

**USAID/KENYA**

**FY 2001**

**RESULTS REVIEW AND RESOURCE REQUEST (R4)**

## **Please Note:**

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March 22, 1999

Ms. Vivian Lowery Derryck  
Assistant Administrator  
Bureau for Africa  
USAID  
Washington, D.C. 20523

Dear Vivian:

I am pleased to submit to AFR Bureau USAID/Kenya's FY 2001 Results Review and Resource Request, which describes the efforts of the Mission and our cooperating partners to achieve excellent development results during this reporting year. Despite some setbacks, USAID again turned in excellent development successes this reporting year. All three SOs either met or exceeded our targets. We believe the results presented in this year's R4 once again confirm that USAID is making a difference in Kenya, and if the resources we have requested are provided, USAID will assist Kenya to move toward broad-based, sustainable economic growth and improve quality of the life of the poor.

I am particularly proud of the fact that our staff continues to manage for results despite the trauma of last August's bomb, despite the additional critical workload of implementing the \$38 million supplemental appropriation to assist Kenyan victims of the bomb, and despite the huge demands of preparing to move offices twice over the next three years.

I would like to bring to your attention three major issue areas: strategic directions, financial resources, and human resources.

### **Strategic Directions**

First, USAID/Kenya is preparing to revise its **democracy and governance strategy**. For the last five years we have focused our assistance on the "demand side," strengthening the voice of civil society organizations to demand political, legal, and constitutional reform. While much remains to be done in this area, we believe that the time has come to broaden our strategy to also improve the institutional capacity of key institutions of governance, provided that they are sufficiently independent to serve as alternative poles of power and authority to the presidency. As I write this, a team of five experts is in Nairobi assessing the potential for effective USAID assistance to Kenya's parliament, judiciary, and local government. We will send you a summary of their preliminary findings prior to my return to Washington for the Kenya R4 review on April 21. I will not be asking for approval of a revised strategy at the R4 review. But I will present our intended directions in the hope of developing a consensus. We will subsequently submit for AID/W approval an amendment to our Country Strategic Plan. Now is the time to help Kenya prepare for better governance in the Post-Moi era, beginning in 2002.

Second, we propose splitting our SO 2, *Increased commercialization of smallholder agriculture and natural resource management*, into **two strategic objectives, one dealing with agriculture**

**and rural employment and the other with natural resources management.** I have learned that the two programs were merged into one SO in 1995, because at the time Limited Missions (now an obsolete designation) were arbitrarily restricted to three SOs. That move was a disservice to this Mission. The strategic reason that we are helping Kenyans to improve wildlife management is broader than the need to generate jobs in the communities bordering the national parks (the rationale for fitting this program under one of the intermediate objectives for SO 2). Instead, we are engaged in wildlife management to help the Kenyans preserve this precious natural resource. The activities we fund to help communities earn money, while managing this resource in a sustainable way, are means to achieving our proposed new NRM strategic objective: *Integrated and sustainable natural resources management in priority areas by, and for the benefit of, the community of interests.* This strategic shift will enable better management of the NRM program and will allow A.I.D. to report the resources and results for this SO under the Agency's environmental goal.

### **Financial Resources**

USAID/Kenya's program budget was \$35 million in FY 1997. Since then, the program has fallen to about \$20-24 million annually, largely because we have been dissatisfied with the country's state of democracy and governance. We are still dissatisfied with governance in Kenya, but the good news is that so are a lot of Kenyans. And the country has become markedly more democratic over the last several years. Since the 1997 elections, parliament has had a significant opposition that now forces substantive debate on legislation. The press is largely free, civil society has a voice, and civil discourse is far more open than it was just two years ago. These are not arguments for jumping our budget back to \$35 million. But, as the Administrator told us last July, there is no "cap" on Kenya's funding, and we can once again compete with the other AFR missions for program resources, based on prospects and performance. I see two important candidates for prudent growth in our financial commitments:

- **Democracy and Governance.** Kenya is the most important country in East Africa, and the next several years are critical to its political development. We are designing a program to assist key institutions of governance (e.g. parliament, the judiciary, local government) prepare themselves to become poles of power and authority that can balance that of the Presidency in the post-Moi era. Institutional development of this magnitude cannot be completed by 2002 (the next elections), but we must help Kenyans move these institutions as far as possible in that time frame. It won't be costly -- perhaps an additional \$1 million in FY 1999 and an additional \$2 million per year after that -- but there is nothing more fundamental that we can do. We have requested \$1 million in ESF this year and will welcome either ESF or DA in subsequent years.
- **Natural Resources Management.** Kenya is placed to be the developing world's pioneer in the area of community management of wildlife resources. The cooperation between the Kenya Wildlife Service, international and Kenyan NGOs, and the ranches and communities bordering the national parks is innovative and potentially highly effective. Expanding and intensifying this program will require an additional \$4 million in DA per year.

## Human Resources

USAID's USDH staff has been cut from fifteen in 1995 to seven at present, and will fall to six with the departure of our Controller in June. We have coped with this draconian down-sizing through a combination of (1) reducing our budget and narrowing the scope of our program and (2) empowering our senior FSNs to perform work previously done by USDH. Although these were good management measures and we no longer need 15 USDH to manage our program, we went too far. We need nine USDH, including the following three additional positions.

- **Division Chief for Democracy and Governance.** There is no USDH in this area now. Although our current staff is good at implementing our current portfolio, we need technical leadership in the D/G area to steer new strategic directions and initiate new programs.
- **Controller.** This position should be restored immediately. It was eliminated because of our proximity to REDSO/RFMC, despite the fact that no one has argued that it is less than a full-time job. The Director of M/FM and the AFR Bureau Controller have both argued that the Kenya Complex needs five controllers, not three. Subsequent to the Bureau's decision to cut this position, we received an additional \$38 million in fast-disbursing assistance to Kenyan victims of last August's bomb, and our need for our controller has increased commensurately.
- **General Development Officer.** The Agriculture, Business, and Environment Office (ABEO) manages our assistance in agriculture, microenterprise, natural resources/wildlife, PL-480, roads, and disaster assistance -- a portfolio far too wide for a single USDH to manage well. With another USDH (only the third USDH technical/project management position in the Mission), we will reduce our vulnerabilities in the areas of accountability, donor coordination, and strategic direction and improve our ability to manage for results.

It will not be easy for the Bureau to "find" three more positions for USAID/Kenya. But given the importance of the country and the program it is critical to do so. Given the fact that there are numerous unused positions in countries undergoing civil strife around Africa, the Bureau should look to be more agile in shifting positions to the places where they can achieve important results now.

I look forward to discussing these issues with you and your AFR staff before, during, and after the Kenya program review on April 21.

Sincerely,

Jonathan M. Conly  
Director

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## ACRONYMS

AVSC	Access to Voluntary and Surgical Contraception
CGD	Center for Governance Democracy
CIDA	Canadian International Development agency
CKRA	Constitution of Kenya Review Act
CYP	Couple-Years of Protection
CSOs	Civil Society Organizations
DFID	Department for International Development
ECWD	Education Center for Women in Democracy
FEWS	Famine Early Warning System
FIDA	Federation of Kenyan Women Lawyers
FPEAK	Fresh Producers Exporters Association of Kenya
GDP	Gross Domestic Product
GOK	Government of Kenya
IEC	Information, Education and Counseling
IED	Institute of Education in Democracy
IPAR	Institute of Policy Analysis and Research
IPPG	Inter-parties Parliamentary Group
JICA	Japan International Cooperation Agency
KANU	Kenya National Africa Union
KARI	Kenya Agricultural Research Institute
KAM	Kenya Association of Manufacturers
KCC	Kenya Cooperative Creameries
KDHS	Kenya Demographic & Health Survey
KHCF	Kenya Health Care Financing Program
KHRC	Kenya Human Rights Commission
KMAP	Kenya Management Assistance Program
KNH	Kenyatta National Hospital
KUJ	Kenya Union of Journalists
MPP	Mission Performance Plan
MSE	Micro and Small Enterprises
MOH	Ministry of Health
NCEC	National Convention Executive Council
NCWK	National Council of Women of Kenya
NCCK	National Council of Churches of Kenya
NCPB	National Cereals and Produce Board
NGO	Non-Governmental Organization
PLI	Public Law Institute
PSI	Population Services International
SME	Small and Medium Enterprises
UNFPA	United Nations Fund for Population Activities
UNDP	United Nations Development Program
NDI	National Democratic Institute

## **R4 PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

USAID/K's influence and stature in Kenya continued to yield excellent performance results this reporting year. SO 1 and SO 2 met our expectations while SO 3 exceeded performance targets. Due to USAID assistance, civil society is now stronger and more active than two years ago and is forcing the government to respond to demands for constitutional and legal reforms. USAID support in 1998 enabled civil society organizations (CSOs) to play their watchdog and enforcement roles more effectively and respond effectively to adverse conditions. USAID investments in agricultural research, policy reform, and smallholder outreach programs have played a significant role in deepening commercialization of agriculture. The liberalization of the grain markets, which USAID has supported for many years, has opened up these markets and increased private sector participation in the agricultural markets. As a result, the role of the two major public sector organizations, the National Cereals Produce Board and the Kenya Cooperative Creameries, remains secondary to a robust and growing private sector. The 1998 Kenya Demographic and Health Survey shows that our fertility target of 4.7 children per woman was met. The decline from 8.1 (1976) to 4.7 (1996) is one of the steepest drops ever recorded.

The year ahead offers some hope for Kenya. Although economic governance remains poor, some of the necessary reforms have been put in place to help the economy recover. These include fiscal and monetary measures, introduced during last year's budget, which have helped to improve public finance situation. A brief summary of key factors that affected our program is presented below.

**1. *The Economy:*** In the last three years, Kenya's economy has cooled down. Growth in GDP declined from 4.6 percent in 1996 to 2.3 percent and 1.6 percent in 1997 and 1998 respectively. This slowing of the economy stems from poor economic governance, the recent growing fiscal crisis and long-term deteriorating infrastructure exacerbated by the El Niño phenomenon. With few exceptions, El Niño lowered production, increased producer, transport, and consumer prices, and generally increased costs of economic activity in Kenya. Agriculture still remains the principal foreign exchange earner with tea exports the main export crop, followed by coffee and horticulture. Growth in the agricultural sector declined from 4.4 percent in 1996 to 1.2 percent in 1997. In 1998, the sector grew by a low 1.8 percent mainly due to excessive rains and crumbling infrastructure accelerated by El Niño. Production of coffee, a cash crop that earns Kenya significant amount of foreign exchange, dropped from 116,900 metric tons in 1986 to 65,571 metric tons in 1997. Poor infrastructure and security problems have also kept tourists away. As a result tourism is in a downward trend, having generated \$500 million in 1994, but declining to \$448 million in 1997. It is expected to fall to \$330 million in 1998.

Despite the poor performance, there are some bright spots. Horticulture continues to be a success story of Kenya's economic liberalization. Horticultural exports have shown considerable increase since 1995 when they rose by 40 percent. They grew by 16 percent in 1996/97 and are estimated to rise by five percent in 1997/98, reaching \$250 million. The liberal environment is believed to be driving this growth, as there is no control on production and marketing. The liberalization of the trade regime, the privatization of state corporations and budget rationalization measures introduced during last year's budget have improved the macroeconomic outlook of the economy.

The interest rate on treasury bills declined from 27 percent in 1997 to 8.8 percent at the beginning of February 1999.

**2. *The Bombing Impact:*** The impact of the August 7, 1998 bombing of the American Embassy in Nairobi had a significant effect on our program and our workplace. The bombing resulted in the deaths of 12 American and 36 Kenyan Embassy staff. The Embassy was located in the densely-populated central business district, and the attack had a particularly devastating effect on workers and commerce. The bombing affected many micro, small and medium entrepreneurs. It continues to affect our work and personal lives, including our families. Much of our attention had been diverted from our regular program to designing and implementing a new program to help the victims of the bombing. Due to security concerns, the Mission had to close abruptly several times last year, thus putting staff under considerable strain. While every effort has been done to counsel and to encourage employees to share their concerns and feelings about the bombing, we have not fully recovered from the trauma.

**3. *Drought and Food:*** Kenya has encountered yet another period of drought in its northern arid areas and marginal agricultural districts of Eastern, Coast and Nyanza, provinces as well as the Northern and Eastern pastoral zones. A serious rainfall deficit occurred during the wet season of October-December in 1998, and it is likely to result in a major cereal production loss in those regions. The prospects for adequate rainfall during the upcoming and important long rains are dim, according to the Famine Early Warning System (FEWS).

The immediate impact of this drought will be on water availability, cereal prices and livestock. Water availability in northern and eastern pastoral zones is now a critical issue, as most of the surface pans have dried out. The majority of boreholes are either inoperable or overused. Some livestock are starting to concentrate around the few functional boreholes, resulting in depletion of browse and pasture in the immediate vicinity. Livestock are trekking long distances in search of water, journeys that rapidly deplete body weight. Although the prices of cereals and pulses are still at manageable levels, there is upward movement of prices of cereals in most markets in Kenya. Due to cereal sector liberalization, grain markets in Kenya are efficient, and production from the surplus areas in the North Rift Valley would normally supply the deficit areas in the east and north east areas. However, poor infrastructure, depressed per capita incomes, and unpredictable government policies make some pockets of the population in the deficit areas incapable of relying on markets and therefore vulnerable. Success or failure of the long rains, which normally commence mid-March, will determine whether or not the country will experience a prolonged and disastrous drought. Given the recent economic shocks to these drought-affected areas, coupled with government's slow response to crises of this type, the overall impact of this drought in terms of deteriorating health and increased mortality may be great.

**4. *Political Situation:*** The events unfolding in Kenya's political, economic and governance sectors have a direct bearing on our program. Last year was relatively calm politically. There were few violent confrontations, street demonstrations or riots. The 1997 electoral reforms that broke a stalemate among civil society, political parties and government helped to reverse the country's headlong slide into hostile, warring camps. The inauguration of a new Parliament in

1998 and its commitment to the pursuit of further and more fundamental constitutional reforms boosted the Mission's potential for pursuing democratic governance through both civil society and public institutions.

Behind the lack of dramatic political events, some notable achievements were made toward consolidating democracy. The most significant of these is the movement toward moderating pacts brokered by sections of the elite, especially within constitutional institutions, as reflected most prominently in the successful conclusion of the broad-based negotiations over the constitutional review process. Second, the year witnessed an increasing propensity for citizens in organized or spontaneous fashion, to express discontent through street action. Third, and perhaps most important, is the rise of reformist elements within the regime and Kenya African National Union (KANU). The younger generations of KANU MPs are beginning to define independent positions. Finally, the ruling party's conciliatory gestures to the opposition and its pledge to pursue a more cooperative approach in parliament suggest increased willingness to engage in the coalition-building behavior that democratic governance requires, and which has been lacking in Kenya.

**Impact on the Program:** With the exception of the bomb, the factors analyzed above did not hinder the implementation of the program, and prospects for achieving significant development results in the future are also good. Fertility rates in Kenya, once the highest in the world, are now falling and should continue to decline. The long decline in childhood and adult mortality, however, has recently ended, and rates are rising. Should the drought persist, it too may reverse some of the gains USAID has achieved. We expect malnutrition to increase and deaths of livestock to rise in the areas affected by the drought. Kenya will also have to cope with an influx of refugees from regional conflicts in the Greater Horn, particularly from Eritrea and Ethiopia. Mission staff are coping amazingly well in the wake of the bomb, despite the implementation burden of an additional \$38 million in bomb-recovery assistance. USAID has hired four additional PSCs to help administer this assistance over the next two years. Still, Mission management is watching stress levels carefully.

**Mission Performance Plan (MPP):** USAID's program is integrated into the MPP and contributes directly to several MPP goals. The MPP focuses on 10 sectors, and USAID resources support almost all of them. The Mission's democracy and governance portfolio focuses on conflict resolution and is linked to the MPP goal that deals with U.S. national security. The DG SO provides over 90 percent of the resources to achieve the MPP goal of democratic reform in Kenya. The Mission has built up a very strong and collaborative relationship with Embassy so that the implementation of our program in this area completely complements the Embassy's diplomatic efforts. Our economic growth SO is fully integrated into four MPP goals - two goals dealing with economic prosperity, one for humanitarian response, and one for global issues. USAID and the Embassy economics section coordinate fully in a multi-donor effort to enhance good economic governance in Kenya with USAID providing the financial resources to move this agenda forward. The Mission's population and health strategic objective and the natural resource management portfolio are linked to the MPP's global issues goal.

**SO 1:**        *Effective demand for sustainable political, constitutional and legal reform created*

**Summary:** This SO contributes to U.S. national security by furthering the MPP Goal of "democratic reform in Kenya," and the Agency's Goal 2, Democracy and Good Governance Strengthened. The SO pursues two related tracks to achieve positive political reform in Kenya. USAID support for strengthening civil society organizations (CSOs) helps them to mobilize the public awareness and information needed to lobby and advocate effectively for political reforms. Simultaneously, the SO focus on making the electoral process more transparent provides a specific area of intervention for Kenya's CSOs. Cross cutting the SO is an emphasis on increasing women's participation, both within civil society and in the formal political arena and conflict resolution. Although the intermediate customers and partners are Kenyan CSOs, the ultimate customers are the poor majority of Kenyan citizens.

**Key Results:** Due to USAID assistance, CSOs are now stronger and more active than they were two years ago and are forcing the government to respond to their demands for constitutional and legal reforms. USAID support in 1998 enabled CSOs to play more effectively their watchdog and enforcement role and respond equally effectively to adverse conditions. Over the medium term, as intermediate results are achieved, USAID expects to support Kenyan citizens to develop a more transparent and participatory institutions of governance system.

**SO Performance and Prospects:** Our self-assessment of this SO is that it met its expectations in 1998. Last year saw a significant advance in the capacity of civil society to effectively demand reforms. Civil society pressure not only demonstrated that the constitutional process was deficient (CSOs published information on the flaws) in terms of its assurances of a comprehensive review and broad-based participation but also successfully negotiated the passage of the Kenya Review Act. The passage of the act is important in two ways. First, it demonstrates the effectiveness of civil society in articulating its preferences and in providing competent, reliable and insightful critiques of government actions, especially in a situation where the opposition politicians do not have the means to subject executive actions or parliamentary bills to the scrutiny that NGOs are able to. Second, the conclusion of the review act is beginning to institutionalize compromises and negotiations among polarized groups as a credible practice in Kenya, thus demonstrating the possibility of moving away from zero-sum positions. The completion of these negotiations demonstrates how indispensable civil society has become.

In 1998, the quality of information provided by USAID-funded think tanks enabled CSOs to play more effectively their watchdog and enforcement role and respond effectively to ill-informed policies and illegal or incompetent government actions. A clear example of this effectiveness is their response to the government-sponsored ethnic clashes of early 1998. To guard against further spread of violence, CSOs together with opposition politicians, correctly anticipated and uncovered government preparations for clashes and promptly informed the public through the media of the areas of potential violence. This forced the government to take preventive actions and even to initiate a series of peace-meetings. The appropriation of Karura forest, a gazetted forest that was secretly de-gazetted and allocated to individuals without due process involving

public comment or information, has highlighted the extent to which civil society, in concert with opposition politicians, continues to insist on transparency and to demand corrective action from the government. CSOs condemned the practice of allocating Karura forest, demanded action from the government, invaded a development site at the forest and dominated the newspaper headlines for weeks. As a result, development of a housing estate was stopped.

One of USAID's key partners, Center for Governance and Democracy (CGD), has created a niche and a great deal of credibility, in providing much-needed analyses and forums of information exchange among policy-makers. In 1998, with the assistance of USAID, CGD organized a seminar for MPs on the economic crisis facing the country. The seminar was attended by both opposition and KANU MPs. Following this meeting, the president hurriedly convened a government-sponsored inter-parties economic seminar in Nairobi, a direct response to the CGD initiative in Mombasa in order to recapture the initiative. The Mombasa forum forced economic issues out into the public domain for discussion, instead of the typical closeting of these issues within government cycles.

Broader events taking place in Kenya are also derivatives of the increasing confidence by the CSOs and opposition politicians in challenging public institutions and their officeholders for public accountability. Some of these events are unprecedented in Kenyan politics like the momentous parliamentary non-confidence motion against President Moi in September 1998, which underscored the vulnerability of the incumbent government and provided an opportunity to further expose its failings. The fact that the motion was tabled, spawned wide debate outside parliament and got the vote of one KANU MP is strong testimony to USAID's strategy for creating demand for sustained reform. Such collateral gains were also evident in the increased confidence gained by various labor and business organizations like the Kenyan National Union of Teachers, bankers, nurses, farmers, city government workers, and public transportation operators to demand their economic redress through legal strikes. The orderly occurrence of these strikes is an eloquent sign of the unprecedented growth of the demand for sustained reforms by various CSOs. This growing confidence and effectiveness of CSOs to demand reforms is supported by a recent USAID survey. On a scale of 1 to 5 (5 representing higher capacity) 20 percent, 60 percent, and 71 percent of respondents rated the capacity of CSOs to effectively lobby for reforms at 4-5 in 1992, 1997, and 1998 respectively.

**IR. 1.0:**     *Civil society strengthened with emphasis on women's participation:* This IR focuses on increasing the capacity of civil society organizations to lobby and advocate for reform. Our assessment is that we met our expectations. The actual number of USAID-funded organizations offering civic education increased by 63 percent in 1998; whereas the number of CSOs with explicit gender focus slightly increased by 6 percent. During this year of reporting, various USAID-funded women-led organizations provided vital testimonies during deliberations leading to the amendment of the Constitution of Kenya Review Act and secured the adoption of gender-specific provisions as well as gender-sensitive mechanisms in the review process. For instance, women are guaranteed 8 positions in the 25-member commission. The amended Act also requires that the leadership of various committees comprise both men and women as chair or vice-chair. Additionally, CSOs lobbied and secured that the composition of the Constitutional

Review's National and District Fora should include one third women. Due to CSOs lobbying, five women MPs, including a disabled blind woman, were nominated to augment the 4 elected in 1997, giving this parliament the largest number of women MPs on record.

**IR 1.1:**     *Organizational and outreach capacity of CSOs expanded:* USAID is focusing intensively on vibrant NGOs to enlarge their organizational and outreach capacities in order to promote more effective civic education programs in rural communities. According to a recent USAID survey, in 1998, 89 percent of our funded NGOs had activities at the grassroots levels. This is a major achievement in one year since there was none in 1997. The survey also found that many of Nairobi-based CSOs undertake their activities outside Nairobi. Given the importance USAID places on increasing women's participation in the current constitutional reform process, a new network, the Gender Committee was formed and charged with coordinating gender related issues. In the wake of the August 7 bombing, the Disaster and Emergency Response Caucus was formed. These coalitions attest to CSOs readiness to respond to critical events and readiness to press appropriate demands for reforms. The 1998 survey of USAID-funded CSOs reports that 95 percent of respondents said that they are involved in networking activities; 48 percent of them indicated that they exchange information with regular consultations; while 39 percent indicated close collaboration or joint lobbying and advocacy efforts.

**IR 2.0:**     *Electoral process more transparent:* USAID uses a composite index to track progress toward achievement of results of this IR. This index was reviewed and adjusted in 1998 to include a new variable, voter turn-out, which USAID considers adequately captures electoral environment together with the other three variables. For this IR, there was no relevant activity in 1998, as the elections had passed. However, a number of things are worth noting. Compared with the 1992 elections, the capacity of civic society organizations to monitor and assess the pre-election environment in 1997 was relatively high. The number of election violations reported that qualify as potentially challenging to the electoral outcome fell from a high of 41 in 1992 to 8 in 1997. USAID will to continue to monitor by-elections as they happen.

**Possible Adjustments to Plans:** The time appears right to assess the extent to which the United States can help Kenyans improve governance both inside and outside government. USAID plans to assess the extent to which the parliament, the judiciary, and local government have changed and are independent. Based on recommendations from this assessment, revisions to this SO will be done to include key government institutions such as the Parliament, the judiciary, and local government to make them more responsive to CSO demands.

**Other Donor Programs:** United States is the leading donor in this sector. Other donors in rank order are, Netherlands, Sweden, UNDP, Finland, and the World Bank.

**Principal Contractors, Grantees or Agencies:** The major grantees are: NDI, Marquette University, KHRC, Institute of Policy Analysis and Research, International Commission of Jurists, International Federation of Women Lawyers, National Commission of Status of Women, Public Law Institute, National Council of Churches and the Catholic Church.

<b>STRATEGIC OBJECTIVE 1:</b> Effective demand for sustainable political, constitutional and legal reform created												
<b>APPROVED:</b> 30/09/96		<b>COUNTRY/ORGANIZATION:</b> USAID/Kenya										
<b>RESULT:</b> Effective demand for sustainable political, constitutional, and legal reform created												
<b>INDICATOR:</b> Weighted effective demand index												
<b>UNIT OF MEASURE:</b> Index		<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>								
<b>SOURCE:</b> USAID, Print Media, NGO Council												
<b>INDICATOR DESCRIPTION:</b> The following factors were used to calculate effective demand index. Weights attached to each factor are shown. The scores ranged between 1-5, with 1 the lowest score and 5 the highest possible score.												
<table border="1"> <thead> <tr> <th><b>Factor</b></th> <th><b>Weight</b></th> </tr> </thead> <tbody> <tr> <td>a) Interest groups initiate debate</td> <td>35%</td> </tr> <tr> <td>b) Local groups respond quickly to adverse actions</td> <td>50%</td> </tr> <tr> <td>c) Relevant interest groups form coalitions</td> <td>15%</td> </tr> </tbody> </table>		<b>Factor</b>	<b>Weight</b>	a) Interest groups initiate debate	35%	b) Local groups respond quickly to adverse actions	50%	c) Relevant interest groups form coalitions	15%	1995 (B)	1.0	1.0
<b>Factor</b>	<b>Weight</b>											
a) Interest groups initiate debate	35%											
b) Local groups respond quickly to adverse actions	50%											
c) Relevant interest groups form coalitions	15%											
<p><b>COMMENTS:</b> The scale values are as follows: 1 - Almost Never; 2 - Rarely; 3 - Often; 4 - Most of the Time; 5 - Almost Always. In calculating the index, only issues relevant to DG were considered such as constitutional reform demands, reaction to post-election clashes, economic crisis, formal and ad hoc coalitions, etc. The index values in 1998 reflect some improvement in the ability of civil organizations to initiate debate on significant issues and to respond to adverse conditions. Performance targets were adjusted upwards following AID/W DG Review Team recommendation that the Mission review and reassess targets for those indicators where performance has been exceeded for a couple of years running. The targets for the SO anticipate increasing effectiveness on the part of our partners in demanding political and constitutional reforms.</p> <p>In their pursuit of political, constitutional and legal reform, many of the USAID-assisted civil society organizations have engaged in highly participatory activities that involved other actors in civil society as well as individuals at the grassroots. For instance, the collaborative effort organized as the NCEC remained the most critical watchdog of the broad-based civil society input into the process leading to the revision of the constitutional review process while individual partners made their respective preferences known. Such collaboration has also begun in terms of how to conduct coordinated civic education on the constitution.</p> <p>The effectiveness of CSO's to demand constitutional and legal reforms has been more dramatic during this reporting year than 1997. The reform momentum gained in 1997 forced the government-led coalition of Inter-Parliamentary Parties Group (IPPG) to pass the unprecedented Constitution of Kenya Review Act (CKRA) of 1997 that was to commence in early 1998. However, the insightful critique provided by leading CSO largely funded by USAID, revealed the limited representation of the IPPG and the limited and flawed nature of CKRA. A strident demand for more open processes in public institutions led to the broadening of the Inter-Parties Parliamentary Committee (IPPC) to include civil society's coalitions. In the broadened IPPC, our CSO partners were unmistakably decisive and influential. This historical achievement was possible because of the leadership of two prominent USAID-funded organizations, the Center for Development and Governance (CGD) and the Kenya Human Rights Commission (KHRC). Their high quality research and several publications provided timely and quality information that enabled CSO and the opposition politicians to subject government's actions to closer scrutiny than ever before, make insightful critiques of these actions and articulate their demands more cogently and forcefully.</p>		1996	2.0	2.0								
		1997	3.0	3.0								
		1998	3.5	3.5								
		1999	3.5									
		2000	4.0									

<b>STRATEGIC OBJECTIVE 1:</b> Effective demand for sustainable political, constitutional and legal reform created <b>APPROVED:</b> 30/09/96 <b>COUNTRY/ORGANIZATION:</b> USAID/Kenya			
<b>INTERMEDIATE RESULT 1.0:</b> Civil society strengthened with emphasis on women's participation			
<b>INDICATOR:</b> Percent of USAID-funded organizations/activities offering civic education programs focusing on involvement of women			
<b>UNIT OF MEASURE:</b> Percent <hr/> <b>SOURCE:</b> USAID grantees/USAID Survey <hr/> <b>INDICATOR DESCRIPTION:</b> Actual number of USAID-funded organizations offering civic education programs focusing on involvement of women <hr/> <b>COMMENTS:</b> A recent USAID survey shows that 51 percent of our grantees have explicit advocacy programs targeting women. For 1998, the percentage of our grantees with an explicit focus on women dropped slightly because the number of funded activities rose significantly.  According to a survey done in 1998, 89 percent of our partners have activities at the grassroots, where most of the women are. Additionally, eight of the grantees are grassroots-based organizations, and at least three have an explicit focus on women. While the initiatives started in 1997 to assist women political aspirants to prepare for the 1997 elections drew mixed results in terms of the number of candidates running and elected, in 1998 women-focused initiatives bore important successes in the constitutional review process. Women are ensured at least 8 positions in the review commission, and leadership of various committees will comprise women as either chair or vice-chair.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1992 (B)		0
	1996	20	44
	1997	40	54
	1998	60	51
	1999	70	
	2000	80	

<b>STRATEGIC OBJECTIVE 1:</b> Effective demand for sustainable political, constitutional and legal reform created <b>APPROVED:</b> 30/09/96 <b>COUNTRY/ORGANIZATION:</b> USAID/Kenya			
<b>INTERMEDIATE RESULT 1.1:</b> Organizational and outreach capacity of civil society organizations expanded			
<b>INDICATOR:</b> Number of NGO regional/rural networks in existence			
<b>UNIT OF MEASURE:</b> Actual count <hr/> <b>SOURCE:</b> NGO Council, USAID files <hr/> <b>INDICATOR DESCRIPTION:</b> Number of NGO networks created to bring together NGOs and other actors involved in a variety of issues within one geographic/rural area (District or Province) <hr/> <b>COMMENTS:</b> Geographic networks are important in ensuring that NGOs begin addressing issues from holistic viewpoints and pursue integrated approaches, including lobbying in tandem with other actors sharing complementary policy and environmental contexts. USAID does not expect that increased capacity will necessarily be reflected in a rise in the number of networks constituted, because some networks may evolve into NGOs. Due to fluctuations (some are formed and die after a short time), the Mission is tracking only the NGO Council's formal networks and not ad hoc networks.  Performance targets were adjusted upwards following AID/W DG Review Team recommendation that the Mission review and reassess targets for those indicators where performance has been exceeded for a couple of years running.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1992 (B)	0	0
	1996	2	2
	1997	4	7
	1998	5<	8
	1997	8<	
	2002	10<	

**STRATEGIC OBJECTIVE 1:** Effective demand for sustainable political, constitutional and legal reform created  
**APPROVED:** 30/09/96 **COUNTRY/ORGANIZATION:** USAID/Kenya

**INTERMEDIATE RESULT 2.0:** Electoral process more transparent

**INDICATOR:** Weighted electoral environment index

**UNIT OF MEASURE:** Index

**SOURCE:** Print Media, USAID Survey, Media Reports, NGO reports

**INDICATOR DESCRIPTION:** A scale ranging from 1 to 5, with 1 the lowest/worst and 5 the highest/best score. Values are assigned to the following factors and the respective weight used in calculating the composite index.

<u>Factor</u>	<u>Weight</u>
a) Percent of eligible voters issued ID cards	30%
b) Harassment of political parties	60%
c) Political party access to electronic media	10%
d) Voter turn-out (votes cast/registered voters)	25%

**COMMENTS:** In 1998, this index was reviewed by adding to it another variable, voter turn-out in elections, as this is viewed by USAID as an important indicator of the electoral environment. The scale values were assigned according to the following logic. For eligible voters, 90 percent was considered very high and thus a value of 5. The scale values were assigned at intervals of 10 percent, for example, 80-89 percent was assigned value 4, and so on. The scale value for harassment (using percent of violent incidents that were directed at opposition) was inverted, with 90 percent+ plus being assigned a value of 1 (the worst). The scale for political fairness using the ratio for access to electronic media was converted to a percentage and into installments of 20 percent, with <20 percent assigned a value of 1 and so on.

There was a tremendous improvement in the electoral process in 1997 compared to 1992. First, with regard to the Electoral Commission appointed to oversee the election, there was an improvement in its composition when it was expanded to include members appointed by the opposition parties under the IPPG. While this opposition representation was a major plank in the demands made by opposition and civil society groups to enhance the independence of the Commission, this change came too late in the process as the significant issues such as constituency review and ballot procedures had already been put in place and the new chairman had already been appointed by the president. However, its potential ability to engineer a better election in 2002 should not be discounted. Second, while the 1992 campaign witnessed the most egregious acts to undermine the opposition, things improved significantly, largely due to the IPPG reforms of November 1997. For instance, the level of harassment of opposition parties was remarkably low, given the repeal of stringent public meeting laws, while the level of electoral violence was also noticeably low, in part due to the diffusion of the pre-electoral tensions by the IPPG compromises and the relaxed meetings laws. However, some aspects of the pre-electoral period remained problematic, for instance the demarcation of constituencies remained in favor of the incumbent party, the confusion of old and new identity cards continued to the very late stages of campaigns and certainly past the registration deadline, and the number and proportion of registered voters fell. It is important to note that IPPG reforms stand as a major marker of liberalization of the electoral environment, as all the problems mentioned above happened or were set in the period before IPPG reforms.

<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
1992 (B)		2.0
1996	2.0	2.1
1997	2.5	2.8
1998	3.0	
1999	3.0	
2000 (T)	3.0	

**SO 2: *Increased Commercialization of Smallholder Agriculture and Natural Resource Management***

**Summary:** USAID/Kenya's SO2 addresses problems of economic growth and unemployment through commercialization of smallholder agriculture and natural resource management (NRM). The SO benefits the three million smallholder farmer households, who constitute 80 percent of Kenyan households and account for 75 percent of total agricultural production. These households, which are predominantly subsistence-based, constitute the majority of Kenya's poor. About 33 percent of Kenya's smallholdings are owned by women. The synergy between agriculture and micro and small enterprise (MSE) sectors is exemplified by the predominance of agriculture-related MSEs in Kenya. About 80 percent of all MSEs are located in rural areas, and half of them are directly related to agriculture.

**Key Results:** In 1998, the mission monitored the percentage of smallholder maize production marketed, which fell to 34 percent; the ratio of farmgate to wholesale prices, which increased to 92 percent; annual employment growth in MSEs, which was 13 percent; and annual percentage growth in non-traditional agricultural exports (NTAE), which was 12 percent. USAID contributes to these results through: strengthening and making agricultural markets more competitive; expanding service delivery to MSEs and NRM-related businesses; increasing NTAE; assisting communities in marginal agricultural areas to move from relief to development status; and providing humanitarian assistance to victims of floods and drought.

**Performance and Prospects:** The Mission assessed the SO performance as having met expectations. USAID's past investments in agricultural research, policy reform, grain storage, NTAEs and MSE continued to play a significant role in deepening commercialization of agriculture. In 1998, 34 percent of all smallholder maize produced was marketed compared to 38 percent 1997. This drop was largely due to farmers switching to high-value commodities, such as dairy and horticulture. Research programs by Tegemeo Institute of Agricultural Policy and Development and Kenya Agricultural Research Institute (KARI), two long-term USAID partners, catalyzed the process of commercialization. A recent evaluation of the Tegemeo showed that it contributed significantly to agricultural liberalization, particularly the maize market. The Mission's policy advocacy direction shifted to sensitizing key agriculture sector stakeholders such as farmers, politicians and civil society leaders to the implications of agricultural policies. This approach empowered farmers, communities and businesses and led to greater private sector involvement in key agricultural markets. A U.S. seed company, Pioneer, has benefited from this more private active, trade-minded approach, and increased its seed imports from about 50 tons in 1997 to over 1000 tons in 1998.

In 1998, the value of NRM-related annual investments through the Wildlife for Development Fund was \$236,000, a continuation of the 1997 downward trend following the decline in tourism occasioned by political violence, infrastructural damage caused by El Nino rains and the overall negative international press coverage of Kenya. The 1997/1998 performance, however, masks some very positive results achieved in 1998 and during the first five years of the COBRA project. A total of \$480,000 was generated in revenue for communities, and nearly 2 million hectares

were brought under community conservation during 1996/98. Performance of several sanctuaries illustrates USAID's success in leveraging investments from the private sector to achieve community-based wildlife conservation. In 1998, Eselenkei Sanctuary, created by a group ranch within the Amboseli ecosystem, reported a 43 percent revenue increase, while Mwalunganje Sanctuary, which forms an important elephant corridor adjacent to Shimba Hills National Reserve, has attracted private sector investment of \$1 million in 1997/98.

Future performance of this SO will continue to be affected by the impacts of drought and the El Nino phenomenon. Infrastructure damage disrupted the past gains in agricultural markets. Recent weather outlook conference in Kampala predicted more drought in the region, after below normal rains caused crop failures during last season. Performance of the largely rural-based MSE sector and the horticultural exports is expected to be negatively affected.

**IR 1.0: Agricultural markets strengthened and more competitive:** Performance of this IR exceeded expectations. Private sector participation increased, and the role of the two major public sector organizations, the National Cereals Produce Board and the Kenya Cooperative Creameries, remained that of stabilization only. This result has been fully achieved and will not be monitored in the future. The markets have become stronger and more competitive, as evidenced by the much improved ratio of farmgate to wholesale prices from 80 percent in 1997 to 92 percent in 1998. Recent studies by Tegemeo show that the market is more efficient in terms of narrowed margins and sophistication in the use of modern technology to monitor daily movements in prices within key production and consumption regions. A USAID-supported U.S. company, American Breeders Service (ABS), which deals in bovine genetics and nutritional management, contributed to the liberalization of the dairy sector. An evaluation of the project in 1998 lauded it as a unique private sector development model that should be replicated in other parts of the world. Milk production in the area served by the project improved from 9 liters per cow per day in 1997 to 18 liters in 1998, and imports of U.S. bovine genetics increased by 38 percent in 1998, from 51,000 units in 1997.

USAID's P.L. 480 Title II assisted communities to move from relief to development status. In 1998, Catholic Relief Services, one of the implementing partners, assisted 279 communities to identify available resources and initiate food security-related activities such as agriculture and small enterprises. Another partner, World Vision Kenya, increased the proportion of household food obtained from family plots, in one community, from 7.7 percent in 1996 to 39.6 percent in 1998. The USAID humanitarian program alleviated suffering of more than half a million people in Eastern and North Eastern provinces of Kenya, after last year's devastating floods, through distribution of medicine and food, repairing damaged water/sanitation structures, providing veterinary services and restocking livestock.

**IR 2.0: Increased labor opportunities for smallholders:** This IR's performance exceeded expectations. The Government of Kenya's annual Economic Survey estimated a 13 percent growth in employment, with 343,000 new jobs created in 1997. The USAID-funded Kenya Rural Enterprise Program (K-REP) provided 11,721 loans valued at \$6 million during the same period, half of them to women. The Mission's MSE program is shifting to the development of

sustainable financial institutions that can serve the poor on a large scale basis. NGOs are beset with a variety of problems relating to management, capacity, ownership and governance, and cannot be relied upon solely to provide sustainable, large-scale microfinance services. Emphasis is now on tapping local resources and transforming microfinance into a private sector system. To this end, USAID is continuing to support the transition of its long term partner NGO, K-REP, into a commercial bank capable of mobilizing local savings. It is also in the process of replicating the Indonesian BRI model through support to the Cooperative Bank of Kenya. During 1998, K-REP started an innovative financial product called the Financial Services Association to mobilize savings and avail loans within the local communities. The concept, still in a pilot stage, mobilized about \$35,000 from over 2,000 members of rural communities in 1998. The International Center for Economic Growth, with the support of USAID, undertook several analytical studies to be used in updating the 1992 MSE policy and strategy framework paper into an Act, which will provide the legal structures to govern and regulate MSE activities. These efforts will undoubtedly achieve greater outreach and stimulate the development of the MSE sector in Kenya and the GHAI region.

**IR 3.0: Increased growth of Non-Traditional Exports:** This IR has exceeded the targets. USAID's support to Fresh Produce Association of Kenya (FPEAK) and KARI continued to boost horticultural exports, making it a major foreign exchange earner in Kenya. The value of horticulture exports grew by 12 percent in 1998, against a target of 7 percent. Our programs continue to address the critical problems of availability of quality horticultural seeds, structural constraints in management and marketing, and stringent international quality standards. Greater attention is being paid to increasing added value to horticultural exports such as prepacked vegetables, salads, cut flowers and fruits and reducing post-harvest losses. KARI released 29 new horticultural seed varieties in 1998, 11 of which were adopted by farmers.

**Adjustments to plans:** A major adjustment will be made to this SO this year to separate NRM activities from the rural economic growth program. USAID will split the SO into two. One SO will focus on commercialization of smallholder agriculture and the other on NRM. The proposed NRM SO will adopt an integrated approach, and its main objectives will include: increased adoption of integrated and sustainable NRM practices and approaches; broader participation in NRM; improved institutional and government support for NRM; and increased private sector /community investment in NRM.

**Other Donors Programs:** The World Bank and the European Union continue to be the major donors for agriculture. Others are the United Kingdom, Germany, and the Netherlands. GOK supports agricultural research, infrastructure development, and bio-diversity conservation.

**Principal Contractors, Grantees or Agencies:** The major grantees and contractors are Food for the Hungry, Catholic Relief Services, World Vision, CARE, Adventist Day Relief Agency, Development Alternatives, Inc., Technoserve, FPEAK, KREP, Kenya Management Assistance Program, ABS, Appropriate Technologies for Enterprise Creation, the International Center for Economic Growth, Cooperative Bank of Kenya, Kenya Wildlife Service, and KARI.

<b>STRATEGIC OBJECTIVE 2:</b> Increased commercialization of smallholder agriculture and natural resources management			
<b>APPROVED:</b> 30/09/96		<b>COUNTRY/ORGANIZATION:</b> USAID/Kenya	
<b>RESULT:</b> Increased commercialization of smallholder agriculture and natural resources management			
<b>INDICATOR:</b> Smallholder maize production marketed			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Economic Survey, Special Studies, Ministry of Agriculture Reports	1992 (B)		12
<b>INDICATOR DESCRIPTION:</b> Smallholder maize marketed divided by total smallholder crop output	1996	30	24
<b>COMMENTS:</b> The below-target performance was due to the substantial rural infrastructure damage caused by the El Nino-induced rains and the increased commercialization which led to farmers increasingly switching from maize to higher-value crops and producing maize mainly for household consumption. As farmers commercialize, they switch from maize to higher-value commodities. Maize production remains mainly for household consumption, hence the proportion sold declines, instead of increasing.	1997	35	38
	1998	40	34
	1999 (T)	45	
	2000	40	

<b>STRATEGIC OBJECTIVE 2:</b> Increased commercialization of smallholder agriculture and natural resources management			
<b>APPROVED:</b> 30/09/96		<b>COUNTRY/ORGANIZATION:</b> USAID/Kenya	
<b>RESULT 1.0:</b> Increased strength and competitiveness of agriculture markets			
<b>INDICATOR:</b> Ratio of farmgate price to wholesale market price of selected commodities increased.			
<b>UNIT OF MEASURE:</b> Percent		<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Ministry of Agriculture, Tegemeo Institute of Agricultural Policy and Development (University of Egerton)	1995 (B)	80	
<b>INDICATOR DESCRIPTION:</b> The price paid to maize farmers as a percentage of wholesale price at the market points	1996	82	80
<b>COMMENTS:</b> The narrowing of the spread between prices paid to farmers and that paid to the middlemen not only indicates that farmers get better returns, but also the increased strength and competitiveness of the market. Increased participation of private firms and traders accelerated the narrowing of the spread, which moved faster than had been anticipated. Mission will adjust planned targets for future monitoring. The wholesale maize prices were determined using the market prices available in the newspapers while the farmgate prices represent what was paid to the farmers by the middlemen.	1997	84	82
	1998	86	92
	1999	88	
	2000 (T)	90	

<b>STRATEGIC OBJECTIVE 2:</b> Increased commercialization of smallholder agriculture and natural resources management			
<b>APPROVED:</b> 30/09/96		<b>COUNTRY/ORGANIZATION:</b> USAID/Kenya	
<b>RESULT 2.0:</b> Increased services and labor opportunities for smallholders			
<b>INDICATOR:</b> Growth in total micro and small enterprise employment			
<b>UNIT OF MEASURE:</b> Number of people (in '000)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> GOK's Central Bureau of Statistics, Economic Survey 1997	1995 (B)	1,200	1,200
<b>INDICATOR DESCRIPTION:</b> Number of people employed in MSEs	1996	1,320	1,400
<b>COMMENTS:</b> Latest data shows that in 1996, there was a 16 percent increase in micro and small enterprise employment over 1995, and in 1997, there was a 24 percent increase over 1996. The importance of the MSE sector in generating employment is demonstrated by the fact that MSE sector employment represented 92 percent of private sector, on-farm employment last year.	1997	1,452	1,740
	1998	1,597	
	1999	1,756	
	2000	1,930	

**SO 3.0:**        *Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services*

**Summary:** Three linked intermediate results (IRs) support SO3: (1) non-USAID financial resources for FP, HIV/AIDS and child survival increased: improved government and donor planning and coordination will lead to a rational use of increased financial inputs; (2) capacity of public and private institutions to finance, plan and manage resources increased: more market-oriented and self-reliant service providers will help assure the availability of quality health care; and (3) increased customer use of integrated family planning, HIV/AIDS, and child survival services: assuring effective supply and sustaining the demand for accessible, quality services. Ultimate customers/beneficiaries are the 14.6 million men and women of reproductive age who require child spacing services and protection against HIV/AIDS; and 4.7 million children under five who are at highest risk from infectious diseases and the negative effects caused by too closely spaced births.

**Key results:** SO 3 performance this year was marked by numerous achievements. At the SO level the Mission tracks total fertility rate (TFR). TFR continues to decline, meeting our target. USAID's cost-sharing program has resulted in additional revenues for financing public health sector. A strong social marketing program has boosted sales of "Trust" condoms by 31 percent from FY97 to FY98, one of the best rates of growth worldwide.

**SO Performance and Prospects.** SO3 performance exceeded expectations in FY98. The 1998 Kenya Demographic and Health Survey (KDHS III) reported an actual TFR of 4.7 children per woman for the three years prior to the survey down from 5.4 in 1991. Based on this long-term trend, and the fact that the contraceptive prevalence rate (CPR) continues to increase, we estimate that the Mission's SO-level FY98 TFR target of 4.3 children *has been met*. The decline from 8.1 (1976) to 4.3 (FY98 projection) is one of the steepest drops ever recorded. Even so, Kenya's fertility rate is still unacceptably high; the population is growing at 2.6 percent annually, still requiring substantial, reliable financial support. Further, since 1995 when USAID began its current bilateral program, other major health challenges have emerged. HIV/AIDS infections have reached epidemic proportions. Under-five mortality has increased from 93 per 1000 live births in 1993 to 112 in 1998. Public health services are experiencing a financial and managerial crisis, and the quality of public health care is deteriorating. USAID's program in Kenya focuses on improving access to family planning, HIV/AIDS prevention and child survival services and strengthening service delivery systems and our ongoing financial and technical assistance contributed substantially to the remarkable fertility decline. However, continued funding restrictions, especially on the population side, constrain expansion into critical areas such as service provider training and expansion of permanent and long-term contraceptive methods.

**IR 1.0: *Non-USAID financial resources for FP/HIV/CS increased:*** USAID's efforts to promote effective Ministry of Health (MOH) and donor collaboration have resulted in many policy-level advances (*meeting its target*). The MOH and donors are now well on the way to adopting a sector-wide approach (SWAP) to planning and management of government and donor resources for health. USAID facilitated major studies in conjunction with donor partners (Denmark, United

Kingdom, European Union and Sweden) in support of Kenya's national health planning processes, including a critical health sector expenditure analysis. For the first time, a national strategic planning exercise, scheduled for completion in mid-1999, includes wide participation of stakeholders and implementors. In FY98, progress was made on the Vaccine Independence Initiative (VII) with the establishment of a \$60,000 GOK line item for vaccines. Once signed by the GOK and UNICEF, the VII Agreement will leverage an equivalent amount in USAID funds for UNICEF for vaccine purchases. New national malaria guidelines were completed in FY98. A population cabinet paper is expected to become official GOK policy in FY99; and Kenya's AIDS Policy Environment Score increased from 42.3 in 1995 to 57.5 in FY98, a significant increase in the level of policy support for AIDS programs.

**IR 2.0: Capacity of public and private health institutions to finance, plan and manage resources increased:** USAID support to the GOK's cost sharing program has resulted in additional revenues that have now become essential to financing in the public health sector. To date, \$32 million has been collected, with revenues increasing from \$8.5 million in FY97 to \$8.7 million in FY98 (*exceeding its target*). However, controls over collections, reporting, and use of cost-sharing monies have been weakened in recent years due to the MOH's transition from centralized to decentralized management systems. The FY98 figure of \$8.7 million is therefore believed to underestimate, by as much as 50 percent, fees actually received from patients. In response, USAID is assisting the GOK in strengthening fiscal controls. For example, installation of an automated collection system at Kenya's second largest hospital resulted in an immediate doubling of cost-sharing revenue. Plans for 1999 include replicating this system in other hospitals, as well as retraining staff and establishing decentralized supervision systems.

**IR 3.0: Increased customer use of integrated FP/HIV/AIDS/CS services:** Couple years of protection (CYP), which tracks the "supply side" of services, increased from 1.88 million in FY97 to 1.99 million in FY98 (*exceeding its target*). Ninety percent of service delivery points (SDPs) have maintained a three-month supply of condoms, injectables and low-dose contraceptives, meeting an important lower level target. Modern contraceptive use (which has a major impact on fertility) among all women increased from 21 percent in 1993 to 24 percent in 1998, and among currently married women from 27 percent to 31 percent. This is a notable achievement, considering the ever-increasing numbers of women now entering their reproductive years who require information and services (see Annex IV). Maintaining current achievements and addressing still significant regional disparities in CPR will be critical in the coming years. USAID technical assistance established a well-functioning logistics management unit within the MOH that ensures distribution of all public health commodities. In FY98, the unit created a database of information on *all* 3,500 SDPs in Kenya, the first time such information has been compiled. The MOH now has a complete list of SDPs and the services each provides. This unit also provides technical assistance as part of REDO/ESA's regional logistics initiative and support to the Greater Horn of Africa Initiative (GHAI). Long-term and permanent methods of contraception, infection prevention, and a supervisory system emphasizing quality of care are now available in about 100 hospitals. USAID technical assistance in FY98 to support training of service providers received official sanction from the Nursing Council of Kenya as a new strategy for cost-effective training. Kenya's national data collection efforts were enhanced by the third

KDHS which for the first time, provides significant information on maternal mortality and female circumcision. USAID's efforts ensured that key GOK ministries and donor partners joined together to finance and implement the KDHS.

The HIV/AIDS epidemic continues to be of deep concern, with the HIV prevalence having reached 9 percent among adults in 1998. NGOs, religious networks and the media have become increasingly active in promoting discussion about HIV/AIDS and pressing for policy improvements. Although the President of Kenya spoke publicly about HIV/AIDS for the first time in FY98 (encouraging Kenyans to prevent HIV infection and care for those already infected), the Government needs to implement critical aspects of the AIDS Sessional Paper and coordinate a multisectoral response to the epidemic. In FY98, USAID consulted with over 200 stakeholders throughout the country in designing a new five year HIV/AIDS program strategy. As a result of these consultations, new emphasis areas will include community-based prevention and care, outreach to adolescents and high risk transmitters and improving blood transfusion services. A strong social marketing program has boosted sales of "Trust" condoms by 31 percent from FY97 to FY98, one of the best rates of growth worldwide. If additional funds are available in FY99, other public health products such as insecticide-treated bednets may be test marketed. Child survival interventions to decrease malaria mortality and morbidity continued in Bungoma District. FY98 infectious disease funding has permitted startup of innovative activities related to anemia in pregnancy, surveillance of drug resistance, acute respiratory infection among children, and training of health workers in Kenya's revised treatment guidelines for malaria.

**Other donor programs:** In the population sector, USAID, the GOK, the United Nations Population Fund and the United Kingdom (DFID) provide the widest range of technical and commodity assistance. Other donors include Sweden, Germany and the World Bank (WB). Under the US/Japan Common Agenda, the Japan International Cooperation Agency (JICA) and USAID jointly assist Kenya's second largest public hospital to develop infrastructure and management systems to prepare it for privatization. In control of sexually transmitted infections, major donors include DFID, Belgium, CIDA, UNAIDS, and WB; USAID, DFID and WB provide the majority of support for HIV/AIDS programs. USAID has a strong comparative advantage in its ability to provide technical assistance to Kenya's health care sector.

**Principal contractors, grantees and agencies:** USAID implements activities through the GOK, AVSC, Family Health International, the Population Council, Pathfinder International, John Snow, Inc., Johns Hopkins University, Management Sciences for Health, and the Centers for Disease Control, the Family Planning Association of Kenya, Marie Stopes/Kenya, the national women's organization, Kenya AIDS NGOs' Consortium and the Anglican Church.

**Possible adjustments to plans:** Although we expect Kenya's historic fertility decline to continue, there are concerns and caveats (see Annex IV). Funding constraints, especially on the population side, have decreased service delivery and technical assistance activities. The new HIV/AIDS strategy remains underfunded, and we have been unable to launch new malaria prevention activities or adequately meet emerging needs in IEC and adolescent reproductive health. In FY99, we will conduct a mid-term review of this SO.

<b>STRATEGIC OBJECTIVE 3:</b> Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services			
<b>APPROVED:</b> 30/09/96		<b>COUNTRY/ORGANIZATION:</b> USAID/Kenya	
<b>RESULT:</b> Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services			
<b>INDICATOR:</b> Total Fertility Rate			
<p><b>UNIT OF MEASURE:</b> Percent (children per woman)</p> <hr/> <p><b>SOURCE:</b> Kenya Demographic and Health Survey</p> <hr/> <p><b>INDICATOR DESCRIPTION:</b> Number of children that would be born per woman if she were to pass through the childbearing years bearing children according to a current schedule of age-specific fertility rates</p> <hr/> <p><b>COMMENTS:</b> Survey data shows that Kenya's total fertility rate has declined by 39 percent over the past fifteen years. This reduction of almost three births per woman within 15 years represents one of the fastest fertility declines in the world. The 1998 KDHS report presents evidence of a continued and significant fertility decline and an increase in the use of modern family planning methods. TFR estimates refer to the 3-year period prior to the actual survey, so the figure reported in the 1998 KDHS (4.7) represents the total fertility rate for 1996. Even though improvements in various determinants of fertility have resulted in this fertility decline, sustained use of effective contraception among Kenyan couples has had the greatest influence. Modern method use by married women increased from 27 percent to 31 percent between 1993 and 1998, having started at 7 percent in 1977. All provinces reflected this increase, with important regional differences. The increase in the contraceptive prevalence rate (CPR) slowed in Central Province as it neared the 55 percent level. Gains have, however, been slower in western and coastal areas. The method mix has shifted over the years to more effective and longer-term methods. Whereas oral contraceptives predominated in 1993, there has been a rapid increase in injectable use, making it the dominant method in 1998. Of women using modern methods, 38 percent use an injectable contraceptive, 27 percent the pill, and 19 percent female sterilization. There has also been an increase in private sector supply of pills, condoms, and injectables. A major challenge for the future will be to decrease the disparities between provinces. A second challenge will be to meet the reproductive health needs of the large numbers of young people entering their reproductive years</p>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1983 (B)		7.7
	1986	6.7	6.7
	1991	5.7	5.4
	1996	4.6	4.7
	1998	4.4	4.3
	2000 (T)	4.0	

**STRATEGIC OBJECTIVE 3:** Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

**APPROVED:** 30/09/96

**COUNTRY/ORGANIZATION:** USAID/Kenya

**INTERMEDIATE RESULT 2.0:** Capacity of public and private health institutions to finance, plan and manage resources increased

**INDICATOR:** Annual Ministry of Health cost sharing revenue increased

**UNIT OF MEASURE:** \$ Millions

**SOURCE:** Ministry of Health Annual Reports

**INDICATOR DESCRIPTION:** Total collections of cost sharing as reported by government facilities to the National Health Care Financing Secretariat

**COMMENTS:** The FY98 figure of \$8.7m is believed by MOH managers to be underestimated by as much as 50 percent compared to fees actually received from patients. This discrepancy results from several systemic problems that have emerged in the cost sharing program in the past 2-3 years: fees are collected but not reported or handed over by staff; fees are handed-over but not banked by managers (retained as petty cash for emergencies); these irregular transactions are not captured by the official system. A major portion of USAID assistance to the cost-sharing program is concentrated on strengthening fiscal controls that will correct these problems. For example, installation of an automated cash collection system at Coast Provincial General Hospital resulted in an immediate doubling of fees at collection points (plans are underway for wide-scale replication of these systems, which are affordable from cost sharing revenues with limited technical assistance from USAID). Further, USAID facilitated a policy change that will allow provincial level administrators to use a portion of cost sharing revenues for supervision, and plans a major retraining program for district personnel who handle cost sharing monies.

YEAR	PLANNED	ACTUAL
1993 /94 (B)		3.6
1996	6.7	6.7
1997	7.5	8.5
1998	8.4	8.7
1999	9.2	
2000 (T)	10.0	

**STRATEGIC OBJECTIVE 3:** Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

**APPROVED:** 30/09/96

**COUNTRY/ORGANIZATION:** USAID/Kenya

**INTERMEDIATE RESULT 3.0:** Customer use of integrated FP/HIV/AIDS/CS services increased

**INDICATOR:** National Couple-Years of Protection (CYP)

**UNIT OF MEASURE:** Number (million)

**SOURCE:** Family Planning Logistics Management

**INDICATOR DESCRIPTION:** The indicator measures the estimated protection provided by family planning services during a one year period, based upon volume of all contraceptives distributed during that period

**COMMENTS:** CYP increased from 1.88 million in FY97 to 1.99 million in FY98 surpassing our refined and more realistic target of 1.91m for FY98. Due to under-reporting by distribution points, the CYP figure and targets reported last year were based on best data available at the time (percentage of health facilities reporting) and may have over-estimated CYP figures. However, with the recent completion of a database of all health facilities in the country, USAID now has a more accurate estimate of annual CYP, which takes into account actual distribution and has enabled us to set more realistic targets.

CYP is calculated by multiplying the quantity of each method distributed to clients by a conversion factor that yields an estimate of the duration of contraceptive protection provided per unit of that method. It is the most widely used indicator of performance in USAID-funded family planning programs worldwide (Stover, et al, 1997). The CYP index is commonly used as a measure of program outputs that can readily be used as an indirect measure of the demographic impact of a family planning program. Use of CYP for this purpose has been contentious for the following reasons: 1) it does not take into consideration use effectiveness of the commodities – assumes that all commodities distributed provide full protection irrespective of the client's consistency of use, skills or motivation; 2) It does not provide for wastage; at times commodities are lost destroyed, discarded or not used by clients and thus do not provide any protection; 3) It does not take into account method switching or the duration of use of a method, and 4) It does not indicate the number of individuals using family planning. CYP however, has the advantage of being economical since data are readily available, relatively simple to calculate, and focus program administrators on results (contraceptives distributed) rather than on the process (activities conducted to promote contraceptive use).

YEAR	PLANNED	ACTUAL
1994 (B)		1.4
1997	1.6	1.9
1998	1.9	2.0
1999	2.2	
2000 (T)	2.4	

**STRATEGIC OBJECTIVE 3:** Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

**APPROVED:** 30/09/96

**COUNTRY/ORGANIZATION:** USAID/Kenya

**INTERMEDIATE RESULT 3.0:** Customer use of integrated FP/HIV/AIDS/CS services increased

**INDICATOR:** Trust condom sales increased

**UNIT OF MEASURE:** Number of condoms sold per month (rounded to the nearest '000)

**SOURCE:** PSI Reports and Service Statistics

**INDICATOR DESCRIPTION:** Average monthly number of condoms sold through the social marketing program

**COMMENTS:** In 1998 sales of Trust condoms through the social marketing project were only 70 percent of the old target of 1.19 million. This is mainly due to the target itself being overly optimistic. These old targets were based on the rapid growth which was made when the project was starting. Targets shown here have been revised to reflect a more realistic 40 percent annual rate of growth from the 1994 level. International comparisons of social marketing programs indicate that, after an initial rapid rate of growth, successful programs grow at a 30-40 percent annual rate. Trust condoms are now known and available throughout Kenya, as shown in the 1998 KDHS and various PSI surveys. They are once again advertised on national TV and radio and sold in 26 percent of all retail outlets in urban and peri-urban areas. Among 15-25 year old condom users 61 percent use Trust all or most of the time, showing youth's loyalty to the Trust brand.

These targets will be reviewed during the 1999 APHIA Mid-Term Review. At that time the potential expansion of social marketing as a method of distributing a wide range of health products, and of encouraging behavior change and creating demand, will be examined. Based on the success of the Trust condom social marketing effort USAID/Kenya has already contracted PSI to socially market oral and injectable contraceptives. Other products being considered include bed nets and redipping services, female condoms, STI drugs, and food supplements. It is likely that bed nets will be marketed on a pilot basis in selected malaria endemic areas.

YEAR	PLANNED	ACTUAL
1994 (B)		200,000
1996	380,000	380,000
1997	549,000	652,000
1998	768,000	838,000
1999	1,100,000	
2000 (T)	1,500,000	

**SPO 1: *Meet the Critical Needs of Kenyans Affected by the Nairobi Bombing and Build Capacity to Address Future Disasters***

**Summary:** USAID has designed a new special objective to meet critical needs of Kenyans affected by the Nairobi bombing. Three approaches will be used: (1) reducing the economic impact of the bombing by assisting private businesses affected by the bombing, including rehabilitation and reconstruction of damaged infrastructure; (2) making it possible for all persons injured in the bombing to receive adequate medical attention by reimbursing Nairobi area hospitals for treatment cost incurred but not otherwise recoverable, and by coordinating and financing medical follow-ups; and (3) strengthening disaster response and preparedness programs by providing funds and/or technical assistance to local organizations. Beneficiaries are victims requiring medical, rehabilitation, and trauma counseling services. Other beneficiaries are the Government of Kenya (GOK), businesses with damaged buildings, equipment, and infrastructure and institutions which provide emergency response and blood transfusion services.

**Key Results:** USAID expects that by the year 2001 (1) about 60 percent of the emergency needs of the bomb victims will be met; (2) 60 percent of the micro, small and medium businesses destroyed by the bombing will be restored to operation; (3) counseling and follow-up medical services will be provided by our grantees to about 10,000 bombing victims; and (4) 16 organizations and hospitals will have disaster preparedness capability. USAID will rebuild or acquire a new building for Ufundi House, which was completely destroyed, and rehabilitate the Cooperative Bank Building, which was severely damaged. Grant mechanisms will be used to meet the needs of private business owners. USAID continues to lay special emphasis on the recovery of victims receiving medical treatment and counseling services; upgrading blood supply and transfusion services; the resumption of business by small enterprises damaged by the bombing; the rebuilding and rehabilitation of damaged buildings; and the establishment of disaster preparedness systems in the GOK and organizations such as Africa Medical Research Foundation (AMREF), the Kenyan Red Cross, the ambulance services and the hospitals.

**Performance and Prospects:** At the SPO level, the Mission is monitoring two indicators. One of our grantees, Operation Recovery has counseled over 7500 adults and children, exceeding our target by about 34 percent.. The organization has provided debriefing and stress management counseling to businesses, child counseling in schools and through dramatic presentations in public areas, and hospital-based counseling for those requiring follow-up treatment and reconstructive surgery.

To date USAID has reimbursed \$765,000 to 17 local hospitals for the cost of treating bomb blast victims. The total amount allocated to the individual hospitals was US\$ 764,715. This covered the treatment of over 7,000 injured patients. Treatment included everything from suturing to major surgeries. Many patients remained in intensive care for many weeks. USAID also financed reconstructive surgery for all bomb blast survivors. Although the original estimate, following a mass assessment in November 1998, was 750 patients needing from 1 to 6 hours of reconstructive surgery, only 312 patients participated in the actual exercise. USAID, in

collaboration with AMREF, brought 10 international surgical teams (including 8 American and 2 Spanish Surgeons, Scrub Nurses and Anesthesiologists) to assist local surgical teams. USAID will reimburse Kenyatta National Hospital, the implementing hospital, on a cost-per-patient basis. Review of programs to date indicates provision of high quality services, aggressive outreach to individuals and the business community, and well-documented cases.

**Possible Adjustments to Plans:** None

**Other Donor Programs:** This activity complements the smaller humanitarian and reconstruction efforts undertaken by other development partners like the United Nations Development Program, the International Federation of the Red Cross, United Kingdom, Japan, Israel, Germany, private and public hospitals, the private sector and the GOK.

**Principal Contractors, Grantees or Agencies:** Principal grantees include International Medical Corps, International Federation of the Red Cross, AMREF, Operation Recovery, and National Council of Churches of Kenya.

<b>SPECIAL OBJECTIVE 2:</b> Meet critical needs of Kenyans affected by the Nairobi bomb blast and build capacity to address future disasters			
<b>APPROVED:</b> 18/12/98		<b>COUNTRY/ORGANIZATION:</b> USAID/Kenya	
<b>RESULT:</b> Meet critical needs of Kenyans affected by the Nairobi bomb blast and build capacity to address future disasters			
<b>INDICATOR:</b> Number of victims receiving counselling and follow-up medical services			
<b>UNIT OF MEASURE:</b> Actual count of people who have received services in hospitals and counselling centers	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> MOH, Grantee Reports	1998 (B)		0
<b>INDICATOR DESCRIPTION:</b> Indicator measures bombing victims seeking follow-up services such as reconstructive surgery, eye surgery, orthopedic cases and long-term social counseling.	1999	5,000	7,524
	2000	10,000	
	2001	10,000	
<b>COMMENTS:</b> The figure for 1999 is based on data on bomb victims who have received counselling. To date 312 reconstructive surgeries have been performed and 17 Nairobi Area Hospitals reimbursed.			

### **PART III: RESOURCE REQUEST NARRATIVES**

**Program Resources:** The Mission's request for program resources is consistent with our approved management plan and the realities of the Agency's earmarks. While the Mission had hoped for FY 1999 increase based on our excellent R4 last year, the Mission OYB remained stable at approximately \$19.3 million. The control level for Kenya for FY 2000 is \$26.9 million, and we are requesting \$33.0 million in FY 2001.

The majority of our program focuses on administration concerns in areas of population, child survival, infectious diseases and HIV/AIDS, environment, democracy and governance, micro-enterprise, food aid and humanitarian assistance, and agriculture.

**FY 2000 and FY 2001 Program Resources:** The Mission is in the process of amending the current strategy (see the covering management memo). The revised strategy will include the following:

- o An additional Strategic Objective (SO4) for environment: In late 1998, the USAID/Kenya Mission initiated discussion to separate the natural resources management component out of its economic growth and agriculture SO and develop a separate environmental SO. This decision reflects the fact that the two portfolios have, in fact, different objectives, and it emphasizes the need and desire to report more clearly the results that we are achieving, and increase the level and focus of both investment and program development in the management of Kenya's natural resources. The proposed strategic objective builds on USAID/Kenya's experience in the COBRA program and is consistent with current NRM trends and policies of empowering local communities and the private sector to benefit from the wise use of their natural resources. The control level for this new environment SO is \$2.9 million in FY 2000 and \$4.0 million in FY 2001.
  
- o In addition, an assessment of the existing demand-side democracy and governance strategy (SO1) carried out in 1998 observed that, whereas demand creation has been a sound strategy which has produced demonstrable results, at some point assistance on the supply side must be addressed. This assessment recommended that the Mission explore the possibilities of working with the key public institutions such as the judiciary, parliament and the proposed constitution review commission. As a follow-up to that recommendation, the Mission has planned to fund more detailed assessments of the legislature, the judiciary and the local government. The purpose of the detailed assessments is to recommend ways in which the Mission can best assist the strengthening of each institution. In the light of the above discussions, the Mission is reviewing the DG strategy with funding levels for FY 2000 at \$3.0 million DA, and \$2.0 million proposed ESF. The request level for FY 2001 is \$5.0 million DA.

- o The second SO of Commercialization of Smallholder Agriculture, continues to address agriculture growth and micro-enterprise development. The micro-enterprise program provides the safety net for many of the population who are looking for formal sector employment. Micro-enterprise jobs will be the only choice until the economy can provide industrial sector jobs for a growing labor-force. In agriculture, any new gains must come from intensification of production, not from putting new lands into production. This implies research into better yielding varieties and better agricultural policy, especially in the seeds sector. The goal of this sector is to foster greater private sector participation in agricultural development. The Mission continues to fund private and public sector institutions involved in increasing the use of commercially supplied, yield-enhancing technologies such as improved seed and fertilizer by smallholders. The level of funding for the SO2 is \$8.6 million for FY 2000, and the requested level is \$11.0 million for FY 2001.
  
- o The third strategic objective is the Mission's effort to continue to work in Kenya's health sector. USAID/Kenya has actively supported Kenya's health sector for the past 20 years. The initial focus in population/family planning was later broadened to respond to needs in HIV/AIDS and child survival. USAID has also become a major player in the health sector reform process, putting substantial resources into sector-wide activities, e.g. cost sharing, which will have positive effects on Kenya's ability to deliver safe, effective primary health care and reproductive health. A major result of USAID/Kenya's work to date is that Kenya has had the fastest fertility decline in the world due to consistent, reliable and substantial donor and government support. The control funding level for this SO for FY 2000 is \$12.4 million (CSD: \$6.0 million and POP: \$6.4 million), while the Mission's request level for FY 2001 is \$13.0 million.

### **Workforce and OE Narrative:**

The Kenya Mission workforce levels have declined dramatically in the last 3 years. USDH levels, particularly, have been reduced to bare bones. FY 2000-2001: The level of eight USDH requested for FY 2000-2001 is considered the minimum personnel needed to provide monitoring and processing of the Kenya program and to maintain accountability over U.S. Government resources, including giving EXO support to REDSO/ESA.

At this level of 8 USDH requested, we continue to carry two positions for the Executive Office (EXO). The fact that USAID/Kenya carries both slots for the complex needs to be considered when FTE allocations are made for the two additional USDHs that the Mission is requesting to support the program. At the request level, the Mission requests eight USDH while at the target level we have 6 USDH. At the request, level we keep both the EXO slots to carry out all administrative support to the complex. The other six are allocated to implement the program as follows: 1.5 USDHs in Mission management, 0.5 USDH for both the combined program/projects office and bomb-response unit, 1 USDH in the democracy and governance office, 1 USDH in

population and health office and 2 USDHs in the agriculture business and environment office (currently with only one USDH).

The Mission's justification for the additional two USDH requested above is as follows: one additional USDH that we are requesting is for strategic objective (SO) 2. This office has already dropped from 5 USDH in 1993 to one USDH in FY 1997/98. The implications of these draconian cuts are loss of intellectual leadership in areas such as agriculture policy and microenterprise, decreased ability to lever other donors, decreased ability to manage a multisectoral office, decreased ability to work on food security issues under GHAI, decreased ability to monitor impact, and opportunities to have effective dialog with the Government of Kenya (GOK) in areas critical to an ongoing investment. In the light of the above, Mission is therefore requesting a second USDH to be restored.

The second USDH the Mission is requesting is for democracy and governance SO. As we re-assess and expand our DG portfolio, as stated above, the Mission is requesting both additional dollar levels and one USDH to support the revised strategy. With additional funds requested, the DG portfolio will require 1 USDH to lead the FSN PSCs in this sector. It takes both staff and resources to achieve the results we are all after.

TAACS/Fellows/IDIs: To attempt to make up for the lost human resources, the Mission is requesting in both FY 2000 and FY 2001 an environment fellow for the new SO4, one TAACS for health and population and one Michigan Fellow for population. In addition, we are requesting two IDIs, one for the population and health office and one for EXO.

For the other categories of staff for FY 2000/FY 2001, the ideal total FSN OE workforce level should be 106 as outlined in the FY 2000/FY 2001 workforce request tables. With this kind of workforce, we can still provide adequate EXO support both to the bilateral and regional activities. Of the 106 OE-funded FSN PSCs, 79 (74 percent) are allocated to EXO to support the complex. In addition, the EXO carries three OE-funded USPSCs, one housing/communication and records coordinator (for the complex), 1 USPSC contracts officer, and 1 USPSC move manager for the anticipated move to both the interim and the new office buildings. This figure is considered the minimum number of OE-funded FSNs/USPSCs required to support the EXO services to the complex, while the minimum number of OE-funded FSNs required to implement the program is 27 in addition to 25 program-funded FSNs.

In addition, we have 8 program-funded USPSCs in FY 2000 through FY 2001. The Mission requires four program-funded USPSCs for the newly approved special objective for the bomb humanitarian assistance. Mission needs an extra hand to manage this sector. One USPSC is required for the proposed environment SO4. The remaining four USPSCs are allocated as follows: two USPSCs in population and health office, while the other two USPSCs (one offshore and one local hire) are allocated to the DG SO to help manage our ever increasing workload in

managing the DG grants. The fifth USPSC will be the GHAI coordinator (funded by GHAI funds) for Kenya.

**Pipeline:** The Kenya Mission pipeline (excluding accrued expenditures) is \$25.0 million which is well within the 24 months of anticipated expenditures in accordance with Agency guidelines.

## O.E. BUDGET NARRATIVE: The Workforce Request Levels

<u>FY</u>	<u>USDH</u>	<u>IDI</u>	<u>USPSC</u>	<u>FSNPSC</u>
1999-year end	6	1	3(*)	105
2000:				
Request	8	2	3(*)	105
Target	6	1	3(*)	105
2001:				
Request	8	2	3(*)	105
Target	6	1	3(*)	105

(\*) Note:- One USPSC in FY99 to FY2001 is funded with supplemental funds that are separate and distinct from O.E funds described and requested below. Thus, only 2 of 3 the USPSC shown above are Mission O.E funded.

## OVERVIEW OF FY99 OE LEVELS

USAID/Kenya current FY99 O.E. level is \$4,450,000. USAID/Kenya has also received **\$2,500,000** as a supplemental allowance for extra ordinary office security/ office move. This brings the FY99 O.E total to **\$6,950,000**. The supplemental amount is to be received in FY99 only and does not affect the out years. **\$4,450,000** is the desired O.E. level that would enable the Mission to successfully achieve our program targets in FY99, except for the large increase in the security contract costs. The routine security contract cost, even though has risen sharply, cannot be funded by the supplemental security/office move funds mentioned above. Anticipated security and construction/ real estate purchase costs are stated separately in the attached tables and in the narrative below. The staffing level for O.E. -funded personnel at the end of FY99 will be **6** USDH, **105** FSN's, **two** USPSCs and **one** IDI. Office operations and procurement costs are shared with REDSO. All other cost categories not mentioned in this narrative are at or near FY98 straight-lined amounts in all the budget scenarios presented. The effect of exchange rates during FY99 is expected to be minimal.

### USPSC and FSN Salaries.

USPSC costs were reduced by **6 percent** below the FY98 level, from **\$113,000** to **\$106,600**. In FY99 this group of employees includes two USPSCs and three summer interns. The total cost of **\$106,600** is **2.4 percent** of the entire O.E budget.

The Post policy is to keep the Mission FSN employee salaries within the range of the 75th to the 99th percentiles of the Nairobi labor market. This has resulted in an overall FSN salary budget increase of approximately **8.4 percent** in FY99 from FY98. This increase was needed to keep pace with the local labor market. The FSN Payroll and benefits in FY99 accounts for **51.1 percent** of our total O.E. budget, or **\$2,274,300** of **\$4,450,000**. Reductions in FSN overtime allowed were expected to offset the majority of the eight percent rise in FSN salary, but the increased level of activity during the bomb blast aftermath has decreased the opportunity to cut overtime.

#### **USDH Costs- Allowances.**

USAID/Kenya is to support seven (7) USDH and **one** IDI up to the end of FY 99. The entitlement travel of USDH personnel in FY99 includes **two** replacements, **five** R & Rs, **six** supplemental R & R's and **four** people leaving post. There was an overall decrease in education fees at the International School of Kenya. COLA benefits are being allowed once again at an estimated cost in FY99 of **\$27,600**. This brings USDH costs, excluding residential, utility and maintenance costs, to **\$438,000**, which is **9.8 percent** of FY99 budget.

#### **Operational Travel and Training.**

Operational travel and training includes both local and international site visits, conferences, retreats and training. The FY99 budget contains the minimum amount that is considered adequate to monitor the strategic objectives of the Mission and to maintain quality levels within the professional staff. This has been budgeted at **US\$125,300**, which is **2.8 percent** of the total budget.

#### **OFFICES:**

#### **Rent, Security, Manpower, Utilities , Telephone and Maintenance.**

These costs are shared not only with REDSO, but also with the Embassy, who become co-tenants with USAID at the start of FY99. As a result, office rent, building support costs, and the manpower contract costs will be less in FY99 only, because the Embassy is to move out, just prior to FY2000. For FY2000 and FY2001, these costs will return to FY98 level, or higher. Depending upon the cost sharing method used in FY99, these costs may appear in building support costs or ICASS costs. New Embassy-run warehouse and office security contracts are much higher in cost. Inflation of 10 percent has been factored into utilities and maintenance. This is due in part to high generator fuel costs caused by frequent power failures and by the increase in electricity costs from Kenya Power and Lighting Company. See the separate narrative on construction and real estate purchase costs. ADP maintenance costs have also been included, and

this adequately covers the Y2K problem. The poor road network has caused motor vehicle maintenance to increase. This brings the total for this section to **\$390,000, which is 8.7 percent** of the total budget.

## **RESIDENTIAL:**

### **Rent, Security, Manpower, Utilities , Telephone and Maintenance.**

These amounts represent another cost of USDH benefits.

Because of a significant rise in the State-Department-contracted security contract, there has been a four-fold increase in projected residential guard costs, to **\$368,300**. Our normal residential security budget was **\$85,000**. See the separate security narrative, attached. The increase must be funded by cuts in other OE activity, or from another appropriation.

Residential rent, maintenance and utilities have been budgeted at **\$324,000** for the seven USDH and one IDI. When this is combined with the residential security cost of **\$368,300** and residential NXP and NXP freight of **\$60,000**, total Residential costs are **\$752,300, or 16.9 percent** of the FY99 O.E budget.

### **NXP, Supplies and Freight – OFFICE**

Adequate NXP is budgeted for FY99. However this budget could be cut to pay other mandatory costs such as residential security. Using a "cyclical, sinking-fund" method for a 15 year span, and an actual procurement list for FY99, the USAID/Kenya share of the office NXP and NXP freight budget has been established at **US\$100,000**. Supplies (EXP) have also been budgeted at the minimum forecasted requirements, including residential supplies, office supplies, ADP supplies and motor vehicle parts and this comes to **\$60,000**. The total for NXP and EXP is **US\$160,000, which is 3.6 percent** of the total budget. NXP procurement would take place at or near the fiscal year end, when available funds are a certainty. Freight costs are expected to rise as a result of the poor road infrastructure mentioned above.

### **Supplemental IOB/NOB Allowance.**

USAID/Kenya has received to-date an allowance of US\$2,500,000 related to security issues emanating from the August 7 Nairobi Bomb blast. This money will be used solely for the cost of the renovation of the new interim office building (**IOB**) and the construction new office building (**NOB**).

## **ICASS Costs.**

The O.E. -funded ICASS budget for FY99 has been received from the U.S. Embassy/Nairobi. The amount of this annual ICASS budget is **US\$417,500**. This amount is for both USAID/Kenya and REDSO/ESA. As mentioned above, the FY99 O.E and ICASS budget were greatly affected by the presence of the Embassy in the USAID building. The occupancy period is estimated to be twelve months, ending in August, 1999. For FY2000 and FY2001, the ICASS costs are expected to return to approximately FY98 levels plus inflation. REDSO/ESA and USAID/Kenya presently share in this budget at a 60 percent and 40 percent ratio, with REDSO/ESA taking the larger share. The 40 percent amount budgeted for USAID/Kenya in the R4 for FY99 is **US\$167,000**, or about **3.7 percent** of the FY99 budget. If the ICASS billings in FY2000 and FY2001 exceed the stated ICASS budget amounts, the excess would be paid out of the O.E. budget. This could cause even more pressure on both the target and request level budgets for the out years.

## **OVERVIEW OF FY2000 OE LEVELS**

### **REQUESTED O. E. LEVEL-FY2000.**

The request level for FY2000 is **US\$5,322,100**, which is considered adequate to support **eight USDH, 105 FSN's, 2 USPSC and two IDI**. It is planned that one IDI will be in ABEO office and the other one would be in EXO, and the EXO one would be jointly funded with REDSO/ESA. The effect of exchange rates during FY2000 is expected to be minimal.

### **USPSC and FSN's Salaries.**

USPSC cost is increased by **5 percent** from FY99. At **US\$112,000**, it is about **2.2 percent** of the request level budget.

The FSN FTE increases from 102 in FY98 to 105 in FY99 and in the out years. This is the desired level of FTE required to manage the Kenya program. FSN salary increases are projected to be 12 percent and 7 percent for grade 1 to 6 and 7 to 12 respectively, along with an additional "automatic" Within Grade increase (WGI) of 5 percent. Thus, the resulting overall FSN pay increase above FY99 levels becomes 8 percent. This brings the FSN salary cost to **US\$2,810,000**, which is **52.8 percent** of the requested amount.

### **USDH Costs.**

FY2000 mandatory travel includes **four** replacements arriving, **four** R & Rs, **four** home leaves

and **one** person departing post. Due to this increased movement of personnel, this cost increases by **24.8 percent** to become **US\$583,200** or **11 percent** of the total requested budget. The total also includes education allowances, and a **10 percent** COLA.

### **Rent, Security, Manpower, Utilities and Maintenance.**

The prior warehouse lease expired and the signing of a new lease caused an increase in this rental cost. A significant rise in the cost of the Embassy run security contract cost occurred in FY99, causing the overall office and residential security cost to increase to **\$398,300**. The cost of generator fuel, and the level of generator fuel consumption are both expected to rise, due to power infrastructure weaknesses. The total costs for this section are **US\$1,183,800**, which is **22.3 percent** of the requested level budget.

### **NXP, Supplies and Freight.**

FY2000 includes an NXP and NXP freight budget of **US\$200,000**, based on FY99 procurement and sinking fund method estimates. These expenditures are in line with the R4 guidance to avoid pushing problems into the future, hence it is Mission policy to continue with the NXP procurement in an orderly, logical and cyclical fashion. The combined NXP and EXP budget of **US\$260,000** is **4.9 percent** of the total requested budget.

### **TARGET O.E LEVEL- FY2000.**

The target level budget for FY2000 is straight-lined from the FY99 level, excluding the security supplement, or **US\$4,450,000** (including ICASS). This is considered adequate to support **6** USDH, **105** FSN's, **two** USPSCs and **one** IDI position that has a support cost of more than **US\$100,000**. Unless the Bureau can provide an additional **US\$100,000** per IDI per year, beyond the target level amount, the Mission cannot afford any additional IDIs in this program. The Mission does not believe that the target of **6** USDH positions is adequate to properly support the Mission program.

Cost reductions necessary to maintain minimal activity levels in certain areas, and at the same time avoiding exceeding the target level, could be accomplished in several ways. For example, FSN FTE levels could be reduced, FSN pay raises could be cut, or discretionary expenses such as operational travel, FSN overtime & contingency, and training could be lowered. The increase in both the warehouse and the security contracts has absorbed a large sum of otherwise "Discretionary" cost. Certain costs, such as rents, utilities, basic maintenance services, mandatory travel, freight and other USDH allowances cannot be effectively reduced once FTE levels are established. This puts greater downward pressure on "discretionary" expenditures.

### **USDH Costs-Allowances.**

FY2000 costs in this category total **US\$376,100**, or **8.4 percent** of the target level. Costs are lower than the FY2000 request level, due primarily to the reduction in the Controller and IDI positions.

### **USPSC and FSN's Salaries.**

USPSC cost remains at the same level with the request level. At **US\$112,000**, it is about **2.5 percent** of the target level budget.

As mentioned in the FY2000 request level narrative, a **5 percent** WGI and **12 percent** and **7 percent** pay raises, for grade **1 to 6** and **7 to 12**, respectively, are expected for FSN Salaries.

FSN salary and benefits costs total **US\$2,443,300** or **54.9 percent** of the target level budget. These FSN costs are reduced from the request level by cutting of FSN overtime and contingency costs from **10 percent** to **0 percent** of basic pay.

### **Operational Travel and Training.**

The budget for this activity would be reduced by **25 percent**. This will mean that there will be only essential site visits, and minimum conference and training activity. This will affect quality of work performed, quality of skills, quality of project monitoring and loss of morale to the employees. The budgeted amount is **US\$94,000**, which is **2.1 percent** of the target level budget.

### **Rent, Security, Manpower, Utility and Maintenance.**

Residential housing will be reduced, since the Controller and one IDI position will be dropped by the end of FY99. As mentioned, new warehouse rent and security contracts have sharply increased in cost. Utility costs are expected to remain near constant. This will mean that USAID/Kenya will have difficulty paying for the cost of 1) supplying generator fuel to residential houses in cases of more frequent power failures, and 2) in maintaining ADP and other office and residential equipment to an acceptable standard level. Motor vehicles will be maintained on a minimal basis. This brings the total budget for this section to **US\$1,068,500**, which is **24 percent** of the target budget.

## **NXP, Supplies and Freight.**

Only minimum NXP and EXP supplies will be procured. The budget is **US\$178,000**, which is **4 percent** of the budget. This small NXP budget points to a more serious NXP budget need in later years, as more NXP replacement becomes necessary.

## **OVERVIEW OF FY2001 OE LEVELS**

### **REQUESTED O.E LEVEL- FY2001.**

The request level for FY2001 is **US\$5,689,200** which is considered adequate to support **eight USDH, 105 FSN's, two USPSC and two IDIs**, one of which is jointly funded with REDSO/ESA. The effect of exchange rates in FY2001 is expected to be minimal.

### **USPSC and FSN Salaries.**

USPSC cost is increased by **4.7 percent**. At **US\$117,500**, this is about **2.1 percent** of the requested budget.

FSN salaries have been projected in the same fashion as the FY2000 projection. An 10 percent pay increase and a 5 percent WGI is budgeted, thus the increase becomes 15 percent. This brings the FSN salaries and benefits amount to **US\$3,223,000**, which is **56.7 percent** of the requested amount.

### **USDH Costs - Allowances.**

FY2001 mandatory travel includes the arrival of **two** replacements, **six** R & Rs, **two** home leaves and **two** people departing post. An inflationary rate of 10 percent on air tickets and education allowance is factored in. This brings the total, which includes 10 percent COLA, to **US\$524,300** or **9.2 percent** of the total requested budget

### **Rent, Security, Manpower, Utility, Maintenance, NXP, Supplies and Freight.**

These costs have risen by **5 percent** from FY2000 requested amounts, except for NXP and EXP costs, which remains the same at **US\$260,000**. The **5 percent** rise in these costs, excluding NXP and EXP, is caused primarily by higher expected costs in new office and warehouse leases, and in the security contracts as mentioned above. The total for all these cost categories is

**US\$1,451,300**, which is **25.6 percent** of the requested amount. The same arguments presented above for the FY2000 Request Level cost categories apply here.

### **TARGET O.E LEVEL-FY2001.**

The FY2001 target level is budgeted the same as FY2000 target budget, or **US\$4,450,000**. As in FY2000, this is considered adequate to support **6** USDH, **105** FSN's, **two** USPSC's, and an IDI position that is jointly funded with REDSO/ESA. The same arguments presented above for the FY2000 Target Level apply to the FY2001 Target Level as well.

### **FSN Salaries.**

If a 10 percent pay raise is granted in FY2001, along with 5 percent WGIs, then the projected FSN salary and benefits would be **US\$ 3,157,300**, or **71 percent** of the straight-lined O.E budget of **US\$4,450,000**. However, as in the FY 2000 budget, FSN cost reductions are necessary to maintain minimal activity levels in other certain basic areas, and at the same time avoiding the exceeding of the target level. The FSN cost has been reduced to **\$2,582,300** or **58 percent** of the OE budget. This should be accomplished by cutting FSN overtime, contingency and the pay raise, or cutting FSN FTE's, along with reducing other O.E support costs where possible. NXP is budgeted at zero. The effect of the higher cost of the new warehouse and security contracts is also felt in the target budget, due to the Non-discretionary nature of these costs.

### **O.E. -FUNDED SECURITY NEEDS.**

#### **Funding Needs for Security contract. ( USAID Mission/Kenya and REDSO/ESA)**

The current USAID Office is located in a relatively densely populated residential/commercial neighborhood. There is a 60 foot set back in the front, and zero set back on the sides and rear of the building, including an apartment complex running the length of the building. It has become the location of not only USAID (Kenya and REDSO), but the U.S. Embassy Kenya, Embassy Sudan, FAS, FBI, INS, etc. Literally overnight we rose from a relatively low profile office building to a very high profile diplomatic complex. When elements of the post depart for the Embassy interim office building, taking with them the Marine detachment, we will remain a high profile building, despite the absence of many of these offices, but will not have the high level of protection afforded by the Marine detachment. We have been told by the AA/M and the A/SEC, with the encouragement of the Ambassador, that we must move from this location to an interim office as soon as possible while we wait for a new building on a joint USAID-Embassy compound. The budget below reflects the estimated costs for the two projects. Much of the funding for the IOB will come from the FY 99 supplemental amount received of

\$2,500,000. We have indicated the source of funding to the extent possible.

A separate table of O.E. needs for Security has also been prepared and is attached. At the end of FY 1998, the Department of State, in Washington DC, signed a renewal to the existing security contract in Nairobi. Both the U.S. Embassy and USAID in Nairobi have been compelled to participate in this contract. The new contract resulted in an unexpected four-fold increase in security costs, for the same level of service. Please note that the Office and Residential Security costs for FY 98 were approximately **\$30,000** and **\$85,000**, respectively. The expected costs for Office and Residential Security for FY 1999 and the two outyears in this R4 are as follows.

FY	Budgeted OE Office Security Costs	Budgeted OE Residential Security Costs
FY 1999	\$30,000	\$368,333
FY 2000 - Target	\$30,000	\$368,333
FY 2000 - Request	\$30,000	\$368,333
FY 2001 - Target	\$30,000	\$368,333
FY 2001 - Request	\$30,000	\$368,333

The total expected Office Security costs for FY99 and the out years are actually **\$130,000** per year. The Department of State Diplomatic Security has verbally promised funds to make up the annual **\$100,000** shortfall caused by the increase in Office Security costs resulting from this Washington based contract, for at least FY 99 and possibly later years.

For the target OE budget of FY2000 and FY 2001, the FSN payroll costs have been decreased in order to absorb the additional cost of residential security, while maintaining the straight-line target OE budget of **\$4,450,000**. The decrease to the FSN payroll in these target budgets was about **\$283,000**. This decrease can only be achieved by cuts in FSN FTE's, or FSN overtime, or other FSN salary benefits.

The total requested OE budgets for both years have been increased by the amount of the security cost increase (about **\$283,000**). Other funds to make up this much larger anticipated funds shortfall in Residential Security costs may come from additional O.E. funds from AID/W, or from some other supplemental funding, in order for the Mission to maintain adequate Residential Security in both FY 1999 and in the outyears, while still maintaining other OE operations.

The increases in the Security costs are coincidental with the additional security concerns raised by the Nairobi Embassy bomb blast. However, it is anticipated that actual security services, in terms of man-hours and other resources, may also rise over the R4 period, to reflect worldwide increases in this activity. The cost of actual increases in activity has not yet been measured, but

additional funds sources would be needed to meet these costs, as they would for the additional costs mentioned above, from the rise in the contract price.

**FUNDING NEEDS FOR THE PURCHASE AND CONSTRUCTION OF FACILITIES  
( USAID Mission to Kenya and REDSO)**

With the bombing of the Embassies in Nairobi and Dar es Salam on 7 August 1998, the post was upgraded from a medium threat terrorist post to a high threat terrorist post. In addition, the post remained classified as a critical threat crime post. Kenya is surrounded by countries that are in a state of war or general turmoil, and boundaries are loosely controlled, making the area a prime location for recruitment and staging of terrorist incidents. It has also become a cross roads of trafficking in arms, drugs and illegal aliens. The area continues to receive threats and other reports of terrorist activity and within Kenya there are segments of the population who have an anti-US sentiment.

A separate table of O.E. needs for this activity has also been prepared and is attached.

The U.S. Embassy bomb blast in Nairobi in 1998 has triggered new activity in this area. In short, USAID is to move to an Interim Office Building [IOB], and then move again to a permanent Office Building when constructed.

During FY 99, activity has taken place to move USAID into an IOB. The move is expected to take place some time in early FY 2000. Listed below are the costs anticipated for this move and for activity related to the construction of a permanent office site for USAID.

<b>FY</b>	<b>Office Renovation/ Construction Costs</b>	<b>Real Estate Purchase/ Planning Costs</b>	<b>Total Facilities Costs</b>
FY 1999	\$5,785,000	\$400,000	\$6,185,000 (a)
FY 2000	\$ 415,000	-	\$ 415,000
FY 2001	\$ 319,000	-	\$ 319,000
<b>TOTALS</b>	<b><u>\$6,519,000</u></b>	<b><u>\$400,000</u></b>	<b><u>\$6,919,000</u></b>

The Department of State and AID/W have promised additional funds from various sources to pay the cost of this activity. The attached table shows the estimated costs by funding .

**(a).** Note: For FY 1999, in addition to the \$6.185 million of construction costs shown above, the Mission will require between \$10 and \$13 million dollars for construction costs of the new, permanent office site for the USAID/KENYA Complex. This site is referred to as the New Office Building ['NOB']. Funding for this \$10-\$13 Million cost is expected to come from sources other than annual USG Operating Expense funds.

<b>Cost of Construction, Relocation, Purchase and upgrades</b>				
<b>FUND SOURCE/COST</b>	<b>FY99</b>	<b>FY2000</b>	<b>FY2001</b>	<b>Total</b>
<b>Security Supplemental</b>				
Not Mission OE	(US\$000)	(US\$000)	(US\$000)	(US\$000)
Lease cost -IOB	\$335	\$0	\$0	\$335
Renovation-New Building-IOB	\$5,230	\$50	\$0	\$5,208
Renovation- Old Building	\$0	\$35	\$0	\$35
Structural survey-	\$24	\$0	\$0	\$24
Misc	\$15	\$0	\$0	\$15
move NXP to IOB	\$0	\$55	\$0	\$55
PSC IOB Manager.	\$175	\$135	\$185	\$495
<b>Total – Security</b>	<b>\$5,779</b>	<b>\$275</b>	<b>\$185</b>	<b>\$6,239</b>
<b>Building Purchase- 636c funds</b>				
IOB/ Adjacent house purchase	\$400	\$0	\$0	\$400
<b>Total – 636c</b>	<b>\$400</b>			<b>\$400</b>
<b>Mission O.E (a)(b)</b>				
Lease- IOB	\$0	\$134	\$134	\$268
Furniture-IOB	\$6	\$6	\$0	\$12
<b>Total – Mission</b>	<b>\$6</b>	<b>\$140</b>	<b>\$134</b>	<b>\$ 280</b>
<b>GRAND</b>	<b>\$6,185</b>	<b>\$415</b>	<b>\$319</b>	<b>\$6,919</b>

**Notes**

**(a) Mission O.E**

The amounts shown in this section totaling \$280,000 for are also shown in the main R4 O.E table for these years. the amounts shown above for the security Supplemental 636c Building purchase funds are not included elsewhere R4 O,E

**(b) The amounts shown for Mission O. E funds are the**  
The remaining 60 percent share is funded by

**CONTROLLER BUDGET NARRATIVE****FY 1999 ESTIMATE: \$579,600****REQUEST LEVEL FY2000: US\$518,400, FY2001: US\$582,400.**

The USAID/Kenya Mission controller has one USDH and 10 FSN's to support the financial needs of the three strategic objectives through fiscal year 1999. The Controller position is deleted near the end of FY99. One chief accountant, three financial analysts, one O.E. budget analyst, four accountants, and one secretary, are all considered to be the minimum number of employees needed to provide effective monitoring and processing of the USAID/Kenya Mission OE budget, to maintain audit coverage and accountability over USG resources, and to support the three Mission S.O.s. The costs stated below are only the controller's office costs felt to be large enough to mention.

**Resource Code 11.8, FSN Salaries.**

FSN salaries increase from \$474,300 in FY99 to request levels of \$500,600 and \$574,900 in FY2000 and FY2001. These increases are 8 percent and 15 percent, respectively, and are attributed to price rises in the Nairobi labor market. The lower 8 percent increase from FY99 to FY2000 is the result of the supplemental (15 percent) salary paid for over six months in FY99, otherwise, the FY99 to FY2000 increase would have been approximately 7 percent for annual increase and 5 percent for within grade increase or 12 percent total.

**Resource Code 12.1, USDH Benefits.**

All USDH allowances cease at the end of FY99, with the deletion of the Controller position.

**Resource Code 21.0, Travel and Transportation of Persons.**

The present controller departs post in FY99, and no further USDH travel costs will be incurred. Mission FSN personnel site visits show no increase in cost, despite increases in transport costs. This factor is attributed to fewer site visits by Mission personnel including controller's office personnel.

The increases in all other resource codes in the controller budget are due to general increases in the prices of commodities and the escalating inflation rate (which stands at 10 percent). This is the trend in the recent economic history of Kenya.

**TARGET LEVEL FY2000: US\$512,000, FY2001: US\$566,400.**

Under the Target Level, the controller's position is eliminated at the end of FY1999. The Mission becomes a non-controller post with FM FSN employees being retained by the Mission. Also, FSN overtime and contingencies has been reduced by 50 percent, from 10 percent of basic pay to 5 percent of basic pay.

# FY 1999 Budget Request by Program/Country

Program/Country: USAID/Kenya

26-Apr-99  
11:03 AM

Approp Acct: DA/CSD  
Scenario

S.O. # , Title		FY 1999 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99		
		Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health			Environ	D/G
SO 1: Effective Demand for Sustainable Political, Constitutional and Legal Reform Created																	
Bilateral		2,500													2,500	3,725	3,407
Field Spt		0															
		2,500	0	0	0	0	0	0	0	0	0	0	0	0	2,500	3,725	3,407
SO 2: Increase Commercialization of Smallholder Agriculture and Natural Resources Management																	
Bilateral		4,800	1,558	2,000	300								942			9,671	10,178
Field Spt		0															
		4,800	1,558	2,000	300	0	0	0	0	0	0	0	942	0		9,671	10,178
SO 3: Reduce Fertility and the Risk of HIV/AIDS Transmission Through Sustainable, Integrated Family Planning and Health Services																	
Bilateral		4,560						2,214	732	407	1,027	180				15,145	14,133
Field Spt		7,440						3,086	1,368	593	2,273	120					
		12,000	0	0	0	0	0	5,300	2,100	1,000	3,300	300	0	0		15,145	14,133
SO 4:																	
Bilateral		0															
Field Spt		0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																	
Bilateral		0															
Field Spt		0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																	
Bilateral		0															
Field Spt		0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																	
Bilateral		0															
Field Spt		0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																	
Bilateral		0															
Field Spt		0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Bilateral</b>		11,860	1,558	2,000	300	0	0	2,214	732	407	1,027	180	942	2,500	28,541	27,718	
<b>Total Field Support</b>		7,440	0	0	0	0	0	3,086	1,368	593	2,273	120	0	0	0	0	0
<b>TOTAL PROGRAM</b>		19,300	1,558	2,000	300	0	0	5,300	2,100	1,000	3,300	300	942	2,500	28,541	27,718	

FY 99 Request Agency Goal Totals	
Econ Growth	3,858
Democracy	2,500
HCD	0
PHN	12,000
Environment	942
Program ICASS	105
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	12,600
Dev. Assist ICASS	
<b>Dev. Assist Total:</b>	<b>12,600</b>
CSD Program	6,700
CSD ICASS	
<b>CSD Total:</b>	<b>6,700</b>

Prepare one set of tables for each appropriation Account  
 Tables for DA and CSD may be combined on one table.  
 For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

## FY 2000 Budget Request by Program/Country

Program/Country: USAID/Kenya

26-Apr-99

11:03 AM

Approp Acct: DA/CSD  
Scenario

S.O. # , Title		FY 2000 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
		Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ			D/G
SO 1: Effective Demand for Sustainable Political, Consitutional and Legal Reform Created															Year of Final Oblig: 2004		
Bilateral	3,000														3,000	4,215	4,192
Field Spt	0																
	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	4,215	4,192
SO 2: Commercialization of Smallholder Agriculture															Year of Final Oblig: 2002		
Bilateral	8,350	3,000	4,000	1,350												6,585	9,962
Field Spt	250		150	100													
	8,600	3,000	4,150	1,450	0	0	0	0	0	0	0	0	0	0	6,585	9,962	
SO 3: Reduce Fertility and the Risk of HIV/AIDS Transmission Through Sustainable, Integrated Family Planning and Health Services															Year of Final Oblig: 2004		
Bilateral	5,120						2,570	1,250	520	780	0					14,233	12,300
Field Spt	7,280						3,830	250	480	2,420	300						
	12,400	0	0	0	0	0	6,400	1,500	1,000	3,200	300	0	0	0	14,233	12,300	
SO 4: Integrated and Sustainable Natural Resources Management in Priority Areas by, and for the Benefit of, the Community of Interests															Year of Final Oblig: 2003		
Bilateral	2,680												2,680			2,920	2,211
Field Spt	220												220				
	2,900	0	0	0	0	0	0	0	0	0	0	0	2,900	0	2,920	2,211	
SO 5:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	19,150	3,000	4,000	1,350	0	0	2,570	1,250	520	780	0	2,680	3,000	27,953	28,665		
Total Field Support	7,750	0	150	100	0	0	3,830	250	480	2,420	300	220	0	0	0		
<b>TOTAL PROGRAM</b>	<b>26,900</b>	<b>3,000</b>	<b>4,150</b>	<b>1,450</b>			<b>6,400</b>	<b>1,500</b>	<b>1,000</b>	<b>3,200</b>	<b>300</b>	<b>2,900</b>	<b>3,000</b>	<b>27,953</b>	<b>28,665</b>		

FY 00 Request Agency Goal Totals	
Econ Growth	8,600
Democracy	3,000
HCD	0
PHN	12,400
Environment	2,900
Program ICASS	120
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	20,900
Dev. Assist ICASS	
Dev. Assist Total:	20,900
CSD Program	6,000
CSD ICASS	
CSD Total:	6,000

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

## FY 2001 Budget Request by Program/Country

Program/Country: USAID/Kenya

26-Apr-99

11:03 AM

Approp Acct: DA/CSD  
Scenario

S.O. # , Title	FY 2001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Effective Demand for Sustainable Political, Constitutional and Legal Reform Created															Year of Final Oblig:2004		
Bilateral	5,000													5,000	5,019	4,173	10,000
Field Spt	0																
	5,000	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,019	4,173	10,000
SO 2: Commercialization of Smallholder Agriculture															Year of Final Oblig:2002		
Bilateral	10,750	3,630	5,350	1,770											5,500	15,462	20,000
Field Spt	250		150	100													
	11,000	3,630	5,500	1,870	0	0	0	0	0	0	0	0	0	5,500	15,462	20,000	
SO 3: Reduce Fertility and the Risk of HIV/AIDS Transmission Through Sustainable, Integrated Family Planning and Health Services															Year of Final Oblig:2004		
Bilateral	5,450						2,245	1,255	0	1,850	100				12,450	12,850	53,563
Field Spt	7,550						4,355	845	0	2,150	200						
	13,000	0	0	0	0	0	6,600	2,100	0	4,000	300	0	0	12,450	12,850	53,563	
SO 4: Integrated and Sustainable Natural Resources Management in Priority Areas by, and for the Benefit of, the Community of Interests															Year of Final Oblig:2003		
Bilateral	3,900												3,900	3,000	3,211	4,000	
Field Spt	100												100				
	4,000	0	0	0	0	0	0	0	0	0	0	0	4,000	3,000	3,211	4,000	
SO 5:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	25,100	3,630	5,350	1,770	0	0	2,245	1,255	0	1,850	100	3,900	5,000	25,969	35,696	87,563	
Total Field Support	7,900	0	150	100	0	0	4,355	845	0	2,150	200	100	0	0	0	0	
<b>TOTAL PROGRAM</b>	<b>33,000</b>	<b>3,630</b>	<b>5,500</b>	<b>1,870</b>			<b>6,600</b>	<b>2,100</b>	<b>0</b>	<b>4,000</b>	<b>300</b>	<b>4,000</b>	<b>5,000</b>	<b>25,969</b>	<b>13,622</b>	<b>87,563</b>	

FY 01 Request Agency Goal Totals	
Econ Growth	11,000
Democracy	5,000
HCD	0
PHN	13,000
Environment	4,000
Program ICASS	120
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	26,600
Dev. Assist ICASS	
Dev. Assist Total:	26,600
CSD Program	6,400
CSD ICASS	
CSD Total:	6,400

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

# FY 1999 Budget Request by Program/Country

Program/Country: USAID/Kenya

11:03 AM

Approp Acct: ESF  
Scenario

S.O. # , Title	FY 1999 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1: Effective Demand for Sustainable Political, Consitutional and Legal Reform Created																
Bilateral	1,300													1,300	3,725	3,407
Field Spt	0													0	0	0
	1,300	0	0	0	0	0	0	0	0	0	0	0	0	1,300	3,725	3,407
SO 2:																
Bilateral	0													0	0	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3:																
Bilateral																
Field Spt																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 4:																
Bilateral	0													0	0	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																
Bilateral	0													0	0	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
Bilateral	0													0	0	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
Bilateral	0													0	0	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
Bilateral	0													0	0	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Bilateral</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,300</b>	<b>3,725</b>	<b>3,407</b>
<b>Total Field Support</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PROGRAM</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,300</b>	<b>3,725</b>	<b>3,407</b>

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	1,300
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (ESF only)	
Economic Support Funds	1,300
<b>Econ. Supp. Fund Total:</b>	<b>1,300</b>

Prepare one set of tables for each appropriation Account  
 Tables for DA and CSD may be combined on one table.  
 For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

# FY 2000 Budget Request by Program/Country

Program/Country: USAID/Kenya

26-Apr-99  
11:03 AM

Approp Acct: ESF  
Scenario

S.O. # , Title	FY 2000 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Effective Demand for Sustainable Political, Constitutional and Legal Reform Created																Year of Final Oblig: 2004	
Bilateral	2,000													2,000	4,215	4,192	
Field Spt	0													0	0	0	
	2,000	0	0	0	0	0	0	0	0	0	0	0	0	2,000	4,215	4,192	
SO 2:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 3:																Year of Final Oblig:	
Bilateral										0							
Field Spt	0									0							
	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
SO 4:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 5:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 6:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	2,000	0	0	0	0	0	0	0	0	0	0	0	0	2,000	4,215	4,192	
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL PROGRAM</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>4,215</b>	<b>4,192</b>	

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	2,000
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (ESF only)	
Economic Support Fund	2,000
Econ. Supp. Fund Total:	2,000

Prepare one set of tables for each appropriation Account  
 Tables for DA and CSD may be combined on one table.  
 For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Workforce

MISSION :

KENYA

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01 SMG	1	1	1	1
02 Program Officer	1	1	1	1
03 EXO	2	2	2	2
04 Controller				
05/06/07 Secretary				
10 Agriculture	1	1	1	1
11 Economics				
12 GDO		1	1	1
12 Democracy		1	1	1
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment				
50 Health/Pop.	1	1	1	1
60 Education				
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI	1	2	2	2
Other*				
<b>TOTAL</b>	<b>7</b>	<b>10</b>	<b>10</b>	<b>10</b>

Please e-mail this worksheet in either Lotus or Excel to:  
 Maribeth Zankowski  
 @hr.ppim@aidw  
 as well as include it with your R4 submission.

\*please list occupations covered by other if there are any

Operating Expenses

Org. Title: USAID/KENYA Org. No: 615 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0	0	0	0	0	0	0	0	0	0	0	0	
11.5	FNDH			0	0	0	0	0	0	0	0	0	0	0	0	
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	106.6		106.6	112		112	112		112	117.5		117.5	117.5		117.5
11.8	FN PSC Salaries	2224.3		2224.3	2418.3		2418.3	2760		2760	2557.3		2557.3	3173		3173
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.8	2330.9	0	2330.9	2530.3	0	2530.3	2872	0	2872	2674.8	0	2674.8	3290.5	0	3290.5
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	147.1		147.1	187.7		187.7	282		282	217.6		217.6	280		280
12.1	Cost of Living Allowances	27.6		27.6	20		20	28.5		28.5	20		20	25		25
12.1	Home Service Transfer Allowances	1.4		1.4	0.7		0.7	2.4		2.4	1.1		1.1	1.1		1.1
12.1	Quarters Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Other Misc. USDH Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	0		0	0		0	0		0	0		0	0		0
12.1	Other FNDH Benefits	0		0	0		0	0		0	0		0	0		0
12.1	US PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PS	0		0	0		0	0		0	0		0	0		0
12.1	Other FN PSC Benefits	50		50	25		25	50		50	25		25	50		50
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 12.1	226.1	0	226.1	233.4	0	233.4	362.9	0	362.9	263.7	0	263.7	356.1	0	356.1
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH	0		0	0		0	0		0	0		0	0		0
13.0	Other Benefits for Former Personnel - FNDH	0		0	0		0	0		0	0		0	0		0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs	0		0	0		0	0		0	0		0	0		0
13.0	Other Benefits for Former Personnel - FN PSCs	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	37.5		37.5	28		28	50		50	10		10	50		50
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	10		10	5		5	20		20	7.5		7.5	7.5		7.5
21.0	Assignment to Washington Travel	21.9		21.9	2.1		2.1	2.1		2.1	12.4		12.4	12.4		12.4
21.0	Home Leave Travel	0		0	44		44	44		44	25.5		25.5	25.5		25.5
21.0	R & R Travel	40		40	18		18	18		18	27		27	54		54

Operating Expenses

Org. Title: USAID/KENYA Org. No: 615 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Education Travel	0		0	0	0	0	0	0	0	0	0	0	0	0	
21.0	Evacuation Travel	10		10	10	10	10	10	5	5	10	10	10	10		
21.0	Retirement Travel	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Pre-Employment Invitational Travel	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Other Mandatory/Statutory Travel	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	7.5		7.5	5.5	5.5	15	15	5	5	10	10	10	10		
21.0	Site Visits - Mission Personnel	27.8		27.8	20	20	50	50	10	10	50	50	50	50		
21.0	Conferences/Seminars/Meetings/Retreats	30		30	22.5	22.5	50	50	15	15	50	50	50	50		
21.0	Assessment Travel	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Impact Evaluation Travel	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Disaster Travel (to respond to specific disasters)	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Recruitment Travel	0		0	0	0	0	0	0	0	0	0	0	0		
21.0	Other Operational Travel	0		0	0	0	0	0	0	0	0	0	0	0		
	Subtotal OC 21.0	184.7	0	184.7	155.1	0	155.1	259.1	0	259.1	117.4	0	117.4	269.4	0	269.4
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	60		60	29	29	116	116	43.5	43.5	43.5	43.5	43.5	43.5		
22.0	Home Leave Freight	110		110	49.6	49.6	50.2	50.2	55.3	55.3	55.3	55.3	55.3	55.3		
22.0	Retirement Freight	0		0	0	0	0	0	0	0	0	0	0	0		
22.0	Transportation/Freight for Office Furniture/Equip.	30		30	15	15	50	50	0	0	50	50	50	50		
22.0	Transportation/Freight for Res. Furniture/Equip.	10		10	5	5	30	30	0	0	30	30	30	30		
	Subtotal OC 22.0	210	0	210	98.6	0	98.6	246.2	0	246.2	98.8	0	98.8	178.8	0	178.8
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	155		155	155	155	185	185	185	185	185	185	185	185		
23.2	Rental Payments to Others - Warehouse Space	45		45	45	45	80	80	60	60	80	80	80	80		
23.2	Rental Payments to Others - Residences	230		230	210	210	260	260	185	185	260	260	260	260		
	Subtotal OC 23.2	430	0	430	410	0	410	525	0	525	430	0	430	525	0	525
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	20		20	22	22	22	22	22	22	25	25	25	25		
23.3	Residential Utilities	80		80	80	80	80	80	80	80	80	80	80	80		
23.3	Telephone Costs	50		50	50	50	50	50	40	40	50	50	50	50		
23.3	ADP Software Leases	20		20	20	20	20	20	10	10	20	20	20	20		
23.3	ADP Hardware Lease	0		0	0	0	0	0	0	0	0	0	0	0		
23.3	Commercial Time Sharing	0		0	0	0	0	0	0	0	0	0	0	0		
23.3	Postal Fees (Other than APO Mail)	0		0	0	0	0	0	0	0	0	0	0	0		
23.3	Other Mail Service Costs	0		0	0	0	0	0	0	0	0	0	0	0		
23.3	Courier Services	0		0	0	0	0	0	0	0	0	0	0	0		
	Subtotal OC 23.3	170	0	170	172	0	172	172	0	172	152	0	152	175	0	175
24.0	Printing and Reproduction	1		1	1	1	1	1	1	1	1	1	1	1		
	Subtotal OC 24.0	1	0	1	1	0	1	1	0	1	1	0	1	1	0	1
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0		0	0	0	0	0	0	0	0	0	0	0		
25.1	Management & Professional Support Services	0		0	0	0	0	0	0	0	0	0	0	0		
25.1	Engineering & Technical Services	0		0	0	0	0	0	0	0	0	0	0	0		
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Operating Expenses

Org. Title: USAID/KENYA		Overseas Mission Budgets														
Org. No: 615		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total												
25.2	Office Security Guards	30		30	30		30	30		30	30		30	30		30
25.2	Residential Security Guard Services	368.3		368.3	368.3		368.3	368.3		368.3	368.3		368.3	368.3		368.3
25.2	Official Residential Expenses	0		0	0		0	0		0	0		0	0		0
25.2	Representation Allowances	2.1		2.1	2.1		2.1	2.1		2.1	2.1		2.1	2.1		2.1
25.2	Non-Federal Audits	0		0	0		0	0		0	0		0	0		0
25.2	Grievances/Investigations	0		0	0		0	0		0	0		0	0		0
25.2	Insurance and Vehicle Registration Fees	0		0	0		0	0		0	0		0	0		0
25.2	Vehicle Rental	0		0	0		0	0		0	0		0	0		0
25.2	Manpower Contracts	20		20	20		20	20		20	20		20	20		20
25.2	Records Declassification & Other Records Services	0		0	0		0	0		0	0		0	0		0
25.2	Recruiting activities	0		0	0		0	0		0	0		0	0		0
25.2	Penalty Interest Payments	0		0	0		0	0		0	0		0	0		0
25.2	Other Miscellaneous Services	0		0	0		0	0		0	0		0	0		0
25.2	Staff training contracts	22.5		22.5	18		18	30		30	0		0	30		30
25.2	ADP related contracts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.2	442.9	0	442.9	438.4	0	438.4	450.4	0	450.4	420.4	0	420.4	450.4	0	450.4
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	167		167	175		175	175		175	180		180	180		180
25.3	All Other Services from Other Gov't. accounts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.3	167	0	167	175	0	175	175	0	175	180	0	180	180	0	180
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	6		6	6.2		6.2	6.5		6.5	3		3	7		7
25.4	Residential Building Maintenance	10		10	10		10	10		10	7		7	10		10
	Subtotal OC 25.4	16	0	16	16.2	0	16.2	16.5	0	16.5	10	0	10	17	0	17
25.6	Medical Care															
25.6	Medical Care	10		10	10		10	10		10	4.9		4.9	10		10
	Subtotal OC 25.7	10	0	10	10	0	10	10	0	10	4.9	0	4.9	10	0	10
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	12		12	13		13	13		13	10		10	14		14
25.7	Storage Services	0		0	0		0	0		0	0		0	0		0
25.7	Office Furniture/Equip. Repair and Maintenance	22		22	24		24	24		24	15		15	26		26
25.7	Vehicle Repair and Maintenance	10		10	11		11	11		11	8		8	12		12
25.7	Residential Furniture/Equip. Repair and Maintenance	4		4	4		4	4		4	4		4	4		4
	Subtotal OC 25.7	48	0	48	52	0	52	52	0	52	37	0	37	56	0	56
25.8	Subsistence & spt. of persons (by contract or Gov't.)	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	60		60	60		60	60		60	60		60	60		60
	Subtotal OC 26.0	60	0	60	60	0	60	60	0	60	60	0	60	60	0	60
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	50		50	30		30	50		50	0		0	50		50
31.0	Purchase of Office Furniture/Equip.	30		30	30		30	30		30	0		0	30		30
31.0	Purchase of Vehicles	20		20	20		20	20		20	0		0	20		20
31.0	Purchase of Printing/Graphics Equipment	0		0	0		0	0		0	0		0	0		0
31.0	ADP Hardware purchases	10		10	10		10	10		10	0		0	10		10
31.0	ADP Software purchases	10		10	8		8	10		10	0		0	10		10

Operating Expenses

Org. Title: USAID/KENYA Org. No: 615 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 31.0		120	0	120	98	0	98	120	0	120	0	0	0	120	0	120
32.0 Lands and structures		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0 Purchase of Land & Buildings (& bldg. construction)		2500		2500	0		0	0		0	0		0		0	0
32.0 Purchase of fixed equipment for buildings		0		0	0		0	0		0	0		0		0	0
32.0 Building Renovations/Alterations - Office		33.4		33.4	0		0	0		0	0		0		0	0
32.0 Building Renovations/Alterations - Residential		0		0	0		0	0		0	0		0		0	0
Subtotal OC 32.0		2533.4	0	2533.4	0	0	0	0	0	0	0	0	0	0	0	0
42.0 Claims and indemnities		0		0	0		0	0		0	0		0		0	0
Subtotal OC 42.0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BUDGET</b>		<b>6950</b>	<b>0</b>	<b>6950</b>	<b>4450</b>	<b>0</b>	<b>4450</b>	<b>5322.1</b>	<b>0</b>	<b>5322.1</b>	<b>4450</b>	<b>0</b>	<b>4450</b>	<b>5689.2</b>	<b>0</b>	<b>5689.2</b>

**Additional Mandatory Information**

Dollars Used for Local Currency Purchases \_\_\_\_\_

Exchange Rate Used in Computations \_\_\_\_\_

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal: 0 0 0 0 0 0



Controller Operations

Org. Title: USAID/KENYA Org. No: 615 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Education Travel	0		0		0		0		0		0		0		0
21.0	Evacuation Travel	0		0		0		0		0		0		0		0
21.0	Retirement Travel	0		0		0		0		0		0		0		0
21.0	Pre-Employment Invitational Travel	0		0		0		0		0		0		0		0
21.0	Other Mandatory/Statutory Travel	0		0		0		0		0		0		0		0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	0		0		0		0		0		0		0		0
21.0	Site Visits - Mission Personnel	2.8		2.8		2.1		2.1		5.2		5.2		1		5.2
21.0	Conferences/Seminars/Meetings/Retreats	3.1		3.1		3.1		3.1		5.2		5.2		0		5.2
21.0	Assessment Travel	0		0		0		0		0		0		0		0
21.0	Impact Evaluation Travel	0		0		0		0		0		0		0		0
21.0	Disaster Travel (to respond to specific disasters)	0		0		0		0		0		0		0		0
21.0	Recruitment Travel	0		0		0		0		0		0		0		0
21.0	Other Operational Travel	0		0		0		0		0		0		0		0
	Subtotal OC 21.0	16.9	0	16.9	8.1	0	8.1	14.3	0	14.3	4	0	4	14.3	0	14.3
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	0		0		0		0		0		0		0		0
22.0	Home Leave Freight	27.8		27.8		0		0		0		0		0		0
22.0	Retirement Freight	0		0		0		0		0		0		0		0
22.0	Transportation/Freight for Office Furniture/Equip.			0		0		0		0		0		0		0
22.0	Transportation/Freight for Res. Furniture/Equip.			0		0		0		0		0		0		0
	Subtotal OC 22.0	27.8	0	27.8	0	0	0	0	0	0	0	0	0	0	0	0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	4.8		4.8		4.8		4.8		5.7		5.7		5.7		5.7
23.2	Rental Payments to Others - Warehouse Space	0		0		0		0		0		0		0		0
23.2	Rental Payments to Others - Residences	20		20		0		0		0		0		0		0
	Subtotal OC 23.2	24.8	0	24.8	4.8	0	4.8	5.7	0	5.7	5.7	0	5.7	5.7	0	5.7
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	1.9		1.9		2.1		2.1		2.1		2.1		1		2.1
23.3	Residential Utilities	15		15		0		0		0		0		0		0
23.3	Telephone Costs	4.8		4.8		4.8		4.8		2.4		2.4		4.8		4.8
23.3	ADP Software Leases	1.9		1.9		1.9		1.9		1.9		1.9		0.8		1.9
23.3	ADP Hardware Lease	0		0		0		0		0		0		0		0
23.3	Commercial Time Sharing	0		0		0		0		0		0		0		0
23.3	Postal Fees (Other than APO Mail)	0		0		0		0		0		0		0		0
23.3	Other Mail Service Costs	0		0		0		0		0		0		0		0
23.3	Courier Services	0		0		0		0		0		0		0		0
	Subtotal OC 23.3	23.6	0	23.6	8.8	0	8.8	6.4	0	6.4	6.6	0	6.6	4	0	4
24.0	Printing and Reproduction	0		0		0		0		0		0		0		0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0		0		0		0		0		0		0		0
25.1	Management & Professional Support Services	0		0		0		0		0		0		0		0
25.1	Engineering & Technical Services	0		0		0		0		0		0		0		0
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Controller Operations

Org. Title: USAID/KENYA Org. No: 615 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Office Security Guards	2.8		2.8	2.8		2.8		2.8	2.8		2.8	2.8		2.8	2.8
25.2	Residential Security Guard Services	21		21	0		0		0	0		0	0		0	0
25.2	Official Residential Expenses	0		0	0		0		0	0		0	0		0	0
25.2	Representation Allowances	0		0	0		0		0	0		0	0		0	0
25.2	Non-Federal Audits	0		0	0		0		0	0		0	0		0	0
25.2	Grievances/Investigations	0		0	0		0		0	0		0	0		0	0
25.2	Insurance and Vehicle Registration Fees	0		0	0		0		0	0		0	0		0	0
25.2	Vehicle Rental	0		0	0		0		0	0		0	0		0	0
25.2	Manpower Contracts	1.9		1.9	1.9		1.9		1.9	1.9		1.9	1.9		1.9	1.9
25.2	Records Declassification & Other Records Services	0		0	0		0		0	0		0	0		0	0
25.2	Recruiting activities	0		0	0		0		0	0		0	0		0	0
25.2	Penalty Interest Payments	0		0	0		0		0	0		0	0		0	0
25.2	Other Miscellaneous Services	0		0	0		0		0	0		0	0		0	0
25.2	Staff training contracts	2.1		2.1	1.7		1.7		2.8	2.8		2	2		2.8	2.8
25.2	ADP related contracts	0		0	0		0		0	0		0	0		0	0
	Subtotal OC 25.2	27.8	0	27.8	6.4	0	6.4	7.5	0	7.5	6.7	0	6.7	7.5	0	7.5
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	14.6		14.6	14.6		14.6	15.2		15.2	14.6		14.6	15.2		15.2
25.3	All Other Services from Other Gov't. accounts	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.3	14.6	0	14.6	14.6	0	14.6	15.2	0	15.2	14.6	0	14.6	15.2	0	15.2
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	0.5		0.5	0.5		0.5	0.5		0.5	0.3		0.3	0.5		0.5
25.4	Residential Building Maintenance	0.9		0.9	0		0	0		0	0		0	0		0
	Subtotal OC 25.4	1.4	0	1.4	0.5	0	0.5	0.5	0	0.5	0.3	0	0.3	0.5	0	0.5
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	1.1		1.1	1.1		1.1	1.1		1.1	0.5		0.5	1.1		1.1
25.7	Storage Services	0		0	0		0	0		0	0		0	0		0
25.7	Office Furniture/Equip. Repair and Maintenance	2.1		2.1	2.1		2.1	2.1		2.1	1.5		1.5	1.1		1.1
25.7	Vehicle Repair and Maintenance	0.9		0.9	0.9		0.9	0.9		0.9	0.9		0.9	0.9		0.9
25.7	Residential Furniture/Equip. Repair and Maintenance	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.7	4.1	0	4.1	4.1	0	4.1	4.1	0	4.1	2.9	0	2.9	3.1	0	3.1
25.8	Subsistence & spt. of persons (by contract or Gov't.)	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	5.7		5.7	5.7		5.7	5.7		5.7	5.7		5.7	5.7		5.7
	Subtotal OC 26.0	5.7	0	5.7	5.7	0	5.7	5.7	0	5.7	5.7	0	5.7	5.7	0	5.7
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
31.0	Purchase of Office Furniture/Equip.	2.8		2.8	2.8		2.8	2.8		2.8	0		0	2.8		2.8
31.0	Purchase of Vehicles	1.9		1.9	1.9		1.9	1.9		1.9	0		0	1.9		1.9
31.0	Purchase of Printing/Graphics Equipment	0		0	0		0	0		0	0		0	0		0
31.0	ADP Hardware purchases	0.9		0.9	0.9		0.9	0.9		0.9	0		0	0.9		0.9
31.0	ADP Software purchases	0.9		0.9	0.7		0.7	0.7		0.7	0		0	0.7		0.7
	Subtotal OC 31.0	6.5	0	6.5	6.3	0	6.3	6.3	0	6.3	0	0	0	6.3	0	6.3
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Controller Operations

Org. Title: USAID/KENYA Org. No: 615 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
32.0	Purchase of Land & Buildings (& bldg. construction)	0		0	0	0	0		0	0	0	0		0	0	0
32.0	Purchase of fixed equipment for buildings	0		0	0	0	0		0	0	0	0		0	0	0
32.0	Building Renovations/Alterations - Office	3.2		3.2	0	0	0		0	0	0	0		0	0	0
32.0	Building Renovations/Alterations - Residential	0		0	0	0	0		0	0	0	0		0	0	0
	Subtotal OC 32.0	3.2	0	3.2	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities	0		0	0	0	0		0	0	0	0		0	0	0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL BUDGET</b>	<b>579.6</b>	<b>0</b>	<b>579.6</b>	<b>512</b>	<b>0</b>	<b>512</b>	<b>518.4</b>	<b>0</b>	<b>518.4</b>	<b>566.4</b>	<b>0</b>	<b>566.4</b>	<b>582.2</b>	<b>0</b>	<b>582.2</b>

Additional Mandatory Information

Dollars Used for Local Currency Purchases \_\_\_\_\_  
Exchange Rate Used in Computations \_\_\_\_\_

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal: 0 0 0 0 0

MISSION/OPERATING UNIT: USAID/KENYA

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2000		FY 2001	
				Obligated by:		Obligated by:	
Operating Unit	Global Bureau	Operating Unit	Global Bureau				
Commercialization of Smallholder Agriculture	ICIPE (FS) G.EGAD AFS	High	2 years		100		100
	Dairy Initiative (G/EG/AFS)	High	2 years		150		150
Integrated and Sustainable NRM in Priority Areas by, and for the Benefit of the Community Interest	AAAS Overseas Science \$ Diplomacy Fellow (GHCD/HETS)	High	1 year		120		
	CRC/URI University of Rhode Islands (G/ENV/ENR)	High	2 years		100		100
Reduce Fertility and the Risk of HIV/AIDS Transmission through Sustainable, Integrated Family Planning and Health Services	936-3057: CPSD	High	1 year (2001)		0		200
	936-3038: FPLM	High	3 years (1999-2001)		700		750
	936-3069: JHPIEGO	High	3 years (1999-2001)		750		700
	936-3068: AVSC	High	3 years (1999-2001)		800		800
	936-3078: POLICY Follow-on	High	1 year (2001)		0		500
	936-3090.02: IMPACT	High	3 years (1999-2001)		2,800		2,000
	936-3079: FHI	High	3 years (1999-2001)		250		250
	936-6006: Flagship	High	2 years (2000-2001)		150		100
	936-5994: Environmental Health	High	2 years (2000-2001)		300		200
	936-3083.01: MEASURE	High	3 years (1999-2001)		40		50
	936-3083.02: MEASURE	High	3 years (1999-2001)		100		250
	936-3083.03: MEASURE	High	3 years (1999-2001)		70		100
	936-3083.04: MEASURE/BUCEN	High	3 years (1999-2001)		90		100
	936-5970: TAACS	High	1 year (2001)		0		250
	936-3054: Population Fellows Program (Michigan fellows)	High	2 years (1999-2000)		0		150
936-5974.13: PHR	High	3 years (1999-2001)		50		50	
936-3072: PRIME	High	3 years (1999-2001)		100		100	
936-3062: Pathfinder	High	2 years (1999-2000)		1,000		0	
936-3062: Pathfinder Follow-on	High	1 year (2001)		0		1,000	
936-3070: Population Leaders Program	High	2 years (1999-2000)		80		0	
<b>GRAND TOTAL.....</b>					7,750		7,900

\* For Priorities use high, medium-high, medium, medium-low, low

**ANNEX ONE: UPDATED RESULTS FRAMEWORK**

**SO 1.0:** *Effective Demand for Sustainable Political, Constitutional and Legal Reform Created*

**IR 1.0: Civil society strengthened with emphasis on women's participation.** Sub-IRs are:

- IR 1.1: Organizational outreach capacity of civil society organizations' expanded
- IR 1.2: Improved legal and economic dialogue
- IR 1.3: Better informed public
- IR 1.4: Information on legal issues available and accessible
- IR 1.5: Expanded civil society capacity for conflict prevention and resolution

**IR 2.0: Electoral process more transparent:** Sub-IRs are:

- IR 2.1: Electoral Commission implements viable registration and management system
- IR 2.2: Improved election monitoring and poll watching system
- IR 2.3: Improved monitoring and assessment of pre-election environment.

**SO 2.0:** *Increased Commercialization of Smallholder Agriculture and Natural Resource Management*

**IR 1.0: Increased strength and competitiveness of agricultural markets:** Sub-IRs are:

- IR 1.1: Increased private sector participation in agricultural markets
- IR 1.2: Yield-Enhancing technology developed and transferred
- IR 1.3: Increased potential of selected marginal communities to make the transition from relief to development.

**IR 2.0: Increased services and labor opportunities for smallholders:** Sub-IRs are:

IR 2.1: Increased growth of micro and small enterprises

IR 2.2: Increased cost-effective delivery of services to micro and small enterprises

IR 2.3: Policy and regulatory constraints to micro and small enterprises reduced

**IR 3.0: Increased growth of non-traditional agricultural exports:** Sub-IRs are:

IR 3.1: Improved policy and regulatory environment

IR 3.2: Increased capacity of selected associations to provide export promotion services

**SO 3.0: *Reduce Fertility and the Risk of HIV/AIDS Transmission Through Sustainable, Integrated Family Planning and Health Services***

**IR 1.0: Non-USAID financial resources for FP/HIV/CS increased:** Sub-IRs are:

IR 1.1: Collaboration with major European donors and Japan intensified

IR 1.2: Sources of funding for USAID FP service delivery programs diversified

IR 1.3: Government of Kenya contribution to immunization programs increased

**IR 2.0: Capacity of public and private health institutions to finance, plan and manage resources increased:** Sub-IRs are:

IR 2.1: Public sector financial resources for primary and preventive healthcare increased

IR 2.2: Organizational capacity and self-sufficiency of key private sector FP and HIV/AIDS service providers improved

**IR 3.0: Increased customer use of integrated FP/HIV/AIDS/CS services:** Sub-IRs are:

- IR 3.1: Policies and program approaches for FP/HIV/AIDS/CS services improved through research, analysis, monitoring and evaluation
- IR 3.2: Improved prevention and management of childhood illnesses including malaria in a target district
- IR 3.3: Key FP and HIV/AIDS service delivery support systems strengthened and institutionalized
- IR 3.4: Integrated FP and HIV/AIDS services provided by selected NGOs and Cooperating Agents
- IR 3.5: Increased availability of effective, gender sensitive, HIV/AIDS responses in selected populations
- SO 4.0:** *Integrated and sustainable natural resources management in priority areas by, and for the benefit of, the community of interests (NEW)*
- SPO 1:** *Meet the Critical Needs of Kenyans Affected by the Nairobi Bombing and Build Capacity to Address Future Disasters*
- IR 1.0:** **Economic impact of the bombing reduced**
- IR 2.0:** **Health and socioeconomic needs of bomb victims met**
- IR 3.0:** **Preparedness for future disasters enhanced**

## **ANNEX TWO:GHAI**

### **GHAI SO 1: *Strengthened African Capacity to Enhance Regional Food Security***

USAID/Kenya's SO 2, which focuses on increased commercialization of smallholder agriculture and natural resource management, contributes directly to increased food security in the region. Its main interventions, involving transformation of semi-subsistence smallholder agricultural production systems to systems that are more commercially oriented, directly affect food production and income growth. USAID/Kenya's past work on the liberalization of the grain markets has allowed grain to move within Kenya without restrictions, from surplus producing areas to deficit areas. Indirectly, the reforms have encouraged regional trade by stimulating imports of grain from Uganda to Kenya, improving Kenya's food security, while earning income for Ugandan farmers. Liberalization has also allowed the private sector in Kenya to import grain from other countries and to export grain during periods of surplus. The USAID/Kenya model of linking policy research and dialogue; technology development and transfer; and appropriate policy changes and training has led to increased food security in the GHAI region.

With USAID/Kenya support, ABS, Heifer Project International (HPI), and Technoserve (TNS) have been working together in the dairy sector in Kenya to provide business development and management services, and developing private breeding, insemination and nutrition business. The consortium (ABS, HPI, TNS) has been proven successful and created a model for other countries particularly in the GHAI region. The Project has already received visitors and provided training to individuals from Tanzania, Uganda, and Malawi in selling AI equipment and germplasm to the region.

Kenya's successful approaches to microenterprise development continue to provide lessons to other countries in the region. Kenya is on the cutting edge of microenterprise development and USAID-supported NGOs have used their operations in Kenya as learning laboratories for expansion to other countries in the region. The Kenya Rural Enterprise Program (K-REP), the leading microenterprise NGO in Kenya, hosts increasing numbers of visitors from surrounding countries to learn about their successful model. K-REP has been providing capacity building consultancy services to an international organization to establish a microfinance institution (MFI) in Somali. In Tanzania, K-REP has conducted several research studies for the Bank of Tanzania to create an enabling environment for the MFI industry. Additionally, K-REP is in the process of transforming its credit services to become a bank targeted solely at the microenterprise sector, one of the first in the GHAI region. Doing so will increase outreach and enable many poor to

access loans. This contributes to an increase of their incomes and improves food security.

With financial assistance from GHAI HASP, USAID conducted the Kenya Investor Roadmap in 1998, with in-country and regional objectives. The overall objective of the Roadmap is to cut red tape of legal and regulatory constraints, thus improving the investment climate. The Kenya Roadmap is intended to form part of a “regional roadmap both for COMESA and IGAD countries which identifies specific areas of integration and harmonization of policies and procedures related to investment. Roadmaps of IGAD countries will assist the role of the private sector to enhance food security. It assures the northern tier is represented in the “regional” map process and has direct linkages to the GHAI. Plans are underway to develop a regional (Kenya, Rwanda, and Sudan) PL 480 Title II monetization program by CARE in collaboration with BHR/FFP, REDSO/ESA, USAID/Kenya and the other relevant Missions. The proposed program is expected to support great linkages in food and livelihood security in the GHAI region as it addresses linkages with GHAI SO 1.

***GHAI SO 2: Strengthened Africa Capacity to Prevent, Mitigate and Respond to Conflict in the GHAI Region.***

USAID is applying the GHAI principle of African ownership in its implementation of the DG portfolio. Our entire DG portfolio is African-led. We respond to unsolicited proposals by the politically active indigenous Kenyan NGOs, several of which are active in conflict prevention and management. Under our IR 1.5. focusing on expanding the capacity of civil society to prevent and respond to conflict, USAID/Kenya has undertaken activities aimed at strengthening the capacity of Kenyan NGOs to prevent, mitigate and respond to conflict. This IR is directly linked to GHAI’s IR 2.1. To measure performance of this IR, we use a composite Watchdog Index that seeks to characterize the ability of civil society organizations to mount early warning mechanisms, form effective coalitions, reach grassroots groups with education and training, and competently investigate conflicts. Data for calculating the index is collected through special surveys and information provided by USAID-assisted civil society organizations.

In 1997, although conflict prevention and resolution was an explicit concern for only one of partners, about 60 percent of our grantees were involved in conflict prevention and resolution activities. In 1998, the number of partners involved in conflict management activities almost doubled to 22. Of these 35 percent engage in peace and reconciliation activities, while another 35 percent in capacity building for peace and conflict management, a further 18 percent focus on resolution of land disputes which are among the major reasons for ethnic/land clashes in

Kenya..

The Education Center for Women in Democracy (ECWD) continues to be the lead grantee explicitly focusing on conflict resolution activities and is actively engaged in conflict prevention and resolution at flash points in the Rift Valley, where the ethnic clashes were worst in 1992-1997 period. During this year of reporting, ECWD trained 102 peace activists including among them elders (who typically are used to administer oaths), youths (who provide foot soldiers for raiding parties), and the clergy who command a community presence in rural areas and can therefore further the peace message. Collaborative work is also an important part of conflict resolution work undertaken by USAID-funded NGOs. For example, among the NGO Council's active networks is Peace-Net, which has consolidated itself into a national umbrella of over 40 NGOs focusing on relief to victims of conflict, development, legal and human rights and reconciliation and peacemaking. Among Peace-Net's strategies is to eliminate repeated abuse of law and human rights which usually provides an opening for more widespread degradation and violent conflict.

In mid-1998, prominent religious leaders and other leaders in civil society as well as the opposition called for a South African style Truth and Reconciliation Commission, and the Kenyan parliament passed a motion approving such a commission. Religious leaders declared they were going to form a Peace Forum to review the clashes and other violent activities in which the state and senior state officials and KANU politicians were implicated. When this movement threatened to snow-ball out of the government's control it prompted the president to appoint a judicial commission of inquiry into the clashes. This inquiry began in June 1998, continues to date, and has revealed incriminating evidence of the complicity of senior government officials and KANU politicians in various aspects of aiding, abetting or not arresting the clashes. The inquiry receives extensive coverage in newspapers and electronic media.

One of our partners, Kenya Pastoralist Forum (KPF), is involved in civic education for human rights and constitutional reform in North Eastern Kenya aimed at mitigating conflicts among pastoralist as well as between them and the state. North Eastern Kenya is a large pastoralist area with endemic conflicts among different pastoralist groups as well as between pastoralist and the Kenyan security forces. In the quasi absence of the rule of law, pastoralist groups use militaristic strategies to make demands on each other and on the state; and these strategies are met with force by the Kenyan security forces. Given this background, KPF's civic education activities are a bold attempt to educate pastoralist Kenyans about their rights and bring them to participate in the process of constitutional reform. The long-term objective of this initiative is to empower pastoralist and teach them the usefulness of using legal and constitutional means

to make legitimate demands on the state instead of force. Due to KPF's efforts, in December 1998, constructive meetings were held between Turkanas, Karamajongs (two dominant communities on both side of the border between Kenya and Uganda), and the Government of Kenya representatives. Participants developed methods for dispute resolution (including modes of paying penalties); and collectively identified for the first time generals and other people from all pastoral communities responsible for the raids.

In November 1998, IPAR, a local think tank funded by USAID, organized a conference on conflict management and resolution. The purpose of this conference was to share findings of studies on conflict management commissioned in 1997 by USAID/Kenya. Researches reported on the nature and causes of conflicts in Kenya and the GHAI region; various strategies and actors for conflict management (comprising both conflict prevention and resolution), and approaches to establish early warning systems for conflicts. USAID will distribute widely the findings and major lessons from these studies to the GHAI countries. We will share with GHAI countries not only Kenyan experiences on conflict management but also approaches to developing better early warning antennae for possible inter-communal violence. The funding for this conference was provided by GHAI.

### **GHAI SPO 3: *Improved Access to Regional Analytical Information***

USAID/K's SO3, which aims to reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services, contributes to GHAI's special objective 3. USAID assists in information dissemination, and shares bilateral lessons learned with GHAI and other countries.

USAID has worked closely with the REDSO/ESA Regional Health Network to promote an exchange of information regarding health care financing. USAID assisted REDSO to organize a highly successful study tour to Kenya for Malawi's Permanent Secretary of Health and nine senior health managers to review and observe Kenya's progress in establishing autonomy for government hospitals. REDSO/ESA and USAID/K also jointly held several regional workshops in Kenya, drawing upon Kenyan technical expertise in health service and hospital costing, community-based health insurance schemes, and national health expenditure analysis.

Under the regional logistics initiative (RLI), USAID's family planning logistics management project continued to provide logistics assistance and technologies to countries in the GHAI

region. Technical advisors from the project participated in a regional social marketing conference (held in Tanzania) in FY98 and helped conceptualize the logistics issues related to several socially marketed public health products. Several regional workshops were held at the behest of other donors, notably UNFPA. The Kenya team organized a training workshop in Uganda for staff from five African countries. Study tours to Kenya were also arranged to compare efforts to privatize Kenya's central medical stores system with similar efforts in other GHAI countries. Kenya's computerized transport management system to ensure cost-effective and efficient management of transportation resources and other software has been shared within the GHAI region.

Kenya was chosen to be one of three case studies which will identify success stories in nutrition programs, better practices and processes. A cost-effectiveness intervention model will look at different nutrition interventions in the region. The key issue to be examined in Kenya is the potential for food fortification with a particular focus on vitamin A. This activity is directly linked with a GHAI workshop held in Eritrea that looked at the linkages between nutrition and food security.

**ANNEX III. ENVIRONMENTAL COMPLIANCE:** The MEO conducted a portfolio review on the status of environmental compliance for all activities, alerted the SO teams to the need to continue monitoring environmental compliance of all activities and advised seek IEE amendments when new activities are added or existing ones modified significantly. The MEO, with support of the REO, will review the portfolio to ensure conformity and compliance of all the SOAG's in preparation. The table below summaries the status plans and schedule of environmental compliance actions for FY 98

ASSISTANCE ACTIVITIES	FY 98 AND BEFORE	FY 99	COMMENTS
<b>SO1 Effective for sustainable political, constitutional &amp; legal reform</b>			
SO -Project #615-0266, LOP FY 2004	93&95 IEE for DG. Cat Ex and deferral for PVO Co-finance	Collaborate with partners to monitor environmental impact of completed projects. Amend PVO Co-finance to resolve deferral	Compliant PVO Co-finance
<b>SO2 Commercialization of small holder Agriculture and Natural Resources Management</b>			
Conservation for Biodiverse Resource Areas, Project #615-0124, LOP FY 2003	91 IEE, Cat Ex and Neg. Det. with conditions	Activity being upgraded to new SO. Prepare new IEE for the new SO. Develop the monitoring plan for NRM SOAG>	KWS EIA enhanced. Mission to continue to enhance the environmental capacity of SO partners.
Kenya Export Development Support Project #615-0249, LOP 98	91IEE. Cat ex. IEE for new ICIPE grant	Review the environmental threshold.	
Micro-Private Enterprise Development, Project #615-0263, LOP FY 2000	95 IEE, Cat Ex. for Tech. assistance and training. Neg. Det. with conditions for agribusiness subsection. Partners compliance being monitored.	Monitoring plan to be developed. 95 IEE to be embraced in the new SO2 IEE	IEE requirement adjusted in PP. Work with Techno-Serve and Appro-Tech in developing the monitoring plan.
Kenya Market Development Project #615-0242, LOP FY 2000	89 IEE. Cat Ex. Project extended to FY 2000. Local currency through RPE	Activity will be embraced in the economic SO2. Review 1989 IEE threshold decisions	Local currency being used to fund road rehabilitation. Collaborate w/Ministry of Public Works and Kenya Wildlife Service to develop monitoring plan.
PL 480 Title II, LOP (variable years per individual)	IEE for six DAPS approved by BHR	Monitor compliance. Amend IEE and resolve the outstanding deferrals when necessary	Mission will continue with co-operating sponsors to monitor compliance. Sponsors to submit environmental status report.
Agro-business Development Support Project #615-0268, LOP FY 2002	98 Cat Ex., Neg. Det. and deferral. Innovative approach deferral to be resolved. Collaborate with partners to develop monitoring plan	Incorporate SCODP and Market Information Branch of Ministry of Agriculture (MOA) in new SO2 IEE	Implementation has just started. Implementing partners will be required to monitor environmental compliance.
<b>SO3 Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services</b>			

OE Narrative

AIDS, Population and Health integrated Assistance, #615-0264	94 Cat Ex., Neg. with conditions for medical waste disposal	Prepare SO-level IEE to include bednets, immunization, building rehabilitation, and other medical waste. Monitoring plan prepared.	Working with AMREF and CDC to monitor compliance. Discussing safe hospital disposal methods with implementing partners.
SPD Meet Critical Needs of Kenyans Affected by the Nairobi Bomb Blast and Build Capacity to Address Future Disasters			
SPO, Project #615-0269, LOP FY 2000	99 Cat Ex. for hospital bills & Neg. Deter with conditions for building rehabilitation	Monitor compliance	The in 29Ken IEE deferral was resolved.

**ANNEX IV: Evaluation Agenda**

The 1998 Kenya Demographic and Health Survey (KDHS) is the latest in a series of such surveys that provide Kenya, the Mission, and other donors the data needed to evaluate and assess their programs. The preliminary 1998 KDHS report presents evidence of a continued and significant decline in fertility rates and an increase in the use of modern family planning methods since 1993. The report also points to an increase in infant and under-five mortality during the 1990s. The final KDHS report, now nearing completion, will be a major source of information for the Mid-Term Review of the Mission's health and population program.

The 1998 KDHS data show that fertility continues to decline in Kenya. The actual total fertility rate measured for 1996 was 4.7 children per woman, down from 5.4 children in 1993. Having started at a peak TFR of 8.1 in 1976, fertility in Kenya has declined at a rate never thought possible. The decline in fertility is taking place in all provinces, although at different rates.

Improvements in various determinants of fertility are producing this change. Primary among these is the number of Kenyan couples using effective contraception. Modern method use by married women increased from 27 percent to 31 percent between 1993 and 1998, having started from 7 percent in 1977. All provinces participated in this increase, with important regional differences. The increase slowed in Central province as it neared the 55 percent level. Gains have been slower in western and coastal areas. Preliminary tabulations of monthly data suggest that the nurse's strike of late 1997 had little impact on contraceptive use. Women are using more effective longer-term methods, or are committed to contraceptive use and know of alternate sources of supply. Unmet need for family planning - women who want to wait before having another child, or have no more, but are not using contraception - has fallen 50 percent since 1993, but 24 percent of Kenyan women still need to be reached.

Kenya's family planning program, however, has reached a crucial turning point due to two converging factors, population momentum and increasing mortality. The population of reproductive age is growing rapidly, due to the very high fertility rates of the 1970s and early 1980s. In 1993 there were 1.1 million young women in the 20-24 year age group, but there were 1.5 million young women in the 15-19 year age group. By 1998 this cohort of 1.5 million young women reached the 20-24 year age group, the prime reproductive ages. Just to maintain the 1993 contraceptive prevalence required a more than 35 percent increase in the number of family planning users in the last five years. With population growth and increasing use of modern contraception there has been a corresponding increase in the demand for commodities and services. A major challenge will be to meet the

reproductive health needs of the large numbers of young people entering their reproductive years.

Added to this is the major challenge of confronting the HIV/AIDS epidemic and increasing under-five mortality levels. Among pregnant women attending antenatal clinics in Nairobi there has been a steady and rapid increase in HIV seroprevalence from 5.8 percent in 1990 to 24.6 percent in 1995. The prevalence of HIV infection among the adult population in Kenya (aged 15 years and older) has increased from 3.1 percent in 1990 to 8.0 percent in 1996 and to 8.7 percent in 1997. The most troubling result to emerge from the 1998 KDHS has been the confirmation that mortality levels are increasing. Under-five mortality declined by more than 60 percent between the 1950s and 1980s. Since then, however, it has increased, from 91 per 1,000 live births in 1984 to 112 in 1998. This increase in mortality reflects the deteriorating social and economic conditions in many areas in Kenya. Drug-resistant malaria and the HIV/AIDS epidemic are severe in western Kenya, an area that already has high childhood mortality. Continuing problems in health care service delivery are seen throughout the country. For example, vaccination coverage declined since 1993, from 79 percent to 65 percent. On the other hand, 93 percent of recent births received some antenatal care, 90 percent of the mothers had received at least one tetanus toxoid injection, and 56 percent received medical assistance during delivery. We do not know what the trend will be in the future, but there certainly is the potential of a continued increase in mortality unless effective interventions to prevent childhood diseases and HIV infection are adopted rapidly at a national scale

These converging trends (a rapidly growing reproductive age population in need of family planning services, increasing under-five mortality rates, and an explosive HIV/AIDS epidemic) combine to form a compelling "epidemiologic imperative" for continued strong support for sustainable family planning and AIDS control programs and for rapid adoption of integrated MCH/HIV/AIDS/STD services in family planning programs. Kenya must act quickly, using these and other data to formulate innovative approaches, which can be shown to be feasible, practical, and cost-effective, to have national-level impact in meeting the family planning, child survival, and AIDS prevention challenges.

The Kenya Mission will conduct a Mid-Term Review of its ten-year AIDS, Population, and Health Integrated Assistance (APHIA) program during early 1999. The purpose of this review is to assess the accomplishments of APHIA and make recommendations about warranted modifications. KDHS data will be used to examine issues such as the programmatic balance between child survival and family planning; how family planning services can most effectively be provided; the possible rationale for geographic focus; and a similar focus on population groups with large unmet needs or particularly rapid growth.



## ANNEX V

### SO 4: *Integrated and Sustainable Natural Resources Management in Priority areas by, and for the Benefit of, the Community of Interests*

**Summary:** Over the past three years, USAID has implemented its natural resource management (NRM) activities in support of its SO 2, focusing on increased Commercialization of Smallholder Agriculture and Natural Resources Management. The Conservation of Biodiverse Resource Areas (COBRA) project was specifically designed to establish a link between wildlife as a national resource and wildlife as a source of economic and social well-being for rural communities. During the 1998 review of USAID's portfolio, the environment sector, and COBRA especially, was seen as an area of growing importance and achievement in the Mission's portfolio. Based on positive performance and on the critical importance of Kenya's natural resources – to the nation, region and world – USAID proposes a new SO 4 focusing on natural resources management. This decision emphasizes the need and desire to strengthen USAID's investments in the management of Kenya's natural resources. It also reflects the reality that the main purpose of the NRM program is not to generate investment and jobs (per SO2) but instead to protect and improve management of wildlife resources through profitable community management of those resources.

**Background:** Kenya's natural resources, in particular its large diversity of wildlife, are one of the country's greatest assets. Wildlife is the base of one of Kenya's largest foreign exchange earners – tourism. In 1996 wildlife-based tourism contributed 5 percent of Kenya's GDP, one-tenth of formal employment opportunities, and over one-third of total foreign exchange earnings. Kenya's natural resources are critical to the nation's economic growth and in watershed protection, rangeland stabilization, coastal zone protection, etc.

Not only does Kenya itself contain significant biodiversity, but sustainable conservation of East Africa's biodiversity cannot succeed without progress in Kenya. Kenya has more large mammal species than any other African country, while it is second only to the former Zaire for bird diversity in Africa. Kenya is also a vital link in some of the world's most spectacular large-scale wildlife movements – e.g., those of large herbivores in the Serengeti-Mara ecosystem and of flamingos among the Rift Valley lakes. Kenya has historically played a leadership role in conservation. While the focus has until recently been on big game, it is now shifting to biodiversity. Continued assistance to the sector is required if Kenya is to remain a conservation leader. Kenya can not only sustain its biodiversity for its people, but also by example lead others to do the same.

**COBRA Performance and Prospects:** Overall, COBRA has performed well, meeting most of its original objectives. Performance, though, was negatively affected in 1997-98 by events outside USAID's control. Tourism, the major revenue source for many COBRA community enterprises, declined dramatically during this period. These declines themselves resulted from political violence in late 1997, reports of disease outbreaks, infrastructure losses due to the 97 El Niño rains, and overall negative international press coverage of Kenya. At the same time, KWS, the major implementing partner for COBRA, went through the second significant restructuring and financial difficulties, which led to major disruptions in community wildlife activities.

Eselenkei Community Wildlife Sanctuary, created by a group ranch within the Amboseli ecosystem, reported a 43 percent revenue increase in 1998. Income disbursed to member households increased, while membership rose by one-third. The Mwaluganje Community Elephant Sanctuary forms an important elephant corridor adjacent to Shimba Hills National Reserve. It has recently attracted significant interest and investment from the commercial sector, which may help it better weather future tourism downturns. An outside investor has made infrastructure improvements worth nearly \$1 million and is now extensively marketing the Sanctuary along the Kenyan coast and abroad.

Recent reports suggest that Kimana Community Wildlife Sanctuary is helping maintain a vital corridor between the elephant-dense Amboseli and the less crowded Tsavo West National Parks. At least two elephant families have dispersed from Amboseli and become Kimana residents, and increasing numbers of elephants are now passing through the Sanctuary between Amboseli and Tsavo National Parks.

Enterprises supported by the Wildlife Development Fund – COBRA's major financing mechanism for community conservation -- generated revenues of KSH 28.8 million and distributed to beneficiaries KSH 16 million in 1996-98, which compare favorably with the KSH 22.8 million invested under WDF. There is widespread report of increased ability to pay school fees and to purchase health care from the communities engaged in wildlife enterprises. Participation in community governance has also grown as membership in group enterprises increased. Perceptions of wildlife and KWS among rural communities has improved dramatically in COBRA focal areas and up to 40 percent of human-wildlife conflict cases were resolved through dialogue, as a result of USAID assistance.

Through KWS, USAID has assisted with bringing nearly 2 million hectares of land under community conservation, an area equal to 43 percent of that covered by Kenya's national parks and reserves. Wildlife surveys indicate that wildlife is faring better in areas in with longer histories of community conservation than in other areas and in Kenya as a whole.

These include areas where KWS and COBRA have focused investments for community conservation (e.g., Laikipia, Kajiado). COBRA has played a significant role in strengthening the Kenyan constituency for wildlife conservation and furthering the policy process relating to the natural resources and tourism sectors. Wildlife focused groups, like the wildlife forums, have benefited, either directly or indirectly, from COBRA. These groups are gaining the capacity to act as informed participants in the policy making process.

**Planned Adjustments to Plans:** COBRA's first phase ended in December 1998. Based on USAID's experience and the findings of several assessments and evaluations, the Mission has made a strategic shift in the implementation of its second phase. USAID, with KWS support, is now on a path towards diversifying its portfolio of key COBRA partners. New partnerships will be made involving USAID, KWS and organizations who can bring to community conservation expertise broader and deeper than that currently in KWS or which KWS can sustainably acquire.

The Mission proposes splitting its SO2 into two SOs: one focusing on commercialization of smallholder agriculture and another on NRM. Development of the NRM SO, which will build more comprehensively on USAID's past experience in the COBRA project and address emerging challenges in the environment sector, is in progress. The new SO will be consistent with current NRM trends and policies towards empowering local communities and the private sector to participate in NRM and to benefit from the wise use of resources.

The strategic planning process includes a recent workshop held in February 1999 with experts from the Kenyan NRM sector. The workshop developed the following draft SO statement: "Integrated and sustainable natural resources management in priority areas by, and for the benefit of, the community of interests." Integrated and sustainable natural resources management need not, and should not, focus solely on wildlife, but should adopt a more holistic approach addressing a range of interconnected NRM issues facing communities.

Identification of the SO priority areas will be based on criteria such as biological richness and uniqueness, extent of threat to resources, probability of program success, probability of immediate direct benefits to focus communities, capacity and resources of principal partners, and compatibility and potential for integration with other Mission investments (e.g., in democracy & governance). Building on the successes of COBRA, benefits will not be solely economic, but also include gains in local governance and broad social

multiplier effects.

The community of interests includes a diversity of entities with vested interest in the success (or failure) of planned interventions, such as national and local governmental institutions, commercial enterprises, private, group and communal land owners, community-based organizations, and interested local, national and international non-governmental organizations.

Potential SO program themes include: (i) increased adoption of integrated and sustainable NRM practices and approaches; (ii) broader participation in NRM, with increased and improved partnership linkages; (iii) institutional and governmental support increased for NRM, including development and adoption of improved NRM policies; and (iv) increased investment in NRM both by the private sector and community groups.

USAID acknowledges that it has comparative advantages in its credibility in the wildlife sector, ability to promote partnerships within the wildlife sector, focus on NRM at the community level, and ability to provide effective policy support in NRM issues. Close consultation and collaboration with other donors will improve program success and enable USAID to focus its resources in areas where it has a comparative advantage.

**Other Donors:** USAID will continue to coordinate with the major donors for the environment sector, which include the European Union, United Kingdom, Japan, World Bank, The Netherlands, and Germany. And, it will diversify its portfolio of partners to better utilize the broad expertise in community conservation that can be brought to bear on the NRM challenges Kenya faces.

**The Consultative Process Guiding SO Program Development:** In developing a new SO, USAID recognized the necessity of engaging a rich cross-section of local expertise in substantive dialog to assist in program development. It was agreed that throughout the process, major decisions would be open and transparent. The first step in the process included consultations with USAID management, other Mission SO teams, and technical staff in USAID's Africa and Global Bureaus to set the basic parameters of the new program.

As part of this initial “scoping” exercise, a diverse group of Kenyan experts were brought together for four days of intensive investigation. This group, composed of eleven key informants, represented interests and institutions working in wildlife, soil conservation, forestry/agro-forestry, livestock management, coastal resources management, and community conservation. The group conducted a scan of the NRM sector in Kenya, articulated USAID's comparative advantage in the sector, drafted a strategic objective (SO), and suggested an overall strategy implied by a set of possible program themes. The group also identified a short-list of assessments and analyses that need to be completed as part of further program planning. Participants expressed their satisfaction with the outcomes and committed their future involvement in the planning process. Additional meetings will occur with other donor representatives, as will additional stakeholder meetings after the initial planning documents have been drafted.

The next step in the process will be to move to an explicit strategy, including the description of USAID's development hypothesis, a draft Results Framework (RF), initial performance indicators and supporting documentation. This will include the involvement of a small group of experts to assist in drafting the RF and indicators. In addition, major institutions and donors working within the sector will be engaged in discussions to see how their activities may contribute to achieving results. Finally, a draft strategic plan for the NRM sector will be produced, vetted and discussed with USAID/Washington, as well as with the broad community of stakeholders in Kenya. Large group meetings will be held to ensure that the broader environment community in Kenya is informed and consulted in the process.