to import up to $130 million of food grains on a commercial basis.

Kenya's overall balance of payments probably worsened in 1980 by some 3 billion Kenya shillings ($400 million) with an overall deficit totaling 1.6 billion shillings ($210 million). (See Table 3.) The IMF forecast for 1981 shows some improvement with an expected deficit of 1.4 billion shillings ($190 million). The forecast for exports could prove very

optimistic, however. Some improvement in the basic balance in 1981 could also result from continued tight restrictions on import licenses and foreign exchange allocations, but only at the expense of slowing the entire economy as happened in 1978/79.

Table 3

Kenya: Balance of Payments Summary

(In million of Kenya Shillings)

	1978	1979	1980 (est)	1981 (forecast)
Current Account	-5,050	-3,560	-5,826	-5,688
Trade Balance	-7,136	-5,694	-8,742	-9,326
Import c.i.f.	(-14,446)	(-13,300)	(-17,630)	(-19,036)
Export f.o.b.	(7,330)	(7,606)	(8,888)	(9,710)
Invisible (net)	2,086	2,128	2,916	3,638
Capital Account	3,498	5,009	4,247	4,245
Private long term	1,528	1,614	1,600	1,680
Government long term 1/	1,680	2,076	3,147	2,565
Short-term capital 2/	350	1,319	-500	--
Overall balance	-1,552	1,443	-1,579	-1,443
Financing (increase in assets -)	1,552	-1,443	1,579	1,443
Gross official reserves	1,500	-2,048	1,000	284
Use of Fund credit	46	555	579	1,159
Other liabilities	6	50	--	--

Source: Economic Survey 1980; IMF.

Notes:

1/ Assumes for 1980 and 1981 further use of Eurocurrency loan and additional balance of payment support from the IBRD.

2/ Includes errors and omissions.

Given the necessity for increased borrowing, Kenya's overall debt service ratio has increased rapidly in recent years. The ratio of external public debt service payments to exports of goods and services has expanded from 4.6 percent in 1976, to 6.3 percent in 1977 and 1978. The estimated debt service ratios for 1979 and 1980 are 9.8 and 11.1 percent respectively. Further increases are expected in 1981 and beyond when repayment of the first $99 million of the 1979 $200 million Eurocurrency loan must begin, along with increased repayments on other loans. Kenya's debt service ratio will remain near the average for the group of 38 low income countries to which it belongs. Loan financing of development projects at AID's concessional rates should remain quite attractive, especially when such projects are undertaken in priority areas to which the GOK has committed itself in its planning exercises.

Projected balance of payments deficits, if combined with periodic shortages of food grains, would make continued provision of PL 480 Title I or Title II assistance particularly attractive to the GOK in the years ahead. The proposed GOK program of industrial rationalization, trade liberalization and export promotion will be particularly difficult to carry out during periods of extreme foreign exchange shortage. A continued need to apply "short term" quantitative restrictions on imports for balance of payments reasons would limit short term economic growth rates, as occurred in 1978/79, and as may occur in 1980/81. In addition such continued shortages would make impossible the type of industrial re-organization that is being

proposed by the GOK in order to expand labor intensive employment and promote exports. Dismantling of the system of quantitative import controls established in past years will be a difficult process. The World Bank, however, has authorized drawdown of the second tranche of its $70 million Structural Adjustment Credit based on progress made so far. A second Structural Adjustment has now been proposed totaling perhaps $90 million. Given the rapid growth of Kenya's population and labor force, industrial reorganization in the direction of more labor intensive and export oriented production becomes even more important. USAID will continue to have a role in support of such structural adjustment through balance of payments assistance in the form of commodity import programs. At least in the short term fertilizer will be an appropriate needed commodity. World Bank funds provided through Structural Adjustment Credits are not directly programmed. Local currency generations from USAID-provided commodity assistance, however, may be programmed, by agreement with Government, in support of current CDSS priorities in general or more directly in support of industrial reorganization and creation of productive employment to the extent GOK progress continues in this area and suitable programming opportunities can be identified.

II. POPULATION

The FY 1982 CDSS fully described the parameters of Kenya's population problem and analyzed the likely consequences of Kenya's 4% annual rate of population growth upon attainment of development objectives. The FY 1982 CDSS also outlined the USAID Population Strategy which consists of the following interventions:

1) Continued bilateral support for demographic data collection and analysis,

2) An active campaign of information and education to raise GOK leaders' awareness of the relationship between population and development,

3) Efforts to increase major donor coordination and continued support, monitoring and coordination of AID/W-funded intermediaries which operate family planning education and service delivery programs in Kenya,

4) Incorporation of fertility-impact considerations and motives for family planning in all sectors of our development program, as mandated by Section 104(d) of the FAA, and

5) Training for nurses, administrators and other cadres of service personnel to enhance the Government of Kenya's (GOK) ability to expand Family Planning (FP) service delivery programs.

We believe the strategy remains essentially valid. We are able to add a sixth intervention which is to support the expansion of family planning services and an information, education and communication (IEC) program through participation in a multi-donor supported program and a major bilateral health activity beginning in 1981.

After considerable discussion the U.S. Mission has identified a series of criteria against which to evaluate GOK progress and commitment regarding its population growth problem. These proposed criteria, which we consider to be meaningful and capable of early assessment, have been unilaterally determined and have not been discussed directly with GOK leadership. The following paragraphs set forth the seven proposed criteria, the reasons for their selection and an assessment of GOK commitment and progress from early 1980 to date.

Criterion One: Increased availability of family planning services. The current demand for family planning, which is recognizably quite low on the basis of available evidence, is influenced by widespread ignorance of contraceptive methods and sources of supply. The availability of family planning services in rural areas where 90% of the Kenyan population lives is erratic and the services are meager. As of 1980 family planning services were offered at 621 public and private health facilities throughout Kenya. Approximately 350 health facilities offered FP services on a daily basis and the remainder offered FP services on a weekly or monthly basis. Of the 621 facilities offering FP services 92 had no staff trained in FP and had to rely on infrequent visits by mobile maternal and child health/family planning (MCH/FP) teams.

The GOK's Integrated Rural Health and Family Planning (IRH/FP) Program which is scheduled to begin in mid-1981 at a cost of $120 million has as one of its major objectives the expansion of FP

acceptors by increasing the quantity of full-time MCH/FP Service Delivery Points (SDPs) and by increasing the quality of services offered at SDPs. The IRH/FP Program calls for the establishment of an additional 605 full-time MCH/FP SDP. While at present only 12% of rural health dispensaries are designated as full-time MCH/FP SDPs, all dispensaries are scheduled for conversation to SDP status over the next 4 years. The Ministry of Health (MOH) is wedded to a clinic-based MCH/FP services delivery system, but will allow pilot experimentation in non-clinical resupply of contraceptives as a component of new community-based health care activities such as the USAID proposed Kitui Rural Health project and activities of A.I.D. intermediaries working with Kenyan Private Voluntary Organizations (PVOs).

Representatives of the World Bank, the United Nations Fund for Population Activities, Sweden, Denmark, Britain, and the U.S. participated in a Joint Appraisal Mission of the GOK IRH/FP Program in October and November of 1980. USAID took primary responsibility for assessing the family planning services component of the IRH/FP Program. The Ministry of Health indicated willingness to accept the major recommendations of the team for strengthening the FP services component. USAID plans to participate with the donors represented in the IRH/FP Joint Appraisal Mission in the financing of the IRH/FP Program. USAID's areas of concentration are likely to be expansion of FP services and creation of demand for FP.

The most severe constraint to expansion and improvement of the FP delivery systems is the shortage of staff with competence in FP.

All rural health cadres are to receive in-service training in FP. The Ministry of Health will receive technical assistance in curriculum development, task analysis and teaching methods from the centrally funded Program in International Health (INTRAH) of the University of North Carolina. USAID and the Ministry of Health have discussed USAID financing of the FP in-service training of 160C Enrolled Community Nurses and 360 Clinical Officers as a component of the new bilateral project. The National Family Welfare Center, the MOH Division with responsibility for FP, is also to be strengthened.

USAID believes that GOK willingness to make family planning services more widely available to Kenyans is a positive and important indicator of commitment to reduce the excessive rate of population growth.

Criterion Two: Establishment of a country-wide interdisciplinary population, information education and communication (POP/FP/IEC) program. USAID believes that a strong POP/FP/IEC program should be an essential ingredient in any GOK strategy to reduce population growth. We feel that the GOK has never had adequate IEC programs to inform couples of the benefits of FP and to build public awareness of and support for FP. The 1977/78 Kenya Fertility Survey provides ample evidence that there is a great need for demand creation activities to overcome widespread ignorance about FP and profound cultural resistance to small families. The Total Fertility Rate, a measurement of the current pace of childbearing among women now in their reproductive years, was found to be 8.1. Only 17% of currently married women stated that

they wanted no more children. Among those women with 6 living children only 25% stated that they wanted no more; and even among those with 8 children only 48% wanted no more. Mean desired family size was 7.2 children which is 3 to 4 children more than the average reported in similar surveys in 18 Asian and Latin American LDCs.

The concern about Kenya's rapid population growth and the support for FP services shown by President Moi and other prominent political leaders have created a climate which is favorable to the discussion of POP/FP issues. A dialogue has been established and reports reflecting all shades of popular opinion on POP/FP issues appear regularly in the media. The sheer volume of population-related magazine and newspaper articles, letters to the editor, radio and T.V. discussions, and parliamentary debate reflects the intensity of interest which has been awakened in Kenyans. Previously there was no open discussion of POP/FP issues because the political climate was not favorable.

The Ministry of Economic Planning and Development commissioned the preparation of a report by Lyle Saunders of the Ford Foundation and Philip Mbithi of the University of Nairobi entitled An Interagency Program for Information and Education on Population and Development. The report recommends establishment of a National Council for Population and Development to design, coordinate and supervise an interdisciplinary IEC program to be implemented by a variety of public and private institutions. The Ministry of Economic Planning and Development with the approval of the Ministry of Health and the Ministry of Cooperatives and Social Services has prepared a memorandum incorporating all the major recommendations of the Saunders-Mbithi Report for Cabinet approval.

The memorandum to the Cabinet proposes that a National Council on Population Development be established under either the Office of the President or the Ministry of Economic Planning and Development. Representatives of agencies implementing the Interagency IEC Program, both Government agencies and non-government organizations, would sit on the Council. The mandate of the Council initially will be to organize, coordinate and monitor the Interagency IEC Program. However, it is proposed that eventually the Council should have a broader purview with regard to demand creation, including review of linkages between population and development and promotion of various beyond family planning measures designed to reduce Kenya's rate of population growth. Lyle Saunders, one of the authors of the Saunders-Mbithi Report, who has had considerable experience in Indonesia, tried to adapt features of that successful approach to the Kenyan setting.

The Interagency IEC Program is considered by the GOK to be a major component of the Integrated Rural Health and Family Planning Program. It will require $20 million of the $120 million total. The Joint Appraisal Mission identified 18 IEC proposals by public and private agencies which could be implemented starting in mid-1981. Cabinet approval of the Interagency IEC Program is expected shortly. It is likely that UNFPA will underwrite the initial operating costs of the Council's Secretariat, while other donors including USAID will provide resources to be pooled by the Council for implementation of discrete projects by Kenyan agencies.

In USAID's view the proposed Interagency IEC Program is the most promising POP/FP development in Kenya for many years and merits USG support. Current prospects for a significant POP/FP IEC Program in Kenya are excellent.

Criterion Three: Establishment of effective management systems to manage FP programs within the Ministry of Health. The Ministry of Health has created an integrated rural health delivery system which includes delivery of FP services. The Ministry's delivery of health and FP services needs substantial improvement. During the Joint Appraisal Mission of the IRH/FP Program the Ministry openly and frankly discussed major areas of weakness that would constitute constraints to the achievement of program objectives, including its managerial and administrative shortcomings.

The Ministry presently has no effective logistics system to ensure that essential drugs and adequate contraceptives are available at each health facility. Although contraceptives are usually available at health facilities, surveys have shown that up to 25% of MOH rural health facilities (RHFs) at any one time lack essential drugs. A facility that is out of essential drugs (even if contraceptives are in stock) is generally closed to the public. The IRH/FP Program includes the establishment of a new WHO-designed system of drug logistics to improve availability of drugs. This system is presently implemented on a pilot basis in two districts. Special attention, however, is still needed for the contraceptive logistics system. Ministry agreement to allow Family Health Field Educators to resupply contraceptives within the community on a pilot basis may strain the logistics system. The Joint

Appraisal Mission recommended a complete review of operations of the contraceptive logistics system in order to identify areas of modification. USAID has indicated its willingness to provide technical assistance.

The existing FP service statistics system is unduly complicated and does not provide useful data to managers through a rapid feedback system. Recognizing that it needs a system that is linked to the information needs of its managers, the MOH has created a new Health Information System (HIS) as a component of the IRH/FP Program. The HIS represents a consolidation of two existing statistical systems and streamlining of present data collection and processing for health services, including the establishment of a central information unit at MOH headquarters. Professor Henry Mosley from the USAID-funded Population Studies and Research Institute contributed significantly to the design of the HIS. The HIS will receive technical assistance under the USAID Health Planning and Information Project.

MOH management of its vehicle fleet is inadequate and the transportation problems pose a serious constraint to provision of health services. Under the IRH/FP Program the MOH will establish 6 maintenance and training workshops for vehicles, equipment and buildings and a Central Maintenance Unit at MOH headquarters. In order to facilitate greater community involvement by personnel assigned to rural health facilities, 2400 bicycles, 230 motorbikes, 42 cars and 8 motorboats will be procured.

Recruitment, training and supervision of MOH personnel who work in FP activities also need improvement. Many MOH personnel are ill-

informed about FP and place low priority on provision of FP services. They also lack communications skills and are unable to deal effectively with their potential FP clients. The Joint Appraisal Mission recommended that all cadres of rural health facility personnel receive FP training but special emphasis be given to Enrolled Community Nurses and Clinical Officers. The AID-funded University of North Carolina INTRAH Program which will establish its Africa Regional Office at the MOH in early 1981 will provide technical assistance for the FP training programs to be carried out under the IRH/FP Program.

USAID is pleased that MOH has demonstrated a willingness to correct basic deficiencies in its FP data system, its contraceptive logistics system, its fleet management system, and its procedures for recruiting, training and supervising personnel engaged in FP activities. Yet we recognize that MOH administrative and managerial capabilities must be upgraded in order to significantly improve performance. We do not know how quickly progress will be observable or measurable.

Criterion Four: Increased involvement of the private sector in FP service and IEC activities. The GOK has placed few restrictions on private sector FP activities financed by donor agencies. The MOH will permit Kenyan PVOs to experiment with innovative approaches to the delivery of FP information and services. Such experimentation has been modest to date largely because Kenyan PVOs have been as cautious as the GOK regarding FP activities. The climate for private sector activities through AID intermediaries is good, and USAID's strategy is to rely heavily on AID intermediaries such as Pathfinder, Family Planning International Assistance, Johns Hopkins Program of

International Education in Gynecology and Obstetrics, University of North Carolina's Program in International Health, the Futures Group and the Center for Family Planning Administration to introduce innovation in POP/FP to Kenya. That strategy, in our view, is already paying excellent dividends, and we intend to facilitate appropriate intermediary activity to the maximum extent possible. We anticipate that AID intermediary activities will continue to expand in Kenya as bilateral programs expand.

The GOK Integrated Rural Health and FP Program places substantial emphasis on private sector involvement in both the health services and Interagency IEC activities. The Ministries of Health and Economic Planning and Development have involved numerous Kenyan PVOs in the design of the IRH/FP Program. Recognizing that church-related PVO health institutions provide approximately 30% of rural health services in Kenya and that their involvement in FP activities has been minimal, the IRH/FP Program includes $10 million in direct support to church-related PVOs. That support includes: upgrading of 70 rural health facilities (30 Catholic and 40 Protestant) to enable provision of MCH/FP services; upgrading of 5 church-sponsored enrolled nursing schools; expansion of mobile health services for sparsely populated areas; and expansion of community-based health programs. In addition, approximately half of the $20 million Interagency IEC Program will be implemented by the Kenyan private sector. Finally, approximately $2 million dollars will be available for innovative activities that are identified during implementation of the IRH/FP Program, and it is likely that many of the activities will be implemented by PVOs. An estimated

$22 million of IRH/FP funds is programmed for private sector activities.

USAID has been and continues to be disappointed that the GOK has not been receptive to proposed programs of subsidized commercial retail sales of contraceptives which could have substantial impact in Kenya. There is considerable Kenyan expertise in market research, advertising and marketing. There are well-developed commercial channels for the delivery of goods to every corner of the Republic. So far, however, there is little GOK receptivity to this approach.

USAID believes that there are growing opportunities for private sector involvement in POP/FP activities. The GOK recognizes that Kenya PVOs have a substantial role to play and has encouraged their involvement.

Criterion Five: establishment of an effective mechanism for donor and GOK dialogues on population problems. USAID has long recognized that POP/FP activities are not well coordinated by either donor agencies or the GOK. There has been duplication of effort and counter productive competition between donors who seek viable project opportunities. The large number of donor agencies operating in Kenya makes it difficult for any one agency to know much about the activities of other agencies. The problem has been particularly acute in the case of POP/FP activities because of the reluctance of the GOK to organize a donor grouping and the reluctance of most donor agencies to take the initiative without encouragement by the GOK. USAID has lobbied long and hard with GOK Ministries and with major donor agencies for the establishment of formal mechanisms for POP/FP coordination and cooperation.

Even though there is no formal consultative mechanism donors have begun to work together more closely. The opportunity for

representatives to work closely during the Joint Appraisal of the IRH/FP Program was beneficial. The donor representatives learned that they shared greater commonality of views than had previously been thought. Cooperation will continue at the joint donor/GOK meeting to draw up a financing plan for the IRH/FP Program. The pooling of donor resources for the Interagency IEC Program will encourage more frequent consultation. The MOH, however, does not seem entirely comfortable with the idea of frequent contact with and among donor agencies. The MOH would apparently prefer to deal with each donor separately. Other Ministries such as Finance, Economic Planning and Development, less suspicious of donor motives, are more likely to accept a formalized donor/GOK POP/FP coordination mechanism. USAID will continue to press for progress.

Criterion Six: Improvement of FP information and services in Kitui District. USAID and the MOH are currently designing a major integrated rural health project in Kitui District of Eastern Province. The Kitui Rural Health project is designed to test innovative, low-cost community-based approaches to the delivery of health, FP and nutrition services. Kitui District currently has a very poor rural health infrastructure, and Kitui residents lack reasonable access to FP information and services. The willingness of the MOH to develop alternative delivery systems which place high priority on FP will be an indicator of MOH commitment. Although the MOH has been reluctant to implement community-based distribution of contraceptives, the Kitui Rural Health Project affords the opportunity of evaluating the results of pilot activities under carefully controlled conditions.

It is too soon to evaluate progress, but USAID believes that Kitui District will become a laboratory for testing innovative FP approaches. Our close working relationship with the Kitui authorities, the emphasis of project activities on a community-based system of preventive and promotive health care, and Government's recognized need to overcome the limitations of the Kitui rural health network should enhance receptivity to new FP approaches.

Criterion Seven: Measurement of changes in contraceptive prevalence. USAID would expect to see increased use of FP services from favorable GOK performance in the previous six areas. A recent analysis of service statistics of Kenya's National Family Planning Planning Program by Professor Henry Mosley of the Population Studies and Research Institute indicates that organized public and private sector FP services are being utilized by less than 3% of females in the reproductive ages and that this percentage has changed little over the past 5 years.

The 1977/78 Kenya Fertility Survey provides excellent baseline data which can be updated through contraceptive prevalence surveys as measures of change over time. USAID, DS/POP/Demography, the GOK Central Bureau of Statistics and the Population Laboratory Program of the University of North Carolina have been planning a demographic sample survey with a contraceptive prevalence module in 1982. The results of the survey would be extremely useful in measuring GOK progress and commitment. Changes in contraceptive prevalence can also be monitored through analysis of FP service statistics from the MOH's new Health Information System and analysis of contraceptive consumption from contraceptive stock records.

Summary: USAID has been encouraged by POP/FP developments over the past year and believes that there will be growing opportunities for U.S. bilateral and intermediary assistance. We believe that our population strategy is valid. We also believe that it is sufficiently flexible to take advantage of targets of opportunity that arise. It appears to us that the GOK, after more than a decade of half-hearted and misguided attempts to come to grips with its population problems, is finally headed in the right direction. Nevertheless, we realize from our long association with POP/FP activities in Kenya that it is extremely unlikely that Kenya's demographic profile will change markedly in the near future. The constraints are simply too numerous and deep seated to be overcome quickly.

III. AGRICULTURE SECTOR STUDY

USAID has reviewed its agriculture strategy and finds it fits very closely with the "Africa Bureau Food Sector Assistance Strategy for the 1980s" prepared by AFR/DR and is appropriate to our current understanding of the constraints to agriculture development (see pp. 35-37 of CDSS).

The ongoing program is strong in the area of policy and planning, in which food issues are of paramount importance. Institutional strenthening activities are directed to agriculture staff development, cooperatives and research and planning. An extension project is in the design stage. The geographic focus on Western Kenya and arid and semi-arid lands (ASAL) remains in effect. Transport network improvements contribute in Western Kenya and are in early planning stages for Kitui District. A new program in crop storage in Western Kenya is ready for funding. The ASAL effort soon to begin in Kitui will emphasize long term solutions to the steady deterioration of Kenya's food production resource base which includes its soil and water resources.

The 1980 CIP and the proposed 1981 CIP offer an opportunity for "short term actions" through imports of fertilizer primarily for food crops. GOK will use local currency generations from the CIP and PL 480 programs to support directly productive programs, institution building, planning, analysis and agriculture related transport and market systems.

In the area of food production the GOK and USAID are concerned about the apparent rapid decline in maize production in Kenya. We therefore plan to undertake with Government a study of selected topics in the agriculture sector in 1981 to analyze (a) areas not now under investigation by others and (b) issues of higher priority that can be addressed through feasible actions that should have high impact. A government request to help study the constraints to production increases on lands of medium and high potential is already in hand.

We have not completed our review of the work being done by others but given AID priorities and Kenya's current food problems it is evident that we need to focus on the following issue:

The current food shortage (Kenya has moved from net exporter of food to a massive importer in four years) is either simply the result of a combination of poor weather, inadequate inputs and price disincentives or it reflects a fairly major structural change. The evidence thus far is mixed. Weather and pricing problems have indeed affected maize production. However, the dramatic drop in maize production, the stagnation in wheat production, and rising imports of dairy products all occurred during the same time period as massive increases in sugar and tea production and smaller but significant increases in coffee and cotton.

Scrutiny may reveal that weather, pricing signals, increased population pressures and structural change related to intensified land and labor use combined to create the present conditions. If these factors can be weighted a second step will be to assess the implications of production of food versus exports and the related factors of farmer income, rural employment and foreign exchange flows.

The GOK is in the final stages of approval of a Food Policy Paper. We understand this paper may be weak in some areas. USAID's sector study should seek to address those weaknesses. We will also be reviewing the work of the multi-donor sponsored technical assistance pool which is developing a list of food policy issues which arise from the work on the Food Policy Paper and potential interventions to deal with them. We hope to have a copy of the Food Policy Paper shortly and to be able to develop a scope of work, time frame and personnel requirements by March 1, 1981, so that the sector study can begin soon after. This work combined with other inputs will provide the basis for a more comprehensive review of the CDSS agriculture strategy for 1983-1987.

IV. RURAL NON-FARM EMPLOYMENT

Kenya's burgeoning population growth, restricted high and medium potential land resources and limited capacity in the urban industrial sector to absorb additional labor have combined to force a recognizition of the need to expand employment opportunities in the rural areas.

Traditionally, the major source of non-farm income in Kenya has been remittances by family members employed in the urban sector. In the rural areas themselves petty trade, hunting and gathering, government service, construction and handicrafts offer limited employment opportunities. Yet Central Bureau of Statistics studies indicate that 43% of rural household consumption is financed by non-farm economic activity.

Probably emulating the very successful traders who penetrated the rural areas during the colonial period, rural residents have seen shopkeeping as perhaps, next to migration to the cities, the brightest prospect for quick riches. Unfortunately this has frequently not proved to be the case. A rural market center usually has a plethora of small shops each selling essentially the same lines of 10 - 30 items at the same (fixed by government) high prices. An equivalent number of vacant buildings reflects the broken dreams of prospective or failed shopkeepers.

Bans on hunting and cutting of indigenous trees for charcoal manufacture have curtailed these rural pursuits. As GOK moves

forward with its program to award land titles to individual farmers -- a prerequisite to on-farm investment -- traditional access to land by non-farm users for gathering wood for charcoal or for thatching grass is further restricted.

Parts of Kenya have a long tradition of making and selling handicrafts. Kamba woodcarvings were early and regular cargo for the dhow trade from the Kenya coast. Peace Corps Volunteer and other donor technical assistance programs have introduced other crafts for the modern market, but production and sales are small. Most medium sized villages have at least one cabinet maker who manufactures wooden furniture, doors, windowframes and similar articles.

The sisal which in the semi-arid areas is used for handicrafts is decorticated by hand and the fiber sundried on the farm. It is either sold as fibre or fashioned into ropes and/or baskets. There is a substantial demand for the latter item. With recent increases in world market prices for sisal, plantings are rapidly expanding and with them, agri-business opportunities.

Construction of farm dwellings, granaries and public and private buildings in rural centers, as a rule, is done by hired laborers or contractors rather than by family or affinity group cooperation. Building stone, concrete aggregates and sand, and wood for rafters is usually procured locally thus providing local employment. Harambee schools and clinics, however, are frequently constructed using volunteer labor. Until quite recently road construction and such maintenance as was performed was done by capital intensive

methods. Rural water supply construction utilizes some local laborers.

Public sector employment in the rural areas is dominated by education with teachers in government and Harambee schools being the largest cohort. Agricultural extension and veterinary workers make up the bulk of remaining public employment while rural health and water supply maintenance employment are minor.

USAID/Kenya, under the Special Rural Development Program, made an initial effort to use labor intensive methods of road construction in Vihiga Division. The present Rural Access Roads Program has grown out of that initiative. The GOK intends to continue and extend this technology, having persuaded other donors to adopt it as well. Construction in a given area is carried out by workers, including many women, recruited locally.

USAID and the donor group have also persuaded GOK to use local contract labor for continuing maintenance of rural access roads. The fact that sufficient labor has been available locally at low cost is an indicator of the magnitude of unemployment and underemployment.

USAID assistance in rural planning is directed toward decentralization of both planning and implementation of rural development activities. The Peace Corps plans to place volunteers at district headquarters in areas where project preparation has lagged. Through these efforts employment in development activities should be expanded.

Under an agriculture sector loan, USAID was successful in involving local cooperative societies in the provision of farm

inputs and marketing of products at the local level, activities which heretofore had been highly centralized. This initiative provided not only better service to producers but increased rural employment. The project was expanded through World Bank funding and with additional assistance from the Federal Republic of Germany became a nationwide program reaching virtually the entire small farm sector.

USAID has assisted GOK, in cooperation with UNDP/FAO, in setting up a pilot project (funded by local currency stemming from the sector loan) for the local manufacture and distribution of improved multi-purpose animal drawn farm implements. Under the USAID arid and semi-arid lands project (ASAL), adaptations of such implements will provide further employment to residents of those areas. Considerable employment for local women's groups will also be generated by soil conservation activities planned under the ASAL project as well the On-Farm Grain Storage Project. One of the few remaining activities under the National Range and Ranch Development Project is a program for the training of local people in the maintenance of boreholes and pans. This program will significantly extend the useful life of those facilities while providing employment for a good number of people. Mission efforts to move the delivery of health service from a "fixed facility" to a community health worker base will move additional jobs to the rural areas.

Thus in its ongoing and currently designed major projects USAID has quite deliberately tried to avoid capital-intensive approaches,

introduce innovative uses of available local labor and adapt project activities to the local structure and talent base. Through several private voluntary agency programs USAID also supports the provision of advisory services to rural entrepreneurs, cooperatives and women's groups, in their activities in retail business, small manufacturers, animal husbandry and craft work. This attention to labor intensity will continue in the future program.

V. WOMEN IN DEVELOPMENT

A. Analytical Description

1. Overview of the Socio-Economic Position of Women

Approximately 86 percent of Kenya's total population of 16.4 million is found in the rural areas where women make up slightly more than 50 percent of the total. The sex ratio for the country as a whole in the early 1970s was 98.6 males to every 100 females, but the urban ratio is 132.6 males and the rural ratio 91.7.[1/] In some rural areas the ratio in the age range of 20 to 40 years is as low as 60 to 70.[2/] These figures reflect a pattern of migration to urban and semi-urban areas by the male population in search of wage employment.

Statistics indicate that approximately 25 percent of all rural households are headed by women.[3/] Any such figure may be misleading, however, as there is considerable confusion as to what constitutes the "head of household." That title is sometimes accorded to a young male child or an older member of the family (male or female) out of respect for inherited position or age rather than as a reflection of an actual role in decision making. The percentage of households in which a female is, in fact, responsible for day-to-day decisions about farm and family matters is undoubtedly much higher, especially if one takes into account the households where the principal male is away full-time, during the day,

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1/ Demographic Baseline Survey, CBS. 1973.

2/ Kenya Census, 1969, Vol. 1, p. 118.

3/ Women in Kenya, CBS, 1978, p. 8.

or employed elsehwere and only occasionally available to help on the farm. Yet in many households, the absentee male retains control of major decisions with respect to crops to be planted, agricultural inputs to be purchased, children to be sent to school, etc.

Rural women have a dual economic role. They have a major role in farm production, providing 75 percent of all on-farm labor. They are also primarily responsible for the provision of household needs. Nearly all adult rural women cultivate their own small holdings, and are expected to produce or procure the food consumed by their families. Women are responsible for meeting the basic needs of their children. Poor smallholder farms are generally not self-sufficient in food production, however. Studies show that whereas a high proportion (77 percent) of their total production is consumed on the farm, only 42 percent of the total food consumed is home grown. A cash income is required to provide for the greater portions of food consumption (58 percent) and total consumption (65 percent) which must be purchased off-farm. Some of this cash income is provided as proceeds from cash crops produced by the smallholder.

Rural women, especially heads of households, are particularly vulnerable to economic constraints. Although responsible for the provision of household necessities, a woman has no assurance that male wage-earning members of the household, whether they have migrated to an urban area or have obtained rural off-farm employment, will in fact provide financial assistance for necessities which she herself cannot produce.

Yet approximately 90 percent of females in the rural small farm population have no formal employment apart from operating their own holdings. Perhaps 3 percent are engaged in other rural work, primarily in casual wage employment.[1/] For most women, the only source of income is from the occasional selling of crops, animals, processed food and drink, or handicraft items in local markets. It thus becomes especially important that the productivity of their direct labor is increased to the maximum extent possible if they are to improve their quality of life and indeed that of their families.

Urban women theoretically have greater access to wage employment but are still beset by a number of problems not unlike those of their rural sisters. Traditionally, it falls on the women to feed the family, yet in an urban setting the woman generally does not have access to a garden plot to augment what is purchased with her often meager income, often derived from participation in informal sector activities. The education, if any, to which she has had access, has probably not provided the technological basis to enable her to compete with men for the better-paying urban jobs. Women's groups that in rural areas traditionally provide support for both economic and social activities do not function in the same way in urban areas. An urban woman is also deprived of the extended family network which often eases the weight of household responsibilities. Child care may become a major constraint

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[1/] Integrated Rural Survey 1975/76, CBS.

to her employability. When an alternative solution is not available, the oldest daughter is often given the responsibility of caring for her siblings. She is thus condemned to a life with limited formal schooling or training, low paying jobs and little opportunity for improving her economic position.

2. Constraints Specific to Women Affecting Their Full Participation in and Benefit from Development Efforts

Notwithstanding the constitutional basis for equal participation in Kenya's economic development process, Kenyan women are faced with serious constraints at a number of levels.

a. Legal

On the national level, Kenyan law provides for equal pay, access and rights to employment with limitations placed only on women's work in mines and industrial night shifts. There is no constitutional protection, however, against discriminatory civil law, and any such laws which might be passed (e.g., with respect to inheritance, marriage, divorce, etc.) are exempt from court challenges based on alleged discrimination.[1/]

Given the limited mining sector and relative lack of 24-hour shift work in Kenya, limitations on women's employment per se do not seriously restrict women entering the work force. The socio-economic positions of Kenyan women are strongly influenced, however, by the existence of discriminatory laws and de facto patterns of discrimination. Among government employees, for example, women do not

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[1/] The Status of Women in Kenya: a study of paternalism, inequality, and underprivilege. Discussion Paper No. 235, IDS, S. Gutto, 1976.

receive the same fringe benefits as men. Whereas a male public officer is entitled to contribute to a fund for the benefit of his widow and orphans, a female employee in the same position may contribute only if she is married and able to prove that her husband is wholly or mainly dependent upon her. An unmarried mother is therefore unable thus to provide security for her children. Also, all men are automatically given housing allowance, but married women qualify for such allowances only if they can prove that they are the sole support of their families.

All positions in the public sector are legally open to both men and women, but sex clearly influences the type and level of position available. Sexually biased hiring practices result in the majority of civil service positions filled by women being restricted to areas defined as female. These are predominantly in the Ministry of Culture and Social Services which includes most of the social service organizations of government. Women also tend to be found disproportionately at the lower levels of the hierarchy because they receive fewer opportunities for promotion than male counterparts who may have started in positions of comparable rank and salary.

b. Land and Credit

Given their predominant role in agriculture, access to land title is a major issue for women. Traditionally women had access to land for cultivation through their family groups and within their husbands' families after marriage. Property rights were altered under colonial rule, however, generally to vest them in the male members

of the family in keeping with the colonial perception of a woman's role within the family, i.e., that she is involved only in household concerns and is well provided for in all other areas by the men in the family. Although there are presently no legal obstacles to female ownership of property, the unequal access of the sexes to cash producing activities has continued to concentrate property ownership in male hands. Further, although the legal system provides for joint ownership of property, few women hold property together with their husbands.

The lack of access to land title has, of course, direct implications for women's access to credit, whether for urban business interests or for agriculture inputs, etc., because to obtain credit land title deeds are usually required for collateral. Also, women are often required to obtain their husbands' consent and/or co-signature for a loan. A husband can, on the other hand, without his wife's consent, take out loans or make legally binding obligations against income or property, thus placing her means of making a livelihood, the land itself, (at least in the rural areas) in jeopardy.[1/]

c. Education

Women tend to have less access to education at all levels, although their participation in the formal education system has been increasing over the last several years especially since the introduction of free primary education. The percentage of small farm population females who have never attended school has dropped from 85.5 percent in the 30-49 years age group to 37.4 percent of those 19 and younger.

[1/] Op cit, Gutto

This compares to 54.4 and 28.9 percent respectively for males in the same age groups. Disparities in educational attainment are more pronounced at higher levels. In the age group 20 to 29, 13.8 percent of females and 15.1 percent of males had only four years of primary schooling. In the same age group, however, only 3.3 percent of females, compared to 27.2 percent of males had completed seven or eight years of primary school.[1/] Less than 33 percent of the rural female population in the 15-plus age group have reading ability in any language. The comparable male literacy rate is 65 percent.[2/]

Male children received preference in the past in part because their parents perceived the expense of a male child's education as a better investment than the same expense for a girl. Also, female children, especially but not exclusively in the rural areas, have to assume responsibilities in the home at an early age so as to ease their mothers' burdens. Women have persistently had unequal access to technical training of all kinds. General science and agricultural science courses are offered at few girls' schools, and seldom are offered at rural girls' secondary schools. The usual concentration on liberal arts and "home" sciences neither fully prepares women for active participation in productive activities nor qualifies them for enrollment in higher technical and agricultural schools. Only recently in the rural areas has there been a discernible move toward coeducational secondary schools.

1/ Integrated Rural Survey, 1974-1975, CBS.

2/ Women in Kenya, CBS, 1978, p. 18.

Non-formal education available for women has also tended to focus on household duties, health, nutrition, etc., to the exclusion of productive skills and information relevant to income generating activities. Moreover the lack of educational achievement has generally left Kenyan women less able to qualify for or absorb any subsequent training either in agriculture or in non-farm productive areas. This circumstance has given rise to the argument that men are better suited to development, thus perpetuating a system under which women are denied access to information they need in order to take their place in the development process.[1/]

d. Health and Nutrition

In a recent nutrition survey undertaken by the Central Bureau of Statistics (CBS), 33 percent of the rural female children between the ages of one and four, had a weight for height measure below 90 percent of the standard as compared to 24.5 percent of males. These nutritional differences are even more pronounced when brother/sister pairs within households are compared. Females aged one to four years have lower values of height for age than their brothers in the same age range, regardless of which is older. In the surveys, females with a brother were found to have lower weight for age values than females with only sisters.[2/] These figures indicate a bias within families to give

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[1/] Slattery, A., Looking at Rural Kenyan Women: A Path to Understanding "Women in Development," 1978.

[2/] Women in Kenya, CBS, 1978.

preference to male children in the distribution of available food. This tendency probably continues into adulthood, as the woman is expected to provide for the food needs of her husband and children first. Imbalances in meeting basic nutritional needs are exacerbated by traditional beliefs regarding the types of foods appropriate for women's consumption. For example, in parts of Western Kenya, women do not eat poultry, meat or eggs, as these are believed to have an adverse effect on their child-bearing capabilities. Other similar taboos for pregnant and lactating women also tend to deny them protein-rich foods.

The very fact of repeated pregnancies leaves many women physically worn out and prone to anemia and related illnesses. In the rural areas, women have limited access to adequate medical facilities. Even if a health post is within what might be considered a reasonable walking distance, women are constrained from taking advantage of the services offered by both lack of time and the demands for their presence on the farm and lack of knowledge with respect to beneficial health practices. The implications for the health of new-born infants is obvious. The incidence of physical and mental handicaps due to fetal and infant malnutrition, while not yet quantified, is visibly high.

e. Access to Agricultural Inputs and Services

The legal, educational and health constraints discussed above all have implications for women's access to needed agricultural inputs and services. In addition, a number of socio-cultural factors also

impede their access to these services. There exists an unfortunate misperception on the part of many extension agents that only male farmers are "progressive" farmers, although one study in Western Kenya showed only very slight differences in the varieties and numbers of cash or food crops adopted on farms managed by females or managed jointly. In the case of hybrid maize, in comparison with only three percent of farms with a male present, almost one-third of female early adopters did so with no administrative support or technical advice from the extension service.[1/] The technical and administrative orientation of the extension service toward prosperous farms and cash crops and the fact that less research and/or development of appropriate technology has been aimed at smallholder subsistence farmers exacerbates the problem of access for women farmers.

Male extension agents are further discouraged from visiting female farmers by social norms which in many areas preclude the presence of an unrelated male when an adult male members of the woman's family is not present. As a consequence of these factors, although approximately 25 percent of all smallholdings are managed by women, only 51 percent of such farms included in a recent survey had ever been visited by extension agents while 72 percent of jointly managed farms were visited.[2/] The Ministry of Agriculture does have a home extension service (the Home Economics and Rural Youth Section of the

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[1/] Women Farmers and Inequities in Agricultural Services, K. Staudt, 1975.

[2/] Ibid

Crop Division), but the number of female extension agents is extremely limited given the size of their target group. (The 1977 ratio of farm households to agricultural contact agents was approximately 126:1; the ratio to home economics contract agents was 6,000:1).[1/] Although assignment at the sublocation level is common for male agricultural agents, home economics staff are rarely assigned at that level. At all levels, their mobility is often even more severely limited by lack of transport than that of their male counterparts as they are usually lower in the hierarchy of competition for scarce vehicles. Furthermore, most female extension agents have little or no technical knowledge or expertise in agriculture.[2/] They focus mainly on subjects pertaining to home economics, health and nutrition, etc. This is not to suggest that those aspects of extension services are not beneficial to the target group, but rather to point out that much of the services thus available to female farmers can have little, if any, impact on their agricultural productivity. Also, because of the lack of attention to income-generating activities, women are often financially unable to utilize the knowledge and skills that they do acquire.

Off-farm training is available at the Farmer Training Centers (FTCs) which are located in every district of Kenya. These

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[1/] Sub-Project Paper: Rural Women's Extension Service Project (draft), 1979, p. 5.

[2/] In 1977, of 326 home economics agents, 81 were Technical Officers with diplomas and assigned at the division level, 96 were Technical Assistants with certificates at division or local level, and 149 were Junior Technical Assistants with no formal training assigned at the local, and occasionally sublocation, level. Ibid, p. 5.

centers provide one to two week training courses on a wide range of topics of immediate relevance to smallholder farmers. Here again, however, women face additional problems. Little if any of the instruction is done in the vernacular, and many female farmers do not have functional knowledge of Swahili. Given her dual role and responsibilities in the home and on the farm, it is generally considerably more difficult for the woman farmer to be absent from her farm for such an extended period of time. That some women are able to overcome these barriers is evidenced in the annual agricultural reports which indicate that approximately one-third of the trainees at FTCs are reported to be women. The women, however, are generally found in home-economics courses in which agricultural aspects of the course comprise, at best, 30 percent of the course.[1/]

Because modern technology is often associated with wage employment, and in agriculture with cash crops, less research has been done and there is less information available to help women improve the productivity of their food crops. The woman who does have access to the services of an agriculture extension agent or to a training program may find the information available to her, because of its bias towards home economics, of less immediate relevance to her major concerns than will her male counterpart. Even less technical assistance is available to ease the rural woman's other major burdens in the home, burdens which again constitute a drain on time and energy which could be more productively invested on the farm, in income generation or in self and family improvement.

[1/] Op. cit., Staudt.

If the extension services now offered are to reach more women, the inherent differences between female and male communication networks must be recognized, as well as the fact that the present extension system feeds more directly into the latter. Women's communications networks tend to be much more informal in nature. While men tend to receive information directly from primary sources such as government officers, the reading of newspapers and pamphlets, etc., women tend to learn from secondary sources -- e.g., the neighbors, local shops, traders, etc. As a consequence, women often lack exposure to important information or receive a modified or abbreviated version from indirect channels. This problem is, of course, exacerbated by the scarcity of female extension agents working in fields other than home economics.

3. Progress and Commitment

a. Government of Kenya Initiatives

Since 1971 the GOk has attempted to enhance the integration of rural women into national development by strengthening rural women's groups. As a part of the Special Rural Development Program (SRDP), the Women's Group Program has experimented with the provision of leadership training to women's group leaders in several areas of Kenya. The program is aimed at developing indigenous institutions and training a limited number of women's leaders to provide extension services in their local areas. While not nationwide, it is providing some women's groups with access to government resources.

The programs being undertaken by the Women's Bureau of the Ministry of Culture and Social Services are more national in scope than the women's activities under the SRDP. Established in 1975 within the Community Development Division of the Department of Social Services, the Women's Bureau is charged with coordinating women's activities throughout Kenya. In most provinces, the Ministry's Provincial Directorate has at least one woman on its staff who handles women's activities within that province.

The Bureau works through existing women's groups providing assistance for activities presented for consideration by such groups. In 1977, a Community Development Officer in each district was requested to submit a list of 15 potential activities for the district. The resulting list of 615 activities has provided the basis for most of the Bureau's programs, which cover a wide range of activities predominantly in the agriculture sector. Bureau support for activities generally is in the form of materials (seed, fertilizer, construction materials, etc.) or livestock (pigs, chicken, etc.) which are procured by the Bureau on behalf of the involved group. The number of activities the Bureau has been able to undertake has been limited by lack of funds. The Bureau was not given specific funding in the GOK budget until 1978, when it was allocated K£25,000 ($67,000), of which approximately K£10,000 ($27,000) was for development of new project activities.

There is an increasing awareness within Kenya of the importance of including women in the national development process. The Ministry of Agriculture (MOA) is responding to this need in a variety of ways. For example under USAID funding, Egerton College, a diploma granting institution, which is a major source of extension agents, is being expanded to double its enrollment. In addition to increasing the proportion of women from 15 to 30 percent of the student body, women will be encouraged to enroll in agriculture extension courses under the expanded program. The MOA is also striving to improve the quality of the extension services available to rural women and to improve the extension delivery system. A joint MOA, Peace Corps and USAID project will train Kenyan Home Economics Officers and their Peace Corps Volunteer counterparts in specialized rural technology and provide them with appropriate transportation (four-wheel drive vehicles or motorcycles).

The Ministry of Livestock Development works with the Women's Bureau in providing rural women with income generating opportunities. In one recent example of this collaboration, using local currency generated under AID's ASL I Project, financial, management and training support are being provided the Mbooni Women's Groups poultry project.

b. Private Voluntary Organizations

The phenomena of women organizing into groups whether for social, welfare, or economic reasons, began prior to the colonial period in Kenya. Until the early 1970s, most of these organizations were focused primarily on rural concerns, including the teaching of technical

skills aimed at reducing women's heavy work loads. Several large, non-governmental organizations are directly involved with activities aimed at strengthening women's role and participation in Kenya's national development. The full potential for a national network of rural and urban women working toward a common cause, however, has not been realized.

The largest organization is the National Council of Women of Kenya (NCWK), an umbrella for some 30 national women's groups. Self-help projects include handicraft programs, potable water projects, and various agricultural activities, i.e., small livestock, provision of basic inputs (seed, fertilizer, etc.), conservation, cooperatives, etc. A number of water projects are receiving assistance from UNICEF.

Another organization, Maendeleo ya Wanawake (Progress for Women) is a self-help, community action oriented group with branches throughout Kenya. Although it is a member of the NCWK, it also carries out its own self-help projects.

The National Christian Council of Kenya supports a number of women's self-help activities which focus mainly on urban women concentrating in the area of handicraft development and marketing.

Partnership for Productivity (PfP), a PVO which provides management training and advice for small-scale business-persons, is currently expanding its programs to specifically address the needs of women who are involved in small-scale commercial enterprise. As a part of this program, PfP is training its staff of both male and female consultants to make them more cognizant of the problems faced by business-women.

A.I.D.-supported intermediaries such as the Pathfinder Fund and Family Planning International Assistance (FPIA) are also working with women's groups in various parts of Kenya supporting programs which include income generating activities and basic health care as well as innovative family planning activities. Pathfinder has recently received an additional A.I.D. grant for the expansion of its programs world wide to encompass broader WID activities. We are encouraging them to explore project possibilities in Kenya. The Center for Family Planning Activities (CEFPA) has provided training for a number of Kenyan women in the administration and management of project activities. A.I.D. is supporting their current work to train women leaders to promote the planning and implementation of projects that will result in improvement in the economic status of participants, and perhaps ultimately affect their decisions on size of family.

B. Other Donor Assistance

The U.S. concept of "Women in Development" concerns and development activities targeted specifically at women appears to be unique within the donor community in Kenya. The United Kingdom, for example, aims its assistance programs at the poorest segments of the population. It is recognized that women comprise a substantial portion of this target group, but it is incidential to the overall aims of the UK assistance program if women happen to be the main beneficiaries of a given project. The Canadian and Federal Republic of Germany assistance programs follow the same general philosophy. Denmark and Norway are, however, providing small amounts of project support funding to the Women's Bureau. Sweden

has the largest program in support of Women's Bureau project activities, with approximately $700,000 budgeted for their FY 80-81 year. Starting in 1958 UNICEF has the longest history of supporting GOK programs serving women. Their support for the Women's Bureau, the Ministry of Health, Village Polytechnics, and Family Life Training Centers is based on the rationale that women's non-formal education is a critical element in improving the well-being of the young child rather than on the development needs of women, per se.

C. Strategy

Within the context of the USAID's overall development strategy in Kenya, the objective with respect to women in development is to enhance the participation in and the benefits derived from development efforts by women who are within AID's target groups. The options available with respect to the types of WID activities that might be undertaken include A) separate WID activities; b) integrated activities which specifically address the need to assure that women will participate in and benefit from development efforts, and C) a combination of A and B.

Because women have been, in many respects, left out of the development process in the past, they are sometimes less well prepared in terms of previous learning opportunities and experience than their male counterparts to benefit from development programs. Discrete project activities aimed specifically at women may be one way of closing this development "gap." Over the last several years the agency has undertaken

a number of projects in support of income-generating projects carried out by private self-help women's groups or host government women's councils. As discussed above, there are vehicles within Kenya for undertaking such programs. Both Kenyan and U.S. Private Voluntary Organizations are expanding their role in WID programs. USAID is prepared to support discrete women's projects, but recognizes that such programs in the long run often fail to address the issue of the long-range assimilation of women into the national economy. We believe that integration of the economic efforts of men and women through integrated rural development programs is essential if donor aid is to have much impact on the development constraints affecting women.

USAID's primary concern with respect to its WID strategy, therefore, will be to stress increased participation of women in all development activities. At the same time, we will remain alert to targets of opportunity for supporting WID-specific activities which could complement our overall strategy.

As a part of this effort we will ensure that all program feasibility and design activities benefit from the participation of appropriate social scientist/anthropological expertise. In the past, the lack of such participation has sometimes resulted in an inadequate analysis of male and female roles and how they interact with respect to proposed project activities. This in turn has led to projects having minimal positive, and occasionally negative, impact on the women in the

target group. Only recently has much attention been given to the difficulties inherent in obtaining information about the differential impact of a development project on men and women. USAID will make the report prepared last year for AFR/DR/EHR, "Participation of Women in the Economic Development Process: A Suggested Strategy for the Africa Bureau," and other appropriate resource materials available to all project design teams.

Identification of the broad spectrum of development needs and constraints to equity and determination of which categories of people need assistance (i.e., subsistence farmers, etc.) were among the initial steps in establishing the Kenya CDSS strategy. Within this context, the most effective strategy for addressing women's needs appears to be to identify and focus upon those aspects of the socioeconomic and structural roles of the female portion of the target population which could prevent women from benefiting to the same degree as their male counterparts.

The following paragraphs outlining USAID/Kenya's strategy for the WID components of its program should be read in conjunction with Part II, D of our 1982-1986 CDSS.

U.S. programs aimed at increased agriculture production are addressing the constraints to increased production, rural employment and marketing which underlie income differentials and rural poverty in Kenya. To maximize women's participation in and benefit from activities in this sector, their access to technology, information and inputs must be

increased. This goal will be pursued in several ways. We are, for example, providing direct support to the GOK's efforts to provide improved extension services to female farmers, in part through the training of more women in agricultural extension services (as compared to home economics extension). Government will also be encouraged to provide increased training opportunities for women specifically related to agriculture production, marketing, etc.

Cooperative societies can play an important role in providing inputs to farmers, upgrading rural marketing facilities and storage, and encouraging the expansion of production credit to farmers. Many cooperatives are encouraging the more active participation of women in their programs, and as efforts are made to meet the shortage of qualified and experienced personnel to manage cooperatives, they will be encouraged to include women in their recruitment and training programs.

Credit institutions, whether government or cooperative based, will be encouraged to seek alternatives to the use of land title for loan security. The Agricultural Finance Corporation, for example, has broadened the opportunities for female farmers to participate in the AFC's smallholder credit programs by introducing the use of chattel mortgages as security.

Women will play an important role in our programs aimed at the expansion of the production and protection of the fragile ASAL ecosystems. The Arid and Semi-Arid lands Project, for example, will use women's groups to perform labor on pilot projects while teaching them improved

methods of soil conservation and helping them obtain improved farm implements.

As mentioned in Section A, above, A.I.D. is assisting the GOK to double the proportion of women enrolled in Egerton College and to encourage women to enroll in agriculture extension courses. A proportion of the training opportunities under each A.I.D. project will, as appropriate for the specific activity, be made available to women.

Women must increasingly be involved in the GOK's efforts to improve the delivery of family planning services through its integrated MCH/FP system, first as a major target group for educational efforts and then as a potential resource for the dissemination of knowledge and improved delivery of services. We will encourage continued private sector and PVO involvement in family planning efforts wherever possible. Organizations which are now undertaking experimental programs exploring new means of involving women in community-based programs will be encouraged to continue and expand these activities. Several U.S. and Kenyan PVOs, for example, are working with women's groups that are trying to establish economic bases for their group activities on the assumption that improved economic opportunity often enhances the success of health and family planning programs.

The key to the successful introduction of new technologies for the utilization of renewable and non-conventional energy sources

in the rural areas is probably found in securing the interest and participation of women in the program. Programs in the area of energy development will give specific consideration to technologies for improving cooking facilities and for propagating wood fuel resources, and will seek to involve women and women's groups in pilot activities.

VI. HUMAN RIGHTS

Kenya's criminal and civil procedures, and concepts of substantive offenses and protections, are largely inherited form British practice and, by-and-large, are compatible with Western standards. The government has shown itself interested in extending legal services to the rural poor, in expanding the right to counsel for the indigent in criminal cases, and in improving the administration of justice through inter alia, in-service training programs for magistrates. A fledging human rights organization, the Inter-African Union of Lawyers, is headquartered in Nairobi and is supported by the government and AID (Refer to p. 26 of the CDSS).

The USAID strategy is to consider with the government and support various modes of expanding the scope of legal services available to both urban and rural poor people and various ways of improving the administration of justice, for example, through participant training and technical assistance. To the extent of opportunities and availability of funds (OPGs and human rights set aside) we will assist women especially to understand and deal with legal matters (See Section V. B. 2. a.). This strategy should impact on both the criminal and civil areas, since USAID and the Government consider protection of basic economic rights (security in one's property and contracting arrangements, for example) of perhaps equal importance from a development standpoint as freedom form arbitrary arrest, torture, etc. Thus we see a broad human rights strategy as complementary to the USAID strategy objective in increasing employment, income and

smallholder production as well as the program to plan and demonstrate effective approaches for meeting basic human needs (Refer to pp. 31-33 of the CDSS).

VII. DONOR COORDINATION

GOK does not convene regular formal general donor meetings as it did for several years. USAID believes, however, that coordination among donors, and between donors and the government, in the development sectors of the U.S. assistance strategy is effective. For USAID in fact it is more effective than the former large generalized meetings. In the instances that we take the lead we find other donors very responsive to initiatives in coordination. Leadership often comes from others as well.

The donors to Kenya are sensitive to the potential adverse effects of donor-only efforts that might appear to be a ganging up on government. Individually and collectively, in their projects and in their general discussions, the donors consistently urge government to take the lead in coordination. In past years certain government bodies, such as the Ministry of Health, have been notorious for their efforts to deal with donors one by one rather than as a group. However, in planning for future health programs the government is now working closely with a World Bank-led group of six donors (see Section II). Similar changes have taken place in other areas.

The U.S. strategy will be to continue specific coordination at both technical and policy levels and to encourage government leadership. Examples of current coordinated and complementary donor-government activities include the following:

-In the rural access roads program the government chairs a 10-day meeting each year at which government reviews progress, the donors identify issues and prepare a presentation to government, and government responds to issues raised.

-In renewable energy development the cooperation of Germany, the Netherlands and the U.S. in supporting the project carried out by the Beijer Institute was confirmed and coordinated at meetings chaired by the Ministry of Energy.

-In afforestation World Bank missions have been working closely with USAID, Peace Corps and other donors.

-In range and ranch development, the World Bank, USAID and Canadians have kept each other well informed on progress and problems.

-In technical assistance in agricultural planning, UNDP has taken the lead in donor coordination and correspondence with government.

-In dry land crops research and extension, the work of the United States and FAO is complementary and sequential.

-In small farmer development, the government has invited USAID to participate in IBRD's annual supervision missions of the Integrated Agriculture Development Program.

-In agriculture credit, USAID has the lead in providing technical assistance to the Agriculture Finance Corporation but maintains a close liaison with the IBRD which provides the bulk of external loan financing.

-In arid and semi-arid land development an interministerial committee of government was established following a government/donor seminar in 1979. That committee is now taking the lead to ensure that donors whose projects have begun or will begin later are benefiting from the lessons learned in the projects begun earlier.

-In the multidonor EEC-led rehabilitation program in Turkana the U.S. Peace Corps is providing area coordinators.

-In water development an alert to government by the donors, led by the Netherlands, has directly or indirectly influenced changes in management and leadership at the Ministry of Water Development.

-In housing and community development, the three major donors (World Bank, USAID and UK-ODA) work in a well coordinated and highly complementary manner in relation to the National Housing Corporation and municipal governments.

UNDP and donor agency heads host regular working dinners on a rotating basis to which government officials are invited. USAID meets periodically with the UNDP, the Bank and Japanese, Dutch, French, Danish, Swedish and other donor agencies for general review of development programs and economic issues. The donor community as a whole has a greater commitment to coordination than it did a year or so ago. We attribute this in part to increased coordinating activity at donor headquarters, in part to individual commitment by members of missions to Kenya, and in part to our concerted strategy.

ANNEX A

USAID Kenya
Annual Update on Commitment Indicators
FAA 102(b) (4)

Overview

USAID is pleased to see increased AID/W awareness of methodological weaknesses and general data problems associated with previous attempts to make cross-country comparisons of national commitment and progress based on secondary sources of quantitative data. We recognize the importance of continuing efforts to arrive at meaningful judgments of host country performance and appreciate the difficulty of evolving a common analytical approach. A shift toward qualitative judgments in the area of commitment appears to be indicated at this point. Progress criteria, on the other hand, being less controversial and more susceptible to quantitative measurements based on uniform definitions, may be more amenable to cross-country comparisons. USAID looks forward to an opportunity to comment on the progress criteria selected for this year's exercise, and is awaiting the arrival of data sheets referred to in 30 State 340054/Progress Indicators.

The report entitled: Kenya - Progress and Commitment Data, submitted in November 1978, contained USAID's exhaustive analysis of performance in response to Congressional concerns

as expressed in section 102(d) of the Foreign Assistance Act of 1961 as amended. In that document, USAID also addressed in detail several conceptual and definitial questions and certain limitations peculiar to the Kenya data base. A USAID cable of October 26, 1979 (79 Nairobi 19306) provided a summary of past Mission communications on such issues and an update on progress and commitment data through late 1979. The 1982-86 CDSS, dated January 1980, contained comments and data on the subject in Sections I.D., Progress and Commitment to Development; I.C., Causes of Poverty and Constraints; and I.E., The 1979-1983 Development Plan. This memorandum which should be read in conjunction with the above references, is keyed to the FY 1983 CDSS guidance (80 State 309900).

Kenya's political system is both relatively open and relatively democratic. It is characterized by a pattern of periodic and peaceful elections and by a broad spectrum of political ideas within its single party structure. Since independence, changes in economic and social policy in Kenya have been evolutionary rather than revolutionary so that large changes in perceived commitment to development would not normally be expected over short intervals. In past exercises, Kenya's overall level of commitment has been characterized as above the norm for countries at its level

of development. On balance, Kenya's commitment to development over the last few years has if anything increased. Kenya now falls into the group of countries classified as above the norm or well above the norm on most scales of overall commitment to development.

A. Extent to which Macroeconomic Factors Inhibit or Enhance the Ability of the Poor to Raise their Incomes.

Deteriorating macro-economic conditions are placing an increasing strain on the ability of the Government of Kenya to carry out the commitment it has made to accelerate economic development during the current five year planning period, 1979-83. Macroeconomic problems, often resulting from non-controllable forces, have acted to reduce the growth rate of GDP from 8.8 percent in the peak year 1977 to 6.6 percent in 1978 and to 3.3 percent in 1979. When final results for 1980 are obtained, the growth rate is likely to have averaged less than 3 percent. Major factors for the downward trend include a sharp deterioration in the balance of trade, which resulted in renewed import restrictions, and continuing drought conditions which have affected agricultural production. A rise in the trade deficit of over 50 percent in 1980 to nearly 1.2 billion US dollars is due in the main to increased prices of imports, especially petroleum, chemicals and fertilizers, and decreased prices for exports especially

coffee. Given inadequate rainfall, gross farm revenues are likely to fall by at least 1 percent in 1980. Manufacturing and service sectors of the economy will also register lower rates of growth.

Against such a background, the GOK has commited itself to developing and carrying out needed macroeconomic reforms and adjustments in a number of areas. The relatively large budget deficit of 1978/79 (8.4 percent of GDP) was reduced in 1979/80 to an estimated 6.8 percent of GDP. A further reduction to approximately 6.2 percent of GDP is expected in 1980/81 despite new demands upon the Treasury inherent in a recently approved civil service salary reform and the possible requirement to import up to $130 million of food grains on a commercial basis. Expansion in the supply of money and quasi-money has been moderated in recent years following an expansion of 47 percent in 1977. The rates in 1978 and 1979 were 13.7 and 16.1 percent respectively. Overall money supply fell during the first six months of 1980 although a small positive rate of expansion is expected when final results are available for the entire year. GOK efforts to implement sound fiscal and monetary policies consistent with stable long term growth have contributed to containment of

increases in domestic price levels. The IMF estimates that the rate of increase in the composite consumer price index fell from 19.4 percent in 1977, to 12.5 percent in 1978 and to 9.5 percent in 1979. The rate of increase in 1980 is unlikely to improve on the performance attained in 1979 for a number of reasons. Although basic policy measures have been in the right direction, prices for key items in the consumer index including prices of petroleum products and agricultural output will have to rise.

Kenya's rates of Gross Domestic Savings and Gross Domestic Investment have consistently been among the highest in the World Bank group of 38 low income countries to which Kenya belongs. In the three year period 1977-79, Kenya has devoted an average of more than 18 percent of its Gross Domestic Product to savings. Gross Domestic Investment has been equivalent to more than one-quarter of GDP. The GOK has recently completed a number of studies to determine the effectiveness of interest rate adjustments to improve the allocation of financial flows and to increase domestic financial savings. The Government has decided to introduce a gradual adjustment of deposit and lending rates. The first such step in this direction was taken in 1980 when commercial banks were authorized to raise interest rates on savings deposits from 5 percent to 6 percent, while maximum lending rates were allowed to rise from 10 percent to

11 percent. Given current budget difficulties and the fact that increases in competitive rates paid to savers may affect government borrowing rates and ultimately the budget of the GOK as well, the decision of the GOK to increase overall levels of domestic savings and investment through adjustments in interest rates represents a significant increase in commitment to an increasingly sound and sophisticated financial policy.

The GOK has begun to show similar increased commitment regarding improvements in internal income distribution especially between the rural and urban areas. Since 1972, the terms of trade between agricultural prices and prices of manufactured goods have improved by nearly 46 percent. In recent months, President Moi has indicated that increased food production and food self-sufficiency would be major goals of his administration. In 1980, he directed the formulation of a National Food Policy position paper which was submitted to the Cabinet in January 1981. When made public, the Food Policy paper is expected to recommend further changes in the pricing of agricultural products and inputs, in marketing procedures and in other variables related to increasing overall agricultural and livestock production both for domestic consumption and possibly for export.

During the energy crisis of the mid-1970s, price increases of petroleum imports were normally passed on to the consumer. In its letter to the IMF of September 30, 1980 requesting a two-year stand-by-arrangement totaling SDR 241.5 million, the GOK committed itself to continue this pricing policy. Increases in the price of petroleum products, however, have been delayed by the Government since mid-1979. An increase is mandatory and overdue. Although real GDP increased by 20 percent between 1976 and 1979, overall consumption of energy in Kenya's modern sector increased by only 13 percent, and consumption of petroleum-based products rose by only 7 percent. Implementation of the pricing policy still in effect is essential if consumption of petroleum is to be held to a reasonable rate, and the external oil bill kept as low as possible. Despite the fact that increases in petroleum prices affect urban and upper income consumer groups most directly, the GOK has indicated its commitment to a sound energy pricing policy from the beginning and in a more forthright manner than most other countries whether developed or underdeveloped.

With regard to the exchange rate, IMF and GOK technical experts disagree on the extent to which depreciation of the Kenya shilling would improve the country's foreign exchange position. (See for example IMF Memorandum SM/80/202 of

August 20, 1980, PP. 11-14, which was prepared for the 1980 Article IV Consultations.) Under the current Standby Agreement, the IMF and GOK have compromised and the GOK has undertaken a number of measures short of outright currency depreciation. Long range GOK policy is designed to increase overall industrial efficiency and to bring about a shift in emphasis from relatively capital intensive production for protected domestic markets to a strategy stressing labor intensive production and penetration of export markets. The primary benefits to the poor would be in the form of increased employment and relatively lower prices for simple manufactures as the program of increased industrial efficiency is implemented.

Among recent measures adopted, the 1980/81 GOK budget broadened the existing export compensation scheme to include all nontraditional exports (approximately 38 percent of all exports). The level of compensation was doubled to 20 percent of f.o.b. value, and payments will now be made directly through the Central Bank of Kenya in order to expedite claims. On the import side, a temporary surcharge of 10 percent was levied on all dutiable items and higher duties were applied to a number of items in order to conserve foreign exchange. In the opinion of the IMF, these two measures are estimated to have had an effect on merchandise trade similar to that of a depreciation

in the exchange rate of 10 percent and a tax on traditional exports of about 20 percent. The Government has indicated its intention to replace existing quantitative restrictions with tariffs as soon as practical and a new tariff became effective at midnight on June 30, 1980.

It remains to be seen how effectively the existing structure of protection based on previous quantitative restrictions will be dealt with. Recent restrictions on granting of import licenses and other restrictions on foreign exchange availabilities indicate the difficulty of carrying out a policy of trade liberalization in the presence of severe shortages of foreign exchange. Foreign exchange shortages in the medium term can themselves have negative impacts on income and employment when inputs of raw materials, fuels, etc. become unavailable. In support of the GOK program of industrial re-organization and export promotion, the World Bank in 1980 authorized a 70 million dollar Structural Adjustment Loan consisting of 55 million dollars in IDA credits and 15 million dollars in EEC Special Action Funds. IDA has also recently approved a four year technical assistance program totaling 4.5 million dollars to finance studies and training related to export production and marketing. USAID/K is supplying additional assistance in the form of a Commodity Import Grant for FY 1980-81 totaling $20 million.

B. Government Involvement in Increasing Employment; Pricing System and Other Policies.

Because of the importance of key pricing decisions to Kenya's overall development prospects, the discussion in Section 4.A. above has dealt at some length with a number of microeconomic policies undertaken in Kenya in recent years. Most of the decisions discussed above will have secondary beneficial effects on employment by increasing savings and investment, or by promoting labor intensive production in agriculture or industry or both. In the long run, a restructuring of interest rates in favor of the saver will tend to increase the overall level of savings and investment in Kenya. An overall increase in investment by expanding the capital stock will improve employment opportunities and labor productivity as well. Similarly, a long term shift in the internal terms of trade in favor of agriculture, such as has occurred in Kenya since 1972, has the overall effect of encouraging labor intensive employment in rural areas and of slowing the trend of migration to urban centers. Kenya's policy of passing the entire increase in the cost of imported fuels directly on to producers may likewise have had a secondary effect of discouraging energy and capital intensive production in favor of more labor intensive methods. Certainly

the overall thrust of Kenya's evolving industrial and trade policies is toward rationalized production based on the one factor which Kenya has in abundance - its large, rapidly growing, and fairly well educated labor force. The GOK has had to weigh the appeal of increasing the remuneration of selected employees through application of minimum wages against the negative effect on employment of raising the overall price of labor. The overall effect of government wage and pricing policy in Kenya during the decade of the 1970s has been generally pro-employment with real wages in the formal sector gradually falling by an average 1.2 percent per year. Employment in the formal sector has increased by 4.7 percent per annum, about 1 percent faster than the expansion in the labor force as a whole.

There are currently four separate minimum wages in Kenya, one for agriculture; one for the two major cities of Nairobi and Mombasa; one for other urban areas; and one for all other employment. These rates were revised in May 1980 as follows:

Area	Monthly Rate (Kenyan Shillings) Before May 1980	Since May 1980	Approximate Percentage Increase
Nairobi/Mombasa	350	456	30
Other Urban Areas	310	418	35
Other Areas	205	266	30
Agricultural	175	215	20

Of the 972,000 permanent wage and salary earners in Kenya in 1979 about 30 percent were in the two major cities and, therefore, received the highest wages. About 25 percent were employed in agriculture which pays the lowest wages. All wage agreements are currently subject to guidelines issued periodically by the Ministry of Finance. The latest guidelines, which were issued on February 15, 1979, limit wage increases to one-half of the increase in the cost of living since the time of the previous agreement or during the past two years.

Although the overall effect on employment of the stated government wage policy has been strongly positive so far, there may be limits below which real wages in the formal sector should not be allowed to fall. In addition, GOK commitment to increased employment sometimes leads to policies which are difficult to enforce and which are temporary measures at best. In 1979 the GOK "announced" that employment in the modern sector would increase by 10 percent. In the event government employment did rise by 8.9 percent, while employment in the private sector rose by only 5 percent.

A strong commitment to increased employment on the part of the central government is only one element of a long range strategy to provide for full employment. Local self help activities involving labor intensive construction of schools, water systems and similar public investment have long been a feature of Kenyan community life. Accurate statistics on

the employment impact of such activities are difficult to come by however. In the final analysis, attention must be directed to policies designed to limit increases in labor supply as well as to increase labor demand. (Refer to section G below and to the CDSS update on population for discussion of Kenya's increasing commitment to containing population growth.)

C. Access to Productive Resources.

The 1982-86 CDSS for Kenya contains detailed Mission analysis of land tenure and land use patterns in its treatment of agricultural production (Section I.A.1.C.), and its description of causes of poverty and constraints to development (Sections I.C.1.and I.C.2.a.). Access to adequate technology, production services and inputs is also dealt with in the CDSS (Sections I.C.2.b,c and e.). In most of these areas, the overall level of GOK commitment remains largely unchanged being guided by the principles laid down in the GOK 1979-83 Development Plan. Significant new commitment has been evidenced in the key area of agricultural credit over the past several years, however. Commercial bank lending to agriculture has more than doubled in the three years between June 1977 and June 1980. Lending by non-bank financial institutions has increased by more than 50 percent. Overall bank and non-bank lending to agriculture has therefore

risen by nearly 98 percent to almost 289 million US dollars. In 1980 the GOK replaced its previous seasonal credit program of Guaranteed Minimum Returns (GMR) with a much larger program, the New Seasonal Credit Scheme, designed to make available 80 million US dollars largely to promote expansion of maize and wheat production. The disruptive effect of the transition to the new credit scheme provided ample evidence of the importance of the credit component to agricultural production. If successful, the new credit scheme will produce additional expansion in agricultural lending by non-bank institutions in fiscal year 1980/81 beyond the increases achieved during the last three years.

D. Trends of Government Budget Allocations to the Health and Education Sectors

The trends in Central and Local Government Expenditures on Health and Education are summarized in the table below:

Education and Health Expenditures
(Millions of Kenyan Pounds)

Central Government	FY 1977/78	FY 1978/79	FY 1979/80
Education	94.5	108.9	139.2
Health	36.9	41.9	46.3
Municipal Councils	**CY 77**	**CY 78**	**CY 79**
Education	3.3	4.2	5.0
Health	5.3	8.8	7.4

	(Percent of Total Expenditure)		
Central Government	FY 1977/78	FY 1978/79	FY 1979/80
Education	16.0	15.8	18.0
Health	6.3	6.1	6.0
Municipal Councils	CY 77	CY 78	CY 79
Education	10.2	11.7	11.5
Health	16.3	16.2	16.8

Note: Average Exchange Rate: 2.42 $ per K£ in 1977
2.57 $ per K£ in 1978
2.67 $ per K£ in 1979

Beginning in 1977, AID adapted for Section 102(d) purposes some of the socio-economic performance criteria for development which had appeared in the economic literature. Based on such criteria, Kenya's commitments of Central Government resources to Education and Health have ranked well above normal for countries at its level of development. As the table above suggests such a conclusion is unlikely to change as the result of budget trends in recent years. The proportion of Central Government expenditures on education has risen by about two percentage points while the proportion of such expenditures on health has undergone a negligible decline. Local government cash expenditures, though small, have undergone a rapid increase in recent years with health and education expenditures slightly increasing their relative shares. USAID has repeatedly issued caveats regarding international comparisons of expenditures on education since

division of labor among central, provincial and local governments, and between the private and public sectors vary widely among countries. It may be worth mentioning once again that community self-help (Harambee) contributions of materials and labor have made an important contribution to education and health in Kenya particularly in rural areas. Such efforts are not necessarily reflected in national or local budgets devoted to education. Statistical data regarding access to education and health facilities for the majority of the population living in rural areas are largely based on Kenya's Integrated Rural Survey. Additional data beyond that presented in the CDSS have not yet been published.

With regard to education, overall enrollment in primary schools has increased by 24 percent from 2.97 million in 1977 to 3.70 million in 1979, representing a rate of increase well above that of the school age population. Secondary school enrollment has grown more slowly increasing by 18 percent during the same period to a total of 378,000 students in 1979. The development of educational opportunities has become a major policy commitment of the GOK in recent years. The elimination of school fees for standards 1 to 6 in 1978 was extended to standard 7 in 1980 although increases in other charges have offset the effect to an uncertain degree. Since May 1979 it has been Government policy to distribute

two glasses of free milk per child each week to all primary schools. Parent associations for each primary school throughout the country are also being promoted to be responsible for construction of school buildings, for provision of school furnishings, as well as for raising other necessary funds. Such local efforts if successful can significantly add to the total national commitment of resources devoted to the educational sector. Because of their local, and partially voluntary nature, such expenditures generally lead to underestimating Kenya's commitment to education as reflected in purely national statistics.

Only 25 to 30 percent of Kenya's population has access to modern health care. A relatively large portion of the population still depends on traditional or folk medicine where modern drugs are increasingly being used. Of those who have access to modern medicine in the rural sector, most clients live within eight kilometers of health facilities. This indicates that distance is an important factor in health services consumption. Urban dwellers are better off than their rural counterparts because of their proximity to health facilities and the availability of a greater number of western-trained physicians in urban centers.

Kenya's rural health care system is centrally controlled through a pyramid-shaped hierarchy of curative

oriented, static facilities. Kenyatta National Hospital, the major teaching and referral hospital in Nairobi, is at the peak. Provincial and district hospitals are at the intermediate level. Rural health unit headquarters with its network of health sub-centers and dispensaries form the base. The majority of rural health care is provided through the system of health centers, dispensaries and mobile health units. The system offers a simple framework of referral from the bottom up. Although local governments at one time had primary responsibility for the operation of health centers and dispensaries, the central government has now taken over all rural health services with municipalities retaining control over only health systems within their own jurisdictions.

To its credit, the Government's health service delivery system is based on the non-physician paramedic (the Clinical Officer) who supervises the provision of health care at rural facilities throughout Kenya. This together with the network of dispensaries and rural health centers provide free outpatient health services to poor and elite alike where facilities are accessible to clients.

A number of non-profit groups, either community self-help or philanthropic in nature, also provide a variety of health services in Kenya. These groups generally charge fees and receive Government grants or rely on charitable donations to cover costs. Church and missionary groups

provide important hospital services in Kenya. They sponsor over 40 church-operated hospitals (roughly 30 percent of the total hospital beds in the nation) and numerous health centers and dispensaries. In the more inaccessible districts of Northern Kenya, church-related organizations provide up to 70 percent of the available health care. The church hospitals operate almost entirely in rural areas. A third element of private sector involvement in Kenya's health care system is private for-profit groups. These include pharmacy services, dentists and physicians in private practice and private hospitals. Most of these private ventures are located in major urban areas and are financed by private payments.

Macroeconomic factors ordinarily would have a direct adverse impact on the government-sponsored health care system in Kenya. However, given the high priority health is accorded in Kenya as an important basic need for the population, health sector development and recurrent expenditures have steadily increased over the past three years (1979-1981) from a total of KShs 800 million to KShs one billion per annum. Government will continue to expand its health system over the next decade which will include intensification of preventive and promotive health care through a community-based primary health care system. Significant donor assistance will support this expansion and help insure its realization.

E. Effectiveness of the Administrative System

Although related only indirectly to measurements of commitment previously thought relevant to Section 102(b) concerns, the effectiveness of the administrative system is of significant concern in relation to overall CDSS strategy and to the implementation strategy of particular projects. Methods of cross country measurement will no doubt be addressed by AID/W as the concept of commitment is further developed. Following are general conclusions regarding Kenya. Current Mission judgment is that Kenya has one of the best statistical data bases among countries at its level of development and one of the more competent administrative structures. Sources of data on corruption, particularly on high level corruption, are not particularly reliable, and assessment of the effect on distribution of resources is almost impossible to measure. Some inequities in access to resources stem more from the reallocation process that followed independence than from current corruption. The national government is presently involved in directly setting the price of 23 basic consumer items, and approval of the Price Controller must be obtained for price changes on many other items. Licenses are required for the importation of most goods. Reduction in Government

intervention in the allocation process would certainly reduce corruption, and would improve the efficiency of both production and distribution processes. Kenya's current allocation system, however, reflects in part the GOK commitment to a more equitable distribution of incomes, and an attempt in some measure to guarantee access to certain basic human needs as well.

The level of statistical and analytical competence evident in the current five year plan (1979-1983) is impressive and above average for developing countries. The planning process has become particularly useful for developing the outlines of key new government initiatives, and increasingly for determining the allocation of scarce resources among competing ends. The planning process itself remains somewhat cumbersome, and the march of events in recent years has been sufficiently rapid to render obsolete many of the initial estimates mid-way through the planning period. External events in particular have rendered the planning process less exact and less effective. In addition, the capacity of local administrative units to implement plans devised at the national level is limited. Efforts to strengthen local administration and to improve co-ordination with national plans and central government ministries are described in section H below.

F. Resource Depletion

In 1979 mining and quarrying accounted for less than three-tenths of one percent of Kenya's GDP and no additional significant mineral wealth has yet been discovered. As a result, questions of natural resource depletion are principally restricted to prudent use of water, soil, plant and animal resources.

Kenya has had a mixed record regarding management and conservation of its wildlife resources. Changes in GOK commitment in this area have not been large although the Government in recent years has moved to eliminate all hunting and the export of skins and ivory.

Problems of energy supply, deforestation and siltation have resulted in increased emphasis on protection of forest, soil and water resources in the current five year plan. The plan calls for a comprehensive review of forest management policies, an expansion of forest plantations, and a shift of emphasis in both research and implementation measures toward the conservation and development of non-plantation forest resources in order to protect catchment basins and prevent soil erosion. The current system of fees for access to government forests is at present poorly structured and improved policy enforcement will be required if forest resources are to be effectively protected. Forest plantations have been expanded

by more than 20,000 hectares in the period 1975-1979 and will be increased by a further 10,000 hectares to a total of 173,000 hectares by 1983. Highly productive forests will by then account for more than 10 percent of the total gazetted forest area of 1.67 million hectares. Discussions have recently begun between the GOK and the World Bank concerning a proposed 140-150 million dollar afforestation project to further expand Kenya's supply of renewable energy and related forest resources.

Extensive and previously underestimated charcoal production is seriously depleting forest resources, and deforestation has in turn added to siltation and adversely affected hydroelectric production. Recent estimates show that traditional energy sources account for 80 percent of total energy use, versus earlier estimates of only 50 percent. Increased awareness of this problem, and the obvious need to substitute renewable for conventional energy sources have resulted. The GOK now operates nurseries at 103 sites and plans to have at least one nursery in each of Kenya's 175 divisions. During 1980 the GOK and USAID signed a 4.8 million dollar grant project agreement for Renewable Energy Development (615-0205) with substantial institution building and applied research and demonstration components in the areas of forest management, afforestation, agroforestry and rural renewable energy application. In January 1981, President Moi announced the appointment

of a permanent Presidential Commission on Soil Conservation and Afforestation. The Commission will review all soil conservation, afforestation and flood control programs, as well as the legal basis for all conservation related activities in Kenya. The Commission will make recommendations leading to required changes in the current system of conservation laws, and assist in the demarcation and management of protected catchment areas.

G. Government policies and programs to address the problem of high fertility rates. (See Section II. of the Supplement to the FY 1982-1986 CDSS.)

Kenya was the first country in sub-saharan Africa to officially adopt a policy of reducing the rate of population growth and the GOK has had a national family planning program for more than 13 years but the overall effect on fertility rates has been nil. The structure for improvement should soon be in place with the assistance of a major $120 million Integrated Rural Health and Family Planning Program (IRH/FP) that will introduce daily FP services at 88 percent of the rural health dispensaries which at present either provide no family planning services or are served infrequently by mobile units. Moreover, a memorandum to the Cabinet has been prepared by the Ministry of Economic Planning advocating the establishment of a National Council on Population and Development. The

Council would supervise a new interagency, intersectoral multimedia education program aimed at informing a wide range of Kenyan audiences on the subject of population and family planning issues. The program is designed to activate informed support and participation in family planning activities. It is not possible, however, to predict the effect of improved programs on a society that places high value on large families.

The GOK has established a number of programs and policies which may encourage rather than discourage high fertility. Free primary education, school feeding programs and milk distribution within the schools are some examples. Ironically it is on just such policies, which may conflict with overall efforts at reducing fertility, that the GOK general commitment and development performance are being measured and evaluated.

H. Responsiveness of the Political Structure to the Needs of the Poor

Participation of the poor in development in Kenya has received separate treatment in the 1982-1986 CDSS (Section I.D.2.), and the Human Rights Report (80 Nairobi 20192). Widespread participation in the development process is the first of four basic principles governing the current five year plan which was made public in 1979, and additional progress has been made in recent years.

On the political level, the participatory process continues past trends. Kenya's parliamentary elections in 1979 saw the defeat of almost a third of all Cabinet members and half of all MPs, an indication that the political structure can be altered through the democratic process. The District Development Committees (DDC) formed in 1971 are providing improved participation by the rural poor in decisions affecting local development and their daily lives. District Development Plans have been formulated or initiated in each of Kenya's Districts, and completed plans began to be published in 1979. By the end of the current five year planning period in 1983, District Development Committees are expected to take on increased responsibility in a number of areas. These include the monitoring of all central government expenditures in their areas and the identification and reporting of delays in project implementation caused by central government actions or inaction. In addition, all other district level committees (e.g. District Education Boards, District Agricultural Committees and District Community Development Committees) will become sub-committees of the District Development Committees.

Development committees at the level of individual divisions, locations and sublocations will also participate in the process. Each such committee is represented at the

next higher level with the Division level committee being represented on the District Development Committee itself. The DDC exercises responsibility for identification and ranking of possible project activities, relying in part on suggestions generated at lower levels. The considerable development energies of local self-help Harambee groups will receive increased support from District Development Committees as well, and self-help projects will require DDC approval in the future.

Efforts to maintain stable growth, control inflation, increase employment, promote improved income distribution particularly between rural and urban areas, increase the availability of agricultural credit, invest in education and health, and regulate prices for basic consumer goods are some of the key areas, previously discussed, in which the existing political structure has shown itself responsive to economic needs of the poor.

I. Mobility of the Society

The disadvantaged can get ahead in Kenya, mainly through education and public service. Participant training candidates and scholarship recipients are representative of Kenya's regional areas and tribes. School certificate examinations which determine the opportunities for secondary and higher education, and selection processes for school admission, are generally administered fairly.

During the colonial period, Kenya was divided into racial classes. Although independence removed most class distinctions, President Kenyatta's Kikuku tribe (Kenya's largest) had a disproportionately large share of political power and government development funds during the 14 years of his administration. With the accession of President Moi, the government has taken a more balanced approach to both political power and economic development. There is little evidence today that significant ethnic, linguistic, religious, regional or economic classes or groups are excluded from the development process with the exception of most traditional pastoral tribes who have never been fully integrated into Kenyan society.

The Moi Government has taken certain measures to diminish tribalism. Recent elections for Parliament, Cabinet selections, and appointments to directorships of parastatal bodies show good balance of tribal representation. (See 80 Nairobi 21648.) Tribal associations have been disbanded and tribal designations for sports teams have been outlawed. (See 80 Nairobi 19286.) Despite the best efforts of government leadership to eliminate tribal favoritism, tribal attitudes are present in all elements of the society. Overt manifestations of tribal discrimination or abuse are limited, but during times of crises indications of deep-seated feelings can easily emerge.

J. Control on the Free Flow of Information

Kenya ranks well above the norm for developing countries with respect to the openness of its media. There are no legal restrictions on private ownership of newspapers or magazines, and mass media do more than simply present government viewpoints. Individual government programs and individual government officials alike are openly criticized, but public criticism of the President in the media is unknown.

As indicated in Section H above, increased decentralization of the political and administrative system is providing one channel for communicating organized local opinion to central government. Also, the GOK Ministry of Information has pledged to launch rural newspapers over the next 18 months so that farmers and others in rural areas have expanded opportunities to learn from each other. One or two such newspapers are already in place.

Nairobi's prominent position in national life ensures that a welter of talented people are drawn to the capital, bringing with them valuable information on the development of their home regions and transmitting equally valuable data to their home areas. The major constraints against more pervasive and professional communication via the government-owned radio and television are inadequate planning, and lack of financial resources and trained manpower.

In quantitative terms, Kenya is in the midst of an information explosion. Newspaper circulation has increased more than 40 percent in the brief period between 1977 and 1979 to an average daily total of more than 450,000. Licensed radio sets have increased by nearly 35 percent in the same period to a total of 1.7 million. There were approximately 70,000 licensed television sets in Kenya in 1979 an increase of 38 percent in the last two years.

ANNEX B

USAID/Kenya
Annex to FY 1982-1986 CDSS

Integration of Housing Guarantee and Dollar Funded Programs in the U.S. Assistance Strategy

Population agglomerations of Kenya, as of other countries play important roles as centers for marketing of agricultural inputs and agricultural produce, providers of social services and facilities to rural residents and stimulators of increased production in their rural hinterland. They also frequently serve as focal points for innovation and dissemination of new ideas and technologies.

This annex will not describe the particular characteristics of the Housing Guaranty program in comparison to the dollar-funded program -- its mechanism to use funds from the private U.S. capital market, the fact that its resources are supplementary to appropriated resources, its relatively shorter design and implementation period and lesser requirements for direct hire staff. It will, however, expand upon the USAID/Kenya CDSS strategy to use shelter and community facility programs as well as specific projects to expand or improve social services to address its fourth development objective, namely to help Kenya provide for the important basic needs of its people -- needs such as sanitary and secure shelter, adequate diets, adequate and accessible health services, safe drinking water. It should be read with reference to the Kenya Shelter Strategy Statement of January 1980 which sets forth the shelter supply and demand situation and the USAID strategy in the shelter sector.

In community development the strategy to reach the objective is

to advocate innovative and low cost approaches, stressing institutional development and replicability. Through the Guaranty program, which will be supplemented by Development Assistance-funded technical assistance, demonstration efforts will be directed to institutionalizing programs that emphasize establishment of minimum acceptable standards, full cost recovery, new and improved methods of mobilizing funds for housing finance and production (including progressively, the private sector) and integration of low cost shelter production with development of community facilities, delivery of social services and employment generation. Each comprehensive housing and community development project can itself play an important role in meeting many basic needs. Among these are maternal and child health facilities, day care facilities, water, and sanitation in residential and market areas. Through each future project not only will construction activities per se provide employment to local residents but employment generation components of the project will expand the economic and institutional bases for expanded participation in the labor force in the community. Dollar-funded technical assistance will be essential for these components.

Integration of the Housing Guaranty and dollar funded activities in the USAID/Kenya strategy is accomplished programatically geographically, financially and administratively.

A. Program Integration

Outside of the development areas where AID expects to concentrate a continuing series of project activities--in agricultural production,

family planning and energy--the strategy for the next several years calls for continuing discussion with the government on the problems and potential solutions in several areas of human needs--shelter, nutrition, rural health services and rural water supply. Discrete project activities will be carried out in areas where new approaches can be demonstrated. Single demonstrations may suffice in some instances; these could be followed by further investment by the government and donors. In other instances a series of demonstrations may be called for, each of which would be accompanied by legislative and/or policy changes needed to lay the groundwork for progressive expansion to a broader program or its takeover by the public or private sector. The Housing Guaranty program in Kenya exemplifies this approach, as do, for example, the planned Kitui Rural Health project and the proposed Community Water project.

As the pressures of population growth result in increases in the labor force that cannot be accommodated in land-related agricultural labor, people are moving to the rural centers and larger urban agglomerations of the country. Smaller centers are growing at a more rapid rate than the larger centers and have proportionally more immigrants arriving directly from rural areas. It is part of government policy, and the AID assistance strategy, to foster the development of amenities and economic activity in rural centers and larger towns.

The longer term goals of A.I.D. in Kenya, to help the country increase agricultural production, find the means to provide low cost social services for its people and create off-farm employment for the growing population, will be served by the shelter and community facilities program in that:

-Rural and secondary urban centers serve to stimulate agricultural and related activity by providing commercial services and markets for farm produce.

-Agricultural processing and small and light industry require population centers for collection storage, transportation and distribution services.

-Such activities, and related commercial and social services, create employment.

-Evidence suggests that rural people will move to rural and other smaller centers in preference to large metropolitan centers if services and employment are available.

The shelter and community facilities program strategy for Kenya is to catalyze, support and develop institutional and policy changes to improve the ability of communities and households to gain access to adequate shelter, basic utilities, community facilities and social services.

The Kenya Development Plan 1979-1983 envisages a hierarchy of population agglomerations, or central places, to use the vocabulary of spatial planning. Such centers are designated, in descending order of size, as: urban centers, rural centers, market centers and local centers. The latter are the village agglomerations that provide a location for periodic markets and shops that sell from 10 to 30 separate items. Many such villages lack road access to larger market centers and the basic amenities of potable water and sewerage services. Some will be linked by the rural access roads program in which AID is participating and which, itself, is apparently causing spontaneous growth of additional economic centers (continuing evaluation will increase our understanding

of such spontaneous dynamics). Others may be sites for small water systems and health and family planning services. The next larger centers, the rural centers, serve as divisional administrative headquarters for market and local centers and are likely to include small businesses and additional economic services for rural residents and to include the permanent residences of some of those who earn their living by providing those services.

A rural center is an agglomeration that not only provides a base for a variety of economic activity serving its hinterland but also, according to the Plan, should offer health centers with maternity units, mobile library service, athletic facilities, secondary schools and polytechnics. Residential buildings in such centers typically are less adequate for the needs of the resident families than the strictly rural shelters built by families themselves. Water and sanitary facilities are usually inadequate. It is generally possible for rural families who live in the countryside in dispersed patterns typical in Kenya, to construct adequate shelter from local materials. Also, to the extent they are knowledgeable about good health practices, they are able to take care of their needs for safe water and sanitary disposal of waste. Larger agglomerations of population and habitations in rural centers, however, require greater attention to community facilities and the dangers of water, shelter and sewerage facilities are more pronounced.

The government describes in the Plan its intent to upgrade rural centers as part of its program to provide incentives to rural people to orient their lives around rural market areas rather than move

to the city. The Ministry of Economic Planning and Development has identified certain named rural market centers, or potential centers, in which coordinated investment in market improvement and related community facilities, health services, education should be undertaken. Some of these centers are in the local government administrative hierarchy; others are not.

Statistically in Kenya any population of over 2000 persons is referred to as urban. Other terms, such as town, municipality and city are administrative and political designations that define the governmental autonomy and taxation authority granted to the unit and the responsibilities for services allocated to it and expected from it. The hierarchy of administrative designation of agglomerations larger than market centers, in rising order, is: rural center, urban council, town council, municipality and city (only Nairobi is designated as a city).

The first generation of mission shelter projects was designed to serve mainly the residents of the largest population concentrations, the city of Nairobi and the places designated as municipalities. The smallest comprised about 15,000 people. The present second generation projects (incorporating community facilities as well as shelter) will reach down to much smaller concentrations, those governed by Town Councils and comprising 5,000 to 15,000 people. These places also serve as headquarters for GOK District offices and County Councils. The future, third generation, projects are envisioned to reach even smaller

places within these Districts, both those governed by Urban Councils and comprising as few as 2,000 people and those which are even smaller and therefore regarded as rural.

As the Mission program evolves and extends outward to the rural areas, it will increasingly focus on community services of direct benefit to the farm population, and will increasingly merge with related programs aimed directly at agricultural production, rural incomes and basic needs. For example, the market improvement that will be part of the program for specific small urban concentrations (in accordance with plans developed in participation with the local residents) will serve the needs of food producers in the surrounding hinterland. USAID and the Government should gain mutually beneficial experience from experience in community water development in Guaranty-funded projects and in dollar-funded community water demonstration and design activities. Also, in the shorter term the Secondary Towns Shelter and Community Facilities project in Kitui could directly complement or support the effort to include community based delivery, in the rural health service of Kitui District that is being designed for FY 1981 funding.

B. Geographic Integration

The secondary towns and community facilities program of the GOK, financed by A.I.D., World Bank, and the Overseas Development Administration (ODA, will reach 30 municipalities and towns located in all seven provinces of Kenya. These municipalities and towns are district headquarters; 18 are in districts in which A.I.D. has active programs or in which programs are proposed for the immediate future and 11 are in the A.I.D. portion of the program. This shelter program will enable the Mission to achieve closer, functional linkages between Housing Guaranty-funded urban activities and dollar-funded rural development programs in USAID target areas. The attached map of Kenya indicates the functional overlap of the programs. The map shows provincial boundaries and the arid and semi-arid area of Kitui District and names the towns covered by the shelter and community facilities program.

AID-financed agriculture and rural development programs are located mainly in 18 of the districts covered by the government's shelter program. Training, credit, crop storage, research and land conservation activities are located in Kitui, Kakamega, Bungoma, Nakuru, Eldoret, Kitale, Kisii, Molo, Kapenguria, Siaya, Homa Bay and Machakos.

Rural Planning, an activity through which the GOK is decentralizing its economic and social development planning process and enhancing local participation, is countrywide in scope but major district

locations for Rural Planning are in Homa Bay, Kapenguria, Nyahururu, Muranga, Siaya, Kakamega, Bungoma, Eldoret, Kitale, Kisii, Machakos and Kitui.

Rural Health programs are located in Molo, Londiani, Nakuru, Kapenguria, Naivasha, Karatina, Muranga, Kitui, Nyeri, Machakos and Nanyuki. Health activities are primarily small, intensive projects implemented by private voluntary agencies. The exception is the AID funded Health Planning project which concentrates resources in the Ministry of Health and the proposed Kitui Rural Health project for Kitui District. Under the Guaranty Program, health facilities may be provided for the shelter program towns as well as for the greater communities associated with those towns.

Rural Access Roads projects are located in Western and Nyanza provinces with proposed programs scheduled in Kitui District in FY 1982. This program is facilitating communication links between local market and rural centers.

The Community Water program to initiate innovative, low-cost potable water activities will be concentrated in the Central Rift Valley, primarily around the semi-arid districts of Londiani and Molo. As provision of potable water is part and parcel of shelter and community facilities programs, potable water for all town centers covered by the Guaranty Program is also virtually assured.

C. Financial Integration

The Housing Guaranty lending mechanism now provides a substantial resource for funding of cost recoverable elements in a comprehensive human settlements development program. This multi-sectoral development tool will be employed to finance a variety of cost-recoverable project elements including creation and upgrading of shelter, community facilities, employment generating facilities and related infrastructure. Non-cost recoverable elements of the program (training and technical assistance) will be supported with development assistance funds, and this blend of AID inputs will complement a continuing substantial investment by GOK of both recoverable and non-recoverable funds for urban development. The joint effort will fund shelter, potable water supplies, sewerage and sanitation, preventive and curative medical services, education and vocational training, small scale commercial and manufacturing facilities, urban roads, paths and bus depots, and social facilities which enhance community cohesion. Many of these elements will directly benefit residents of the rural hinterland as well as the urban place.

To date Development Assistance funded technical assistance has been applied directly to the Housing Guaranty Program in Kenya, in conjunction with funds generated by fee income in the Guaranty program, for:

Design of the community services elements of the Umoja II project to expand a major Nairobi housing program.

Investigation of the community needs of 11 secondary towns

in which the Secondary Cities project will be implemented and drafting of guidelines under which the project will be carried out in each town.

Drafting of implementation provisions for the above two Guaranty projects.

Correction, in consultation with local governments of implementation problems in housing projects financed by Housing Guaranty 004, Secondary Cities.

The Mission plans to apply Development Assistance funds in the budget year and beyond for:

Shelter sector and urban community development evaluation in FY 1981.

Three technical advisers to help recipient localities implement the Secondary Towns shelter and Community Facilities project (HG-006) and training for local government officials.

Technical assistance for and evaluation of community development activities in conjunction with future Housing Guaranties in FY 1983-1986.

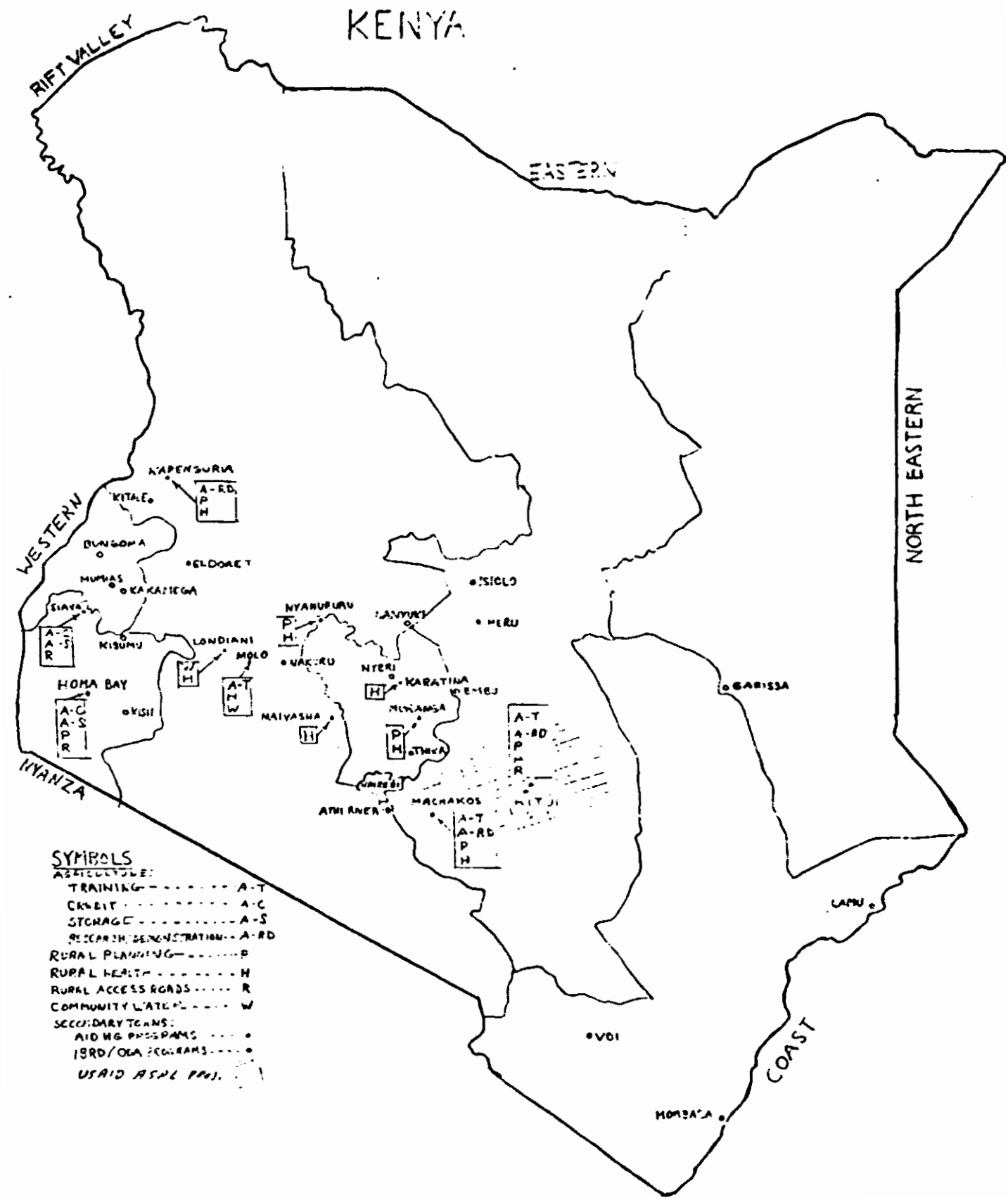
D. Administrative Integration

For purposes of the program in Kenya, the Regional Housing and Urban Development Office (RHUDO) serves as a Division of USAID/Kenya. The Housing Guaranty program is an integral part of USAID's bilateral

assistance program to Kenya and USAID is responsible for the policy framework within which it is implemented. RHUDO coordinates all Guaranty and dollar-funded activity in the shelter and community facility sector and serves as the technical resource on all shelter policy programs and related activities. The Program Office and Project Design Officer serve on all USAID project committees for the program.

Atts - Map of Kenya

USAID/Kenya
August 1980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RESEARCH/DEMONSTRATION - A-RD
RURAL PLANNING - - - - - P
RURAL HEALTH - - - - - - H
RURAL ACCESS ROADS - - - - R
COMMUNITY LATRINES - - - W
SECONDARY TOWNS:
AID WG PROGRAMS - - - •
IBRD/ODA PROGRAMS - - - •
USAID ASAL PROJ.