

**USAID/KENYA**  
**ANNUAL REPORT FY 2002**

March 2002



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**MARCH 4, 2002**

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*Released on or after July 1, 2002*

## TABLE OF CONTENTS

Acronyms	ii
Annual Report Part III: FY 2001 Performance Narrative	1
Overview	1
SO3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services	2
SO5: Improved Natural Resources Management in Targeted Biodiverse Areas by and for Stakeholders	3
SO6: Sustainable Reforms and Accountable Governance Strengthened to Improve the Balance of Power among the Institutions of Governance	5
SO7: Increased Rural Household Incomes	7
SPO4: Meet critical needs of Kenyans affected by the Nairobi bomb blast and build capacity to address future disasters	9
Updated Resource Framework	18
Environmental Compliance Table	25

## ACRONYMS

ABS/CTM	African Breeders Services/Total Cattle Management
ADRA	Adventist Development and Relief Agency
AG	Attorney General
AMREF	Africa Medical Research Foundation
ARV	Anti-retroviral drugs
ASAL	Arid and Semi-Arid Areas
AVSC	Access to Voluntary and Surgical Contraception
AWF	African Wildlife Foundation
BTC	Blood Transfusion Center
CBNRM	Community-Based Natural Resource Management
CBOs	Community-Based Organizations
CGD	Center for Governance Democracy
CORE	Conservation of Resources through Enterprises
CRS	Catholic Relief Services
CSOs	Civil Society Organizations
CYP	Couple-Years of Protection
DFID	Department for International Development
ECWD	Education Center for Women in Democracy
EDF	Enterprise Development Fund
FIPS	Farm Inputs Promotion Services
GDP	Gross Domestic Product
GOK	Government of Kenya
HPI	Heifer Project International
IEC	Information, Education and Counseling
IMCI	Integrated Management of Childhood Illness
IPAR	Institute of Policy Analysis and Research
IUD	Intrauterine device
JICA	Japan International Cooperation Agency
KANU	Kenya Africa National Union
KARI	Kenya Agricultural Research Institute
KDHS	Kenya Demographic & Health Survey
KEPHIS	Kenya Plant Health Inspection Services
KHCF	Kenya Health Care Financing Program
KHRC	Kenya Human Rights Commission
KNH	Kenyatta National Hospital
KShs	Kenya Shillings
KWS	Kenya Wildlife Services
LOL	Land O' Lakes
MOA	Ministry of Agriculture
MOH	Ministry of Health
MP	Member of Parliament
MPP	Mission Performance Plan
MSE	Micro and Small Enterprises
MTCT	Mother-to-child transmission
NCCK	National Council of Churches of Kenya
NCWK	National Council of Women of Kenya
NDI	National Democratic Institute
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization

NHIF	National Hospital Insurance Fund
NRM	National Resource Management
NTAE	Non-traditional Agricultural Exports
PAC	Post-abortion Care
PSC	Parliamentary Service Commission
PSI	Population Services International
RBCTC	Regional Blood Transfusion Center
SCODP	Sustainable Community Oriented Development Program
SME	Small and Medium Enterprises
TFR	Total Fertility Rate
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
VCT	Voluntary Counseling and Testing
WAN	Wide Area Network

## **ANNUAL REPORT PART III: FY 2002 PERFORMANCE NARRATIVE**

### **OVERVIEW**

Kenya remains a high priority country for the foreign policy interests. It is also a very important development partner in east and southern Africa. Kenya is the linchpin of eastern Africa stability and security. Kenya demonstrates regional leadership in the Global War on Terrorism. Its support for the War has been solid and wholehearted, a reflection of national values, and recognition that some 200 Kenyans were killed by Al-Qaida in the Nairobi Embassy bombing of 1998. As the third largest economy in sub-Saharan Africa and the largest economy in East Africa, Kenya is the dominant economy in the Greater Horn of Africa. Kenya, as a center for commercial and economic activity in a regional market of nearly 200 million people, has the potential to promote economic growth and stability throughout the region.

In our self-assessment, the Kenya Mission Program met expectations in 2001 in all four strategic objectives and one special objective, which is coming to an end this September. Though this is the first year of implementation of the Mission's new Integrated Strategic Plan (ISP), the results achieved to date indicate that USAID has made a difference in Kenya. The AR also identifies programmatic and policy challenges in each of our strategic objectives.

The larger context within which these results were achieved has been challenging. First, Kenya's economy last year stagnated while macroeconomic stability was maintained with 3-4 percent inflation, stable exchange rate, cautious monetary policy, and a healthy official foreign reserves, in part due to low demand for imports. The 2001 poor economic growth performance was partly attributed to drought and poor agricultural performance, but it was also due to an uncertain policy environment and the Government's inability to meet the International Monetary Fund and the World Bank policy-based lending conditionalities. The situation was further compounded when other donors suspended disbursements of program assistance. Restoring economic growth to a 5 to 7 percent growth path over the medium term will be a development challenge that Kenya will have to aggressively address. In the short-term, getting back on track with the IMF/World Bank program will be one step towards restoring flows of donor funds and investor confidence. Second, Kenya's political and governance structure over time has resulted in corruption and opportunities for rent-seeking activities. Improvement of governance will be essential in allowing renewed economic growth.

Looking into the immediate future, it is likely that in late 2002, Kenya will experience an important political transition and an opportunity for political and economic transformation, as President Daniel arap Moi steps down voluntarily to allow his successor to be chosen in multiparty elections. Ensuring that the democratic transition proceeds peacefully, freely, and fairly will be critical. Keeping the Government relatively focused on reforms and implementation of activities to support development will be a challenge as we continue to implement our ISP.

### **SO 3: Reduce Fertility and the Risk of HIV/AIDS Transmission Through Sustainable, Integrated Family Planning and Health Services**

**Summary:** This SO's intermediate results are: health sector reform and health care financing; HIV/AIDS prevention, care, and support; and reproductive and child health and child survival.

**Self-Assessment:** The AIDS, population, and health SO met its targets this year. Sales of socially marketed condoms met the target of 1.2 million per month. Revenue generated by the Ministry of Health's cost sharing program grew to \$14.9 million, above the target of \$11 million. Data on Kenya's total fertility rate will be collected during the next Demographic and Health Survey in 2003. Couple-years of family planning protection will be calculated following analysis of the 1999 Census.

**Key achievements:** The Mission's health and population program continues to achieve results. Several activities contributed to Kenya's national HIV/AIDS prevention efforts. In 2001 sales of socially-marketed Trust condoms increased 12% over the previous year. USAID-supported projects established voluntary counseling and testing (VCT) HIV services in 32 public and private sector sites. These provided services to over 9,000 people in their first 6 months of operation. Efforts to promote behavior that reduces or avoids the risk of HIV included national-level mass media campaigns on TV, a new radio soap opera (including an interactive component), and community theater presentations by 25 youth groups. In 2001 activities to prevent mother-to-child transmission (MTCT) of HIV included an operations research project undertaken jointly with UNICEF and the Ministry of Health in 3 hospitals; a second project applying research findings in 2 additional hospitals; and work with CDC to guide the national MTCT efforts.

Geographically focused innovative community-based care and support programs, based on the Government of Kenya's and USAID's HIV/AIDS strategies, were further expanded in 2001, providing care and support for people living with or affected by HIV/AIDS, including orphans and vulnerable children. Following the training of community health workers and community-based caregivers, almost 3,000 HIV-positive people received care in their homes. Working synergistically with the Mission's SO7 (Increase Rural Household Incomes), 250 people in communities particularly affected by HIV/AIDS have been trained in micro-business skills and 300 joined credit organizations.

The major service delivery activity of 2001 was the launch of the Mission's new integrated family planning, reproductive health, and child survival project. This project will produce a sustainable increase in the quality of, demand for, and utilization of services at the community level. By the end of the year this project had already trained 750 health workers and distributed essential equipment and supplies to 48 targeted facilities in its geographic focus areas. Community mobilization activities reached over 25,000 people in 192 villages in the same focus areas. Working with village animators and health committees (half of whose members were women) the project began to increase demand for services and to improve women's "agency," their ability to act as agents for social change. At the national level, USAID's technical assistance for contraceptive commodity distribution resulted in almost 2 million couple years of protection (CYPs), and had no stock-outs of major commodities. Social marketing of Femiplan injectable and oral contraceptives entered its second year. Femiplan pills sales now account for about 10% of national pill use. The post-abortion care (PAC) project trained additional 125 private nurse-midwives during 2001, giving them valuable life-saving skills.

Child survival activities continued to focus on malaria and the Integrated Management of Childhood Illnesses (IMCI) approach. In 2001 95,000 bed nets (each with an insecticide tablet) were sold, well above target. This successful pilot project will now be scaled up to national level and co-funded by British DFID, who have made it their flagship malaria project in Kenya. The Ministry of Health continues to recognize the Mission's child health initiative in Bungoma District as a key IMCI pilot district. During

2001, the project demonstrated that antenatal visits could be used to improve child health through the promotion of bed nets and the prevention of malaria during pregnancy.

As a result of USAID support, the Ministry of Health tightened its national financial management systems, resulting in significant improvements in revenue generated. Cost sharing revenue collected at major MOH facilities rose to \$14.9 million in FY 2000/01, up 22% from the previous financial year. USAID also facilitated discussions aimed at transforming the National Hospital Insurance Fund into a broader national health insurance organization. The NHIF, GOK, and private sector will participate in the development of health care options for civil servants, a model that can then be expanded to additional sectors. USAID is also helping the MOH to improve its health policies, strategies, and guidelines. During 2001, the Mission assisted with the new Condom and Blood Safety Policies, and VCT, MTCT, and Anti-retroviral (ARV) Drug Guidelines.

**Challenges:** Kenya's total fertility rate dropped from an average of 8 children born to each woman in 1976 to about 4 children in 2001, primarily due to the increasing number of Kenyan couples using effective contraception. HIV sero-prevalence rose from 5 percent of the adult (ages 15 to 49) population in 1990 to about 13 percent in 2001. Following decades of steady decline, mortality of children under age five increased by 25 percent during the 1990s. Malaria continues to be the infectious disease that kills the most children, but HIV/AIDS is becoming an important factor. Despite the reduction in fertility, and the increase in mortality, the population continues to grow by over 2 percent annually, well in excess of the economic growth rate. USAID will continue to direct national and donor attention to the challenges posed by family planning and child health needs. Despite hopeful (but extremely preliminary) signs that the HIV/AIDS epidemic is peaking, this disease remains a national disaster. Challenges include intensifying and coordinating prevention activities and devising cost-effective methods of helping those already infected. USAID will start a pilot project in 2002 to examine the rational provision, management, and use of ARVs.

**Beneficiaries:** Beneficiaries of USAID's HIV/AIDS program are the 8 million young people age 15-29 (the targets of risk avoidance and reduction activities); the pregnant women who are HIV-positive (over 100,000 every year); the 2 million people living with HIV/AIDS; the 600,000 AIDS orphans; and the other children made more vulnerable by this epidemic. Beneficiaries of USAID's reproductive health program include the 14 million men and women of reproductive age. The child health program will help improve the survival prospects of 5 million children under five years of age. The health sector reform and systems development program will benefit all Kenyans, helping to bring them quality health care and ensure better use of their own and GOK health care funds.

**Performance Data Tables:** Sales of socially marketed condoms, and the increase over last year, are a significant result which is likely to contribute to Objective 4, "Reducing the HIV transmission rate" (Table 1). These are independently audited, high-quality data. Other important results were achieved during 2001, such as the start of a major new service delivery project, the scaling up of the VCT program, and the continuation of the logistics support project. Table 2 presents figures on several selected performance measures. These include social marketing sales of bed nets and condoms, and the MTCT program. Other performance measures are not available because a DHS survey was not conducted in 2001; because the indicator is not yet in the Performance Monitoring Plan with a data quality assessment; or because USAID has no activity in an area.

## **SO 5: Improved Natural Resources Management in Targeted Biodiverse Areas by and for Stakeholders**

**Summary:** The objective of the natural resources management (NRM) program is to reverse, halt or lessen unsustainable use of natural resources outside the protected areas by working with communities to

enhance their abilities to manage their resources more sustainably. Working in selected wildlife, forestry, rangelands and marine areas, the program provides incentives to communities to change their behavior in managing natural resources. These changes should lead to more responsible uses of natural resources and eventually reduce threats and pressures on resources. Of the 4 intermediate results, USAID is responsible for 1 and 4: 1) site-specific NRM activities implemented outside protected areas; 2) encroachment and subdivision of land reduced; 3) management of protected areas improved; and 4) environmental advocacy strengthened. The GOK and other donors are responsible for the second and third intermediate results.

**Self-Assessment:** The program met expectations in 2001. The most significant program achievement in 2001 was the attitudinal change towards the environment due to increased awareness of conservation incentives among the target communities. This led to an increase in land area set aside for NRM activities to 650,040 hectares from 540,341 hectares in 2000, and in number of nature-based enterprises to 41 from 22 in 2000. The number of stakeholders benefiting from the USAID-supported NRM activities increased substantially from 15,715 in 2000 to 26,858 in 2001.

**Key Achievements:** The most significant result achieved was the positive land use change. Communities and private landowners in 9 separate conservation sanctuaries legally set aside 92,100 hectares of land as wildlife habitat, buffer zones and water catchment areas. This came as a result of some 862 stakeholders directly receiving funding, training, technical or commodity benefits attributed to the program. Another 11,143 stakeholders benefited indirectly by being shareholders in an enterprise that was either created or received technical support. The cumulative number of stakeholders who have benefited from the NRM program since its inception was 29,694 by the end of 2001. The program implemented site specific NRM activities, including organization strengthening, business and financial management, benefit sharing and mentoring to target community-based organizations (CBOs). As a result, 6 of 10 CBOs updated or completed group constitutions, 7 of 10 CBOs have active Boards of Directors and 5 CBOs are showing improved administrative and management operations.

The USAID-funded NRM Enterprise Development Fund (EDF) supported 19 businesses in 2001, bringing the total number of successful initiatives supported to 41. USAID supports joint investment deals between communities and private sector and strengthens the management and marketing activities for nature-based businesses. Ten community group ranches were assisted to make partnership deals with private sector. As a result, the private sector invested US\$ 22,500 in community businesses, to supplement the program's EDF funding of \$67,725 during the reporting year. An additional EDF funding of \$491,034 was approved for community businesses in 2001. The total income earned by the communities was \$122,494 and 112 jobs were created, providing \$80,430 in incomes. The program successfully leveraged the Ford Foundation, United Nations Development Program (UNDP) and the European Union's Biodiversity Conservation Program to invest more funds in conservation projects.

USAID assistance enhanced the communication and information technology capacity of the Kenya Wildlife Service (KWS). The installation of a wide area network (WAN) system and subsequent staff training has improved efficiency in transmission and delivery of financial information, reports and messages in the major parks of Kenya. The KWS Rhino program was assisted to acquire Rhino monitoring equipment. Each of the 11 Rhino sanctuaries received a computer and accessories for monitoring rhino management and, with training in standard Rhino monitoring techniques, the KWS Rhino team is now able to track and monitor rhino populations and movements.

USAID support in the establishment of natural resources conservation constituencies saw the creation of 3 new regional wildlife fora, strengthening of NRM advocacy activities in two other existing fora and provision of technical services to 27 CBOs. A network of CBOs from across the five focal areas, known as CORE-NET, now produce and circulate a nation-wide newsletter for sharing conservation information, creating awareness and exchanging ideas. Currently 11 community-based organizations have included

wildlife advocacy in their mandates. Positive steps have been taken over the past year to engage the Government of Kenya (GOK) and local communities in integrated coastal management policy formulation and the University of Rhode Island-led coalition is pushing the dialogue forward. While the GOK is reluctant to review the Wildlife Management Act, it agrees that certain pieces of the legislation need amendment. In this regard, KWS has developed more community-based natural resource management (CBNRM) friendly guidelines for bird shooting and new guidelines on management of crocodiles. An evaluation of wildlife cropping was completed and the report is under review with a view to implementing its recommendations. This indicates good progress and it is hoped that the review of the Wildlife Management Act will provide an enabling environment for CBNRM activities in Kenya.

**Challenges:** Increased poverty has resulted in some communities shifting focus from project initiatives to address their immediate survival needs. Cultural barriers related to gender, land tenure systems, and clannism are the major problems hindering potential for replicating the program's approaches and models in more communities. The program, through a sustained mobilization and empowerment approach, is gradually catalyzing interest and transforming the attitudes of communities to accepting progressive change. The Government of Kenya official policy pronouncements on issues such as forest excisions is often contradictory and confusing. The program is addressing this by creating grassroots constituencies for NRM and building capacity for advocacy.

**Beneficiaries:** This NRM program benefits pastoral, agro-pastoral and agriculturist communities living in the five program focal areas of Amboseli, Laikipia-Samburu, Taita Taveta, Masai Mara and the South Coast. These communities' survival options have been severely limited by the ever-diminishing arable land caused by past frequent droughts and dramatic population increases. This has brought about serious conflicts between human beings and between human and wildlife, leading to unsustainable use of natural resources. The program provides these communities with suitable incentives and technologies that improve livelihoods, enhance the value of natural resources and minimize conflicts.

## **SO 6: Sustainable Reforms and Accountable Governance Strengthened to Improve the Balance of Power among the Institutions of Governance**

**Summary:** While only in the first year of implementation, the program has met its targets. Parliament is operating more independently and civil society organizations are assisting in this pursuit. Civil society organizations effectively demand reforms by providing members of parliament (MPs) with technical assistance and information. Consequently, MPs better understand their role and are beginning to exercise their powers. The democracy program also experienced unprecedented collaboration between civil society and government across political parties. Although the program is only in the initial stages with much left to accomplish, this cooperation should lead to improved policies ranging from anti-corruption to gender equality. In fact, initial results already include unprecedented engagement by parliamentarians in the budget process and improved legislation.

**Self-assessment:** The SO met targets for the current year. In this first year of implementation our target was to develop new indicators, design data collection plans, finalize data collection methodologies and collect baseline data for all indicators. The Mission originally planned to have a Washington based team assist us in finalizing our performance monitoring system last fall. Unfortunately, the events of September 11<sup>th</sup> and subsequent travel restrictions delayed progress. However, this team was replaced with a Nairobi based team. Although this caused a two-month delay the mission now has a complete set of indicators and data collection plan. Over 50% of the baseline data are collected and the outstanding data will be collected before the end of March 2002.

**Key Achievements:** This section outlines achievements in two of the three components of our strategy. It does not address the third component, transparent and competitive elections, since it is too early to assess the program impact.

**Parliament:** Parliament has already attained significant steps towards achieving the result of increased independence. Its scrutiny of the GOK's power to tax and spend and the enactment of better legislation evidence this independence.

More effective scrutiny of the GOK's power to tax and spend: MPs spent more time scrutinizing legislation. In a marked departure from past practice MPs actually amended GOK budget proposals and rejected some legislation. For example, through private members amendments, nine changes to the Finance Bill were proposed. Six of these were adopted. At the same time, Parliament rejected numerous GOK proposals and in some cases offered counter proposals. The action taken signal a more independent, confident, and more assertive legislature. In the past MPs spent a mere two hours of the six days allotted for discussing the budget statement. Much of this time was dedicated to making political statements, not debating and scrutinizing policy. This year, MPs spent the full six days raising issues and asking crucial policy questions. A good deal of this change can be attributed to USAID budget seminars and consultations where the mission's civil society partners have gained access to and engaged MPs in critical committees on the budget.

Better legislation: USAID assistance provided a group of MPs from the sugar-cane-growing region of Kenya to review a proposed Government bill to reform the sugar industry. As a result of their input, better sugar legislation that specifically included farmers' representatives was passed. The new law will give farmers more power in the processing and marketing of their sugar.

**Civil society:** As detailed above, in the year under review a key segment of our civil society program complemented the parliamentary strategy. Civil Society Organizations (CSOs) do advocate more effectively for reforms, in part, because they have strengthened the linkages between the GOK and civil society. The CSOs also have strengthened their capacity to prevent and resolve conflicts. Thematically the most significant parts of the mission civil society strategy have been gender advocacy, specifically more inclusion of women in decision-making, anti-corruption and conflict prevention and mitigation.

Gender: Initially both affirmative action and equality were targeted at increasing the number of women in Parliament and these bills faced significant resistance in Parliament. In an attempt to build a broader constituency for reform the mission's lead partner organization on this issue has widened the scope to include all historically marginalized groups. The partners are also broadening their tactics by feeding recommendations to the Constitutional Kenya Review Commission as well as Parliament.

Anti-Corruption: The IMF and World Bank lending was put on hold when the courts deemed the Kenya Anti-Corruption Authority unconstitutional. The GOK then attempted to introduce new anti-corruption legislation. It did not pass in parliament and the GOK was criticized for failing to consult widely before bringing a new bill to parliament. The way forward for an effective anti-corruption initiative has been at the forefront ever since. One USAID partner has been leading efforts to bring the various political viewpoints together to ensure effective legislation is enacted. This partner facilitated formation of the Kenya Anti-Corruption Coalition, whose members include Parliamentarians from all major parties, the Attorney General (AG), the private sector and civil society. These members signed and published a Joint Commitment Statement outlining Kenya's commitment to fighting corruption. In a further unprecedented move, the AG not only requested assistance from our partner in drafting new anti-corruption legislation; he is also sharing drafts of the legislation with the Coalition. Using this new approach, the AG anticipates the revised bill to be enacted later this year. Whether or not the legislation passes this year, the

consultation process establishes a new collaborative relationship between government and the opposition on a crucial and politically charged policy issue.

**Conflict:** Conflict remains crucial to mission strategy. The establishment of peace committees, youth peace clubs, the revivification of traditional conflict resolution mechanisms and the increased incorporation of women in peace building activities have all contributed to increasing civil society's capacity to prevent and resolve conflicts. For example, one partner has managed to bring together Turkana and Ethiopian Warlords. These parties are now planning on working together to rehabilitated schools destroyed during periods of conflict.

**Challenges:** Our challenge last year was winning Parliament's trust in implementing the parliamentary strengthening program. To overcome that challenge USAID implemented a two pronged approach. At the policy level the mission entered into a MOU with the GOK. At the program level our implementing partner worked in close collaboration with the parliament ensuring that the USAID program was the implementation of Parliament's own strategy and Parliament sponsored USAID funded workshops and seminars. Not only was the challenge overcome, Parliament now owns the program. The obstacle for the coming year will be to maintain our momentum in light of the upcoming elections. Since it will become increasingly difficult to get MPs to focus on institutional strengthening tactically the program will shift to strengthening Parliamentary staff and the Electoral Commission of Kenya.

**Beneficiaries:** The program's immediate customers are the government institutions and civil society organizations receiving assistance. Indirectly, each and every Kenyan citizen, is also a beneficiary-whether urban or rural, female or male, young or old-because all Kenyans will benefit from more effective and responsive institutions of governance.

## **SO 7: Increased Rural Household Incomes**

**Summary:** The objective of this USAID program is to increase rural household incomes in Kenya from both agriculture and micro-enterprise activities. Focusing on dairy, maize and horticulture in the high and medium zones and a variety of commodities in the arid and semi-arid areas, the agriculture activity increases rural household incomes through: i) increased productivity; ii) increased trade; and iii) enhanced effectiveness of smallholder organizations to provide business services to their members. The micro-enterprise activity increases incomes through improved access to business support services for micro and small enterprises (MSEs).

**Self-Assessment:** The program has met its goals during the year. Income opportunities have been created for smallholder farmers and MSEs as a result of USAID supported agriculture and micro-enterprise activities. Through dialogue and advocacy work, USAID-funded Tegemeo Institute provided a strong analytical base for the GOK's agricultural policies that affect incentives for producers, exporters and consumers of maize, horticulture, dairy and other crops. Liberalization of the agricultural market has remained on course largely due to input from Tegemeo's policy research and analytical work and USAID's facilitation of improved private sector-GOK dialogue and decision making.

**Key achievements:** USAID's work with the GOK, NGOs and the private sector enhanced smallscale farmers' productivity by increasing use of improved technologies. In 2001, the Kenya Agricultural Research Institute (KARI) developed and released 8 varieties of maize, 16 varieties of sorghum/millet and 32 varieties of flowers that provided higher yields and addressed farmers' specific production problems of drought, pests and diseases. Impact assessment studies by KARI showed that the average adoption rate of the varieties was 80 percent. Winrock International, Technoserve and Kenya Plant Health Inspection Services (KEPHIS) assisted about 100 smallscale seed growers to produce 43 metric tons of certified maize seed and earn over \$20,000. The KARI Seed Unit also facilitated production of additional 2,000

tons by small seed growers during the year. This increased the availability of high quality seed is leading to increased productivity. USAID-funded Sustainable Community Oriented Development Program (SCODP) developed private sector marketing of mini-packs of agricultural inputs whose small size and price encourage farmers to experiment with new varieties and more appropriate fertilizers. Through its Farm Inputs Promotion Services (FIPS), SCODP sold over 520,000 tons of seeds, fertilizer and animal feeds, valued at over \$182,000, to smallscale farmers in 2001, resulting in increased productivity. Land O' Lakes (LOL), Heifer Project International (HPI) and African Breeders Services/Total Cattle Management (ABS/TCM) provided training, dairy technology transfer and milk marketing services to smallscale dairy farmers, who earned a total income of \$1.5 million in 2001. The NGOs trained over 12,000 dairy farmers on fodder production and conservation, artificial insemination, disease control, milk handling and record keeping as the first steps to increasing productivity. ABS/TCM sold \$313,310 worth of US bovine genetics (38,800 units) and dairy equipment in the East African market. The infusion of US genetics and improved animal husbandry practices resulted in average milk productivity of 18 liters per cow per day in the target areas, compared to the Kenyan average of 4.5 liters for smallscale farmers. The services provided by ABS/TCM are on a commercial basis, demonstrating the potential for sustainable service provision. Large-scale milk processors, Spin Knit and Brookside, have opened milk collection and cooling centers for smallscale farmers in the dairy production areas of Kenya. Milk traders have also installed milk-cooling equipment in highly populated areas in Nairobi.

Using Title II P.L.480 resources, 730 households produced 635,000 liters of milk and earned \$104,292 due to increased milk production from heifers distributed by HPI to 73 women's groups in the Coast province. The Adventist Development and Relief Agency (ADRA) also used Title II resources to train farmers in the arid and semi-arid areas (ASAL) to introduce improved farming techniques and drought tolerant crops, resulting in higher productivity. Dorcus, one of the leader farmers in the ADRA program was able to put so much acreage under cassava that she earned \$2,564 in 2001.

USAID-supported microfinance institutions (MFIs) achieved large-scale outreach and high impact. The MFIs served over 116,000 clients and disbursed over \$38.6 million in loans during the year. Except for Kenya Women's Finance Trust, whose clientele is 100 percent women, the average participation of women ranges between 45 and 50 percent. The micro-irrigation pump technology developed by Appropriate Technology for Enterprise Creation (ApproTEC) greatly increased productivity of smallscale horticulture farmers. To date, a total of 11,286 jobs have been created and \$9.58 million earned by over 7,600 the farmers who have bought the pumps. In 2001, 1,229 farmers purchased pumps and earned a total \$1.54 million. About 43 percent of the farms are women owned.

Through a series of USAID facilitated meetings and sector-based Task Forces, the Ministry of Agriculture's (MOA) role has shifted from program implementation to facilitating identification of constraints and interventions, and maintaining dialogue among the private sector, NGOs, donors and all stakeholders in the respective sectors. As a result of the stakeholders meetings, the GOK agreed to withdraw a flawed legislation for the horticulture sector, and opened up debate on the draft dairy bill to all stakeholders. This process presents USAID opportunities to dialogue with the GOK and to facilitate and leverage support for true reform in the focus commodity sectors. The strengthened USAID relationships with the GOK and the private sector facilitated public and private sector dialogue, resulting in firm steps being taken to address constraints.

**Challenges:** At the broadest level, we face the challenge of maintaining progress to change policies and promote a change in the GOK's paradigm of production-led agriculture versus a market-driven agriculture that will better prepare Kenya for globalization. We are currently in transition between SO 2 and SO7 strategies, and several SO 2 activities are still active and directly contribute to the SO 7 objective of increased rural household incomes. SO 7's design was significantly delayed by a long procurement process, and further delayed by the September 11 events and subsequent travel bans. The design work

started in late January 2002 and we expect to have this finalized in April 2002, after consultations with stakeholders, including the GOK. Consequently, the SO 7 Performance Monitoring Plan has not been developed. The problems during much of 2001 between implementing partners paralyzed operations of the dairy program and led to termination of the grant in July 2001. The dispute delayed the activity's ability to achieve results and seriously delayed its sustainability. In late 2001, USAID provided a grant to LOL, ABS/TCM and HPI that has begun to overcome the negative impact of the terminated program and to restore USAID's image in Kenya's dairy sector.

**Beneficiaries:** This program targets approximately 3.5 million smallscale farmers, the majority of whom are engaged in dairy, horticulture and maize subsectors, and about 1.3 million MSEs in Kenya that employ approximately 2.4 million people. A large number of the program beneficiaries are women who manage over 40 percent of smallholder farms and account for over 47 percent of MSE employees.

#### **SPO 4: Meet Critical Needs of Kenyans Affected by the Nairobi Bomb Blast and Build Capacity to Address Future Disasters**

**Summary:** Special objective four (SPO4) focuses on meeting the critical needs of Kenyans affected by the Nairobi bombing and building the capacity to address future disasters. Our assistance for medical, mental health, and rehabilitative services for those injured by the bomb, scholarships for children orphaned by the bomb, and assistance to businesses and buildings damaged by the bomb contribute to the Agency objective of urgent needs in crisis met. Improvements in blood safety and ambulance services will result in the potential impact of crises reduced, another Agency objective.

**Self-Assessment:** Mission self-assessment of the performance of the SPO is that it meet its expectations last year. Considerable progress was made this reporting year in the rehabilitation, in form of physiotherapy, hydrotherapy and occupational therapy for survivors of the August 7, 1998 Nairobi Bombing.

**Key Achievements:** Due principally to provision of comprehensive medical care and excellent networking and collaboration between USAID partners implementing follow-up medical treatment program, overall hospital visits for follow-up medical care dropped by 16%. Hospital referrals dropped by 18% while prescriptions dispensed decreased by 22%. This trend is attributed to improved physical and psychological health of bombing survivors. Additionally, while the number of new clients registered for medical follow-up has been on the increase since 1999, last year it dropped by 63%.

During this reporting period, the USAID targeted to provide individual counseling and short-term psychiatric sessions to about 1,000 severely traumatized adults, children and rescue workers. To date trauma counseling and psychiatric treatment has been provided to 1,633 adults and 2,216 children. Over 10,000 counseling sessions were held. As a result of continuous counseling and psychological care to clients with stress related illnesses, marked improvement was noted in the majority of victims who have cultivated a positive approach to life after they had developed post traumatic stress disorders. Mothers and children make fewer visits to medical facilities, take less medication and have improved performance in stress management and physical and psychological healing. Victims have been counseled and educated to appreciate that their problems are similar and that positive thinking and love towards one another leads to family cohesiveness. As a result victims have made a resolution to forget the past and move forward positively in order to continue with their lives constructively. One victim after receiving counseling and training on basic prevention and management of chronic conditions remarked several days later "I have not taken my ulcer treatment. I have control over my body because I know what it makes condition worse". Another added "backward never and forward ever". We have noted significant change in attitude and an increased sense of responsibility in taking care of irritability and anger.

USAID is working with local organizations that deal with the blind, the deaf and physically handicapped to rehabilitate victims disabled by the bombing. USAID has provided therapy, equipment, and vocational training to economically rehabilitate over 400 people who were physically disabled by the bomb. Over 500 disabled persons have been trained in business skills and 200 given credit to establish businesses. Last year, 109 disabled survivors received vocational training and 61 of them were placed in jobs. USAID will continue to provide advisory services and intensive follow-ups to all the disabled clients. Our assessment of this program show that the disabled victims have benefited tremendously from loans and credit provided by USAID and those clients who have already graduated from our credit scheme have attracted bigger loans from other micro-finance institutions. The education support program is providing school fees for about 1,053 children who lost a wage-earning parent in the bombing as compared to 860 in 2000. The reconstruction of the Cooperative Bank building is about 85% complete. Final completion is forecast for April 2002. Last year, after an evaluation and assessment of costs related to repairs of damaged building located near the Embassy, USAID assisted over 60 building owners.

USAID is assisting Kenya's Ministry of Health to strengthen national blood transfusion services. Last year, national blood transfusion center (RBC) in Nairobi and regional blood transfusion center (RBTC) in Kisumu were constructed, equipped, furnished and have been functional for over 8 months. Construction of additional three RBTC in Nakuru, Mombasa, and Embu is also completed. These centers will be equipped, furnished and will be functional by June 2002. Laboratory technicians and pathologists working in blood services have received training through Uganda's Nakasero blood center and Kenya Medical Research Institute. A quality assurance program has been established and is implemented through AMREF. We have started an intensive blood donor recruitment program focusing on youth in and out school, faith-based organizations and educational institutions. Due to USAID support, policy guidelines on blood transfusion services have been printed.

USAID-supported disaster preparedness and community education interventions aimed at strengthening disaster planning and coordination in government, hospitals and other local organizations began in July 2000. The program is directly benefiting over 3,500 persons, from members of the general public, including survivors of the 1998 bombing to emergency medical technicians, ambulance attendants, medical personnel in hospitals, key professionals, school children, and several NGOs. The program places special emphasis on populations at maximum risk by strengthening their response capacity and increasing the general public's awareness of disaster preparedness and mitigation. Several TV and radio education programs aimed at increasing public awareness of disaster preparedness and mitigation have been prepared. A series of radio programs on awareness, preparedness and prevention dealing with fire, road accidents, floods, and mass-casualty incidents (such as plane crash, building collapse or explosions) are aired once a week, in prime time, on four major FM radio stations and two leading local daily newspapers. A total of 14 TV programs and 14 radio spots have been produced and aired with 10, half-page articles in the daily newspapers. As a result of this comprehensive media campaign in both the print and electronic media, about 10.2 million Kenyans have been educated on disaster/emergency prevention.

**Challenges:** The conditions of bomb survivors continue to fluctuate due to secondary physical problems and socio-economic depression. Psychiatric clients continue to increase. We have noticed in the past year unexpected increased demand for credit from disabled survivors. The credit scheme for disabled people Key Achievements is extremely popular and we can't meet demand. The impending phase-out (September 2002) of this program is creating worries, fear, and anxiety particularly for survivors who lost their jobs or are unemployed and require further specialized treatment.

**Beneficiaries:** Beneficiaries include Government of Kenya; the over 5,000 people injured by the bombing, co-workers, children and families of deceased; over 400 physically disabled persons; 250 businesses with damaged buildings, equipment, and infrastructure; Ufundi Cooperative; Cooperative Bank of Kenya; and institutions that provide emergency response and blood transfusion services.

**Table 1: Annual Report Selected Performance Measures**

**December 3, 2001**

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives</b>					
1 Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes	No	N/A		
2 a. How many alliances did you implement in 2001? (list partners) b. How many alliances do you plan to implement in FY 2002?					
3 What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?					
<b>Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.</b>					
4 If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met		
<b>USAID Objective 1: Critical, private markets expanded and strengthened</b>					
5 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged</b>					
6 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable</b>					
7 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded</b>					
8 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
9 a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual) b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	Male	Female	Total		
<b>USAID Objective 5: World's environment protected</b>					
10 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	2	N/A		
11 a. Hectares under Approved Management Plans (2001 actual) b. Hectares under Approved Management Plans (2002 target)					
<b>Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.</b>					
12 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met		
<b>USAID Objective 1: Reducing the number of unintended pregnancies</b>					
13 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 2: Reducing infant and child mortality</b>					
14 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>					
15 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries</b>					
16 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A	CSD	Sales of Trust socially marketed condoms are independently audited
<b>USAID Objective 5: Reducing the threat of infectious diseases of major public health importance</b>					
17 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>Pillar IV: Democracy, Conflict and Humanitarian Assistance</b>					
18 If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met X	Not Met		
<b>USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened</b>					
19 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
<b>USAID Objective 2: Credible and competitive political processes encouraged</b>					
20 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 3: The development of politically active civil society promoted</b>					
21 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 4: More transparent and accountable government institutions encouraged</b>					
22 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
<b>USAID Objective 5: Conflict</b>					

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
23 Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
24 Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
25 Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total		
<b>USAID Objective 6: Humanitarian assistance following natural or other disasters</b>					
26 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
27 Number of beneficiaries					

**Table 2: Selected Performance Measures for Other Reporting Purposes**

The information in this table will be used to provide data for standard USAID reporting requirements

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>Child Survival Report</b>					
<b>Global Health Objective 1: Reducing the number of unintended pregnancies</b>					
1 Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)					
<b>Global Health Objective 2: Reducing infant and child mortality</b>					
2 Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total		
3 Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total		
4 Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total		
5 Were there any confirmed cases of wild-strain polio transmission in your country?					
<b>Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>					
6 Percentage of births attended by medically-trained personnel (DHS/RHS)					
<b>Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance</b>					
7 a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual)	95,000				Sales of Supanet socially marketed bednets are independently audited
b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)	300,000				
8 a. Proportion of districts implementing the DOTS Tuberculosis strategy (2001 actual)					
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 target)					

## HIV/AIDS Report

### Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

9	a. Total condom sales (2001 actual)	14.8 million			Sales of Trust socially marketed condoms are independently audited
	b. Total condom sales (2002 target)	16.2 million			
10	a. Number of individuals treated in STI programs (2001 actual)	Male	Female	Total	
	b. Number of individuals treated in STI programs (2002 target)				
11	a. Is your operating unit supporting an MTCT program?	yes			
	b. Will your operating unit start an MTCT program in 2002?				
12	a. Number of individuals reached by community and home based care programs (2001 actual)	Male	Female	Total	
	b. Number of individuals reached by community and home based care programs (2002 target)				
13	a. Number of orphans and vulnerable children reached (2001 actual)	Male	Female	Total	
	b. Number of orphans and vulnerable children reached (2002 target)				
14	a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)	Male	Female	Total	
	b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)				

**Victims of Torture Report****Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture**

<b>15</b> Did you provide support to torture survivors this year, even as part of a larger effort?					
<b>16</b> Number of beneficiaries (adults age 15 and over)	Male	Female	Total		
<b>17</b> Number of beneficiaries (children under age 15)	Male	Female	Total		

**Global Climate Change****USAID Objective 5: World's environment protected**

<b>18</b> Global Climate Change: See GCC Appendix				
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## **Annex One: Updated Results Framework**

### **SO3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services**

- IR3.1 Improved enabling environment for the provision of health services
  - Sub IR3.1.1 Policies for FP/RH/CS services improved
  - Sub IR3.1.2 Efficiency in the management of health sector resources improved
  - Sub IR3.1.3 Quality of services in health facilities improved
- IR3.2 Increased use of proven, effective interventions to decrease risk of transmission and mitigate the impact HIV/AIDS
  - Sub IR3.2.1 Reduced key policy and other contextual constraints to preventing and mitigating the impact of HIV/AIDS
  - Sub IR3.2.2 Improved knowledge and practice of prevention behaviors
  - Sub IR3.2.3 Enhanced provision of HIV/AIDS/STI prevention, care, and support services
- IR3.3 Increased customer use of FP/RH/CS services
  - Sub IR3.3.1 Integrated FP/RH/CS services expanded
  - Sub IR3.3.2 Improved knowledge and demand for FP/RH/CS services
  - Sub IR3.3.3 New and improved FP/RH/CS programs and interventions conducted and applied

### **SO4: Critical needs met for Kenyans affected by the Nairobi bomb blast and capacity built to address future disasters**

- Sub IR4.1 Economic impact of the bomb blast reduced
- Sub IR4.2 Health and socioeconomic needs of bomb victims met
- Sub IR4.3 Preparedness for future disaster enhanced

### **SO5: Improved natural resources management in targeted biodiverse areas by and for stakeholders**

- IR5.1 Site specific initiatives for NRM implemented outside protected areas
  - Sub IR5.1.1 Appropriate NRM tools and technologies adopted
  - Sub IR5.1.2 Integrated community NRM plans established
  - Sub IR5.1.3 Improved local decision making based on monitoring and analysis
  - Sub IR5.1.4 Nature-focused business practices improved
  - Sub IR5.1.5 Awareness of incentives for NRM increased
    - Sub IR5.1.5.1 Wildlife policy revised and wildlife conservation and Management bill passes
    - Sub IR5.1.5.2 EMA formed and functional
    - Sub IR5.1.5.3 Land use policy created and enacted
    - Sub IR5.1.5.4 New Forest Bill passed
    - Sub IR5.1.5.5 National Biodiversity strategy established
- IR5.2 Encroachment and subdivision reduced
- IR5.3 Improved management of protected areas
  - Sub IR5.3.1 Improved availability and analysis of data for decision-making
- IR5.4 Environmental advocacy strengthened
  - Sub IR5.4.1 Constituencies for natural resources conservation established

**S06: Effective Demand for Sustainable Political, Constitutional and Legal Reform Created**

- IR6.1 CSOs effectively demand reforms and monitor government activities
  - Sub IR6.1.1 Improved technical and advocacy skills
  - Sub IR6.1.2 Improved CSO management
  - Sub IR6.1.3 Strengthened capacity to prevent and resolve conflicts
  
- IR6.2 Increased independence of selected government institutions
  - Sub IR6.2.1 Enabling environment promotes independence
  - Sub IR6.2.2 Strengthened parliamentary committee system
  - Sub IR6.2.3 Increased awareness of alternative practices and available resources
  - Sub IR6.2.4 Improved capacity for analysis, investigation and decision-making
  
- IR6.3 More transparent and competitive electoral processes
  - Sub IR6.3.1 Improved electoral enabling environment
  - Sub IR6.3.2 Improved electoral administration
  - Sub IR6.3.3 Improved monitoring of electoral processes
  - Sub IR6.3.4 Increased capacity of political parties to compete more effectively in elections
  
- IR6.4 Better informed public and political actors
  - Sub IR6.4.1 Strengthened linkages between government institutions and civil society
  - Sub IR6.4.2 Objective political, legal and economic information available from the media and other diverse sources

**S07: Increased Rural Household Incomes**

- IR7.1 Increased productivity of targeted agricultural sub-sectors
  - Sub IR7.1.1 Policy environment promotes investment in agribusiness and efficient use of resources
  - Sub IR7.1.2 Increased use of technology
  - Sub IR7.1.3 Sustainable use of natural resources for agriculture
  - Sub IR7.1.4 Increased participation of private sector in delivery of services
    - Sub IR7.1.4.1 Capacity of private sector institutions to provide services strengthened
  
- IR7.2 Increased agricultural trade
  - Sub IR7.2.1 Policy environment that promotes trade and competition
  - Sub IR7.2.2 Improved performance of agricultural marketing systems
  - Sub IR7.2.3 Improved delivery of services necessary to facilitate agricultural trade
  
- IR7.3 Increased access to business support services for micro- and small Enterprises
  - Sub IR7.3.1 Policy environment promotes enterprise development
  - Sub IR7.3.2 Financial markets developed and strengthened
  - Sub IR7.3.3 Cost-effectively delivered non-financial services increased
    - Sub IR7.3.3.1 Capacity of private sector institutions to provide business services strengthened
  
- IR7.4 Increased effectiveness of smallholder organizations to provide business

services to their members and represent their business interests

Sub IR7.4.1 Policy and regulatory environment promotes groups abilities to organize and pursue business interests

Sub IR7.4.1.1 Role of GOK in encouraging group/cooperative/association formation and functioning strengthened

Sub IR7.4.2 Ability of smallholder organization members to manage organization business activities strengthened

### Annex Three: Environmental Compliance Status and Plans

**Component 1. Plan for new or amended IEE or EA actions for coming year.** The Mission plans to amend the IEEs for SOs 3 and 7, as listed in the Table below.

**Component 2. Compliance with previously approved IEEs or EAs.** The Mission prepared three new SO level IEEs for its FY 2001 to 2005 ISP approved in January, 2001. The new SO-level IEEs are: SO5 - Improved natural resource management in targeted biodiverse resource areas for and by the stakeholders, SO6 - Sustainable reforms and accountable governance strengthened to improve the balance of power among the institutions of governance, and SO7 - Increased rural household incomes. All Mission activities are in compliance with 22CFR, Part 216. The status and plan for environmental compliance actions for FY 2002 and 2003 are summarized in the table below.

ASSISTANCE ACTIVITIES	FY2001 and before	FY 2002 and beyond expected	Comments
<b>SO6: Sustainable reforms and accountable governance strengthened to improve the balance of power among the institutions of governance</b>			
i)SO6 - new activities. 615-006 LOP 2005  ii)SO1 activities: Project 615-0266 Small grants program PACD 2004	2001 IEE (31 Kenya1 Sustainable Reforms and Governance (SO6), 8/13/02), Categorical Ex. for research and information transfer,  i) New SO 6 activities designed  ii) SO1 project activities are compliant and will continue to 2004.	Monitoring for compliance will continue for new and old activities.	Current activities are compliant.
<b>SO5: Improved natural resource management in targeted biodiverse resource areas for and by stakeholders</b>			
i) SO 5 new activities 615-005 LOP 2005 - Mpala Research Centre grant  ii) SO 2 activities – CORE	2001 IEE (31 Kenya2 SO5: Improved Natural Resources Management, 8/15/02), Cat. Ex. for tech. assistance and training., Neg. Det. for technology development.  i) New IEE incorporated in SO monitoring plan  ii) SO 2 activities compliant.	i) Forestry and marine activities designed ii) Environmental screening and review underway for enterprise activities before implementation.  New forestry & marine activities covered by IEE; USAID/Kenya ENRM officer oversight (ENCAP trained)	Current activities are compliant. Mission will continue to enhance capacity of partners and beneficiaries to monitor environmental compliance.

<b>SO7: Increased rural household incomes</b>			
<p>i) SO 7 new activities. 615-1007, LOP 2005</p> <p>ii) SO 2 activities</p> <ul style="list-style-type: none"> <li>- Micro-Private Enterprise Development Project (MicroPED)</li> <li>- Agri-business Development Support Project.</li> <li>- Kenya Market Development project</li> <li>- Kenya Export Development Project</li> </ul>	<p>2001 IEE (31Kenya3 SO7 Rural Income.doc, 8/29/01), Cat Ex. for Tech. assistance and training. Neg. Det. for agribusiness activities. Deferral for new activities involving use of insecticides and GMOs.</p> <p>New activities under design.</p>	<p>IEE actions to be applied accordingly depending on nature of activities designed.</p> <p>Deferrals for pesticide use and GMOs to be resolved with amended IEE and PERSUAP by 2<sup>nd</sup> Q FY 2003 (dairy development and horticulture)</p>	<p>Current activities are compliant. Environmental compliance to be incorporated in the SO 7 implementation programs and monitoring plans.</p>
<p>PL 480 Title II, LOP (variable years per individual DAPs)</p>	<p>Compliance reports (ESRs) submitted. DAPs for FY2001 were reviewed. ESRs/CSR4s had no unresolved issues for on-going DAPs.</p>	<p>One 2003 DAP IEE and Five 2003 CSR4 ESRs under review.</p> <p>Five CSR4 ESRs and one DAP IEE for 2002 reviewed and approved</p>	<p>Mission will continue to collaborate with cooperating sponsors (CRS, CARE, World Vision, ADRA etc) to monitor compliance.</p> <p>WV is designing IPM training in Marsabit</p>
<b>SO3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning &amp; health services</b>			
<p>Assistance to the Population Health Sector, 615-0264-00, LOP FY 2005</p>	<p>1999 IEE (<u>29kenya4.iee</u>, 11/4/99), Cat Ex. for tech. assist. and training, Neg. Det. with conditions for child survival (immunization, blood donor centres).</p> <p>Insecticide Treated Nets (ITNs) deferral resolved. Safe Use Action Plan prepared for ITNs.</p>	<p>SO IEE to be amended to reflect resolved deferral and Pesticide Safe Use Action Plan for ITNs. Submission expected 2<sup>nd</sup> Q FY 02.</p>	<p>Partners monitoring compliance. Rapid blood testing kits being introduced to minimize hazards. Disposal practices under review.</p>
<b>SPO: Meet Critical Needs of Kenyans Affected by the Nairobi Bomb Blast and Build Capacity to Address Future Disasters</b>			
<p>SPO- 615-0269-00, LOP extended to September FY 2002</p>	<p>2000 Cat. Ex. (<u>30 kenya1 SPO Amendment 3</u>, 4/3/2000), amended 98 Cat Ex. for hospital bills and Neg. Determination with conditions for minor construction and blood centres.</p> <p>Five blood centers constructed with Bomb Response Unit oversight; MOH standards and oversight applied</p>	<p>No new actions required.</p>	<p>Compliant. Incinerators provided to blood transfusion centers. Partners monitoring compliance.</p> <p>Engineer in BRU provides oversight. BRU closing Sept. 30, 2002</p>