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ENDORSEMENT MEMO FOR HENRIETTA H. FORE

FROM: Ambassador Michael E. Ranneberger

SUBJECT: Fiscal Year 2008 Operational Plan for Kenya – Phase I

On behalf of the U.S. Mission in Kenya, I am pleased to submit the FY 2007 Performance Report. The report primarily reflects activities funded in both FY 2006 and FY 2007 and implemented in 2007 in the objective areas of Peace and Security, Governing Justly and Democratically, Investing in People, Economic Growth and Humanitarian Assistance.

I am pleased to report that our assistance is having a substantial impact in advancing our interests by helping move Kenya towards the consolidation of democracy and greater prosperity. Kenya has the potential to become a transformational country, with improved standards of living, more transparent, less corrupt democratic governance. Such progress will, however, require an economic growth rate of 7% to 8% per year on a sustained basis. Obstacles include the insufficient of accountability in government, low productivity, gender inequity, and a workforce in need of better access to higher quality health care and education. In addition, Kenya's location and institutional weaknesses have made it especially vulnerable to international terrorism and other transnational threats such as arms smuggling, drug trafficking, trafficking in persons, and money laundering.

In the area of Peace and Security, the Government of Kenya is a strong ally of the USG in the war on terrorism. The USG assistance has contributed significantly to Kenya's ability to deter and respond effectively to terrorism at home and in the region. There were no major terrorist attacks in Kenya in FY 2007 and the GOK won praise for its willingness and ability to secure its borders from potential terrorists following the outbreak of hostilities in neighboring Somalia. We are also seeing greater collaboration and commitment by the government to combat trafficking in drugs and persons.

The priority issues in the Governing Justly and Democratically area are the December 2007 Elections and Good Governance. The USG investments have led to a significant increase in the number of registered youth voters; more equitable, balanced and accountable media coverage; greater participation by women, and increased availability

of information and discourse on national issues. While tribal politics remains a major factor, the ongoing election campaigns are more issue-oriented and transparent than in the past. The Electoral Commission of Kenya, with USG support, has been instrumental in overseeing the election process, and we expect the December elections to be credible.

While prosecutions in some high level corruption cases remain stalled, there have been very important steps taken to counter corruption. In the past year, the GOK, with USG support, has passed the Public Procurement Regulations as well as the Supplies Practitioners Management Act. In addition, the Public Procurement Oversight Authority was established and has become operational. There has also been more meaningful public participation in the oversight of decentralized funds. Civil society has helped to increase the transparency in the national budget allocation process. Kenya won the UN award for best world-wide civil service reform.

The USG has contributed to Kenya's economic growth, which was 6.1% in 2006 and is estimated to be more than 7.0% in 2007. The value of agricultural production increased by 12.4% in 2007. Much of this growth is attributed to the USG-supported sectors of horticulture, dairy, and maize. Kenya was ranked among the world's top 10 reformers by the World Bank as a result of steps taken to streamline business licensing and start-up. Tourism, particularly ecotourism, is Kenya's prime earner of foreign exchange. Tourism revenues increased from $365 M in 2003 to $800 M in 2006. The USG efforts with the Kenya Wildlife Service and Community Based Organizations have played an important role in ensuring the protection of Kenya's wildlife. The financial returns to Community Based Organizations while small on a per capita basis are proving a strong incentive for local communities to protect the wildlife in the surrounding areas. Much of what the U.S. is doing involves public-private partnerships through cooperative efforts with Kenyan and American non-governmental groups, businesses, foundations, and universities, and we are focused on expanding these.

Continued progress was also realized in the area of Investing in People. Children, especially girls, have greater access to education in Northeastern and Coast Provinces and are receiving better marks in national exams. The Ministry of Education remains a leader in Africa with regard to updating their planning and management practices. This past year, with USG support, a service charter ensuring enhanced delivery of education services was adopted. The U.S. Mission is in the forefront of efforts to redress gender inequity through wide-ranging programs. A Gender in Education Policy paper was disseminated with education officers at all levels trained to ensure equal access. In the health sector, we continue to make progress though the limited resources available for Maternal Child Health and Family Planning have lessened the impact that we would otherwise be having.

I want to emphasize the importance I attach to coordination among USG agencies and within the donor community. U.S. Mission working groups tackle priority USG objectives by drawing upon the relevant expertise of all sections and agencies, including State, USAID, Defense, CDC, Walter Reed, Commerce and Agriculture. Together, we're working to ensure that policy, implementation of development activities, and

public diplomacy are coordinated to best achieve our objectives. Areas of focus include gender equity (including gender-based violence) and public-private partnerships. We have also succeeded in creating an environment in which the Embassy, USAID, and CJTF-HOA work closely together to ensure that CJTF-HOA efforts are linked closely with our development assistance programming.

The U.S. Mission is exerting strong leadership to mobilize donor coordination. USAID serves as the Deputy Chair of the Donor Coordination Group's Harmonization, Alignment and Coordination Group. USAID also serves as the Chair of the Environmental and Health Sector Working Groups as well the Elections Sub-Committee of the Democracy and Governance Working Group. These coordination efforts, while time-intensive, help maximize the impact of U.S. assistance by ensuring synergy of efforts. The USG is perceived by the GOK as an honest broker that is instrumental in furthering the common agenda.

In sum, this past year has been most successful. While there are numerous challenges to the achievement of our objectives, we are optimistic that, following the December 2007 elections, Kenya and our programs will proceed full speed ahead as we work together to address shared objectives.

ACRONYMS

ACT	Artemisin Combination Theraphy
ABEO	Agriculture, Business and Environment Office
ADRA	Adventist Development Relief Agency
AEI	Africa Education Initiative
AGSP	Ambassador's Girls Scholarship Program
AMFI	Association of Microfinance Institutions
ANC	Antenatal Care
APHIA	AIDS, Population, & Health Integrated Assistance Program
ASAL	Arid and Semi Arid Lands
ASCU	Agricultural Sector Coordination Unit
BDS	Business Development Services
CAAC	Clean Air Action Corporation
CAADP	Comprehensive African Agricultural Development Program
CAT	Continuous Assessment Test
CBK	Central Bank of Kenya
CDC	Center of Desease Control
CBO	Community Based Organizations
CC	Climate Change
CMDP	Coastal Micro-Enterprise Development Project
CSO	Civil Society Organizations
CSSP	Civil Society Support Program
CT	Counter Terrorism
CYP	Couple Years of Protection
DAP	Development Assistance Program
DCA	Development Credit Authority
DOTS	Directly Observed Treatment
DOJ	Department of Justice
DPP	Department of Public Prosecution
DQA	Data Quality Assessments
DS/ATA	Bureau of Diplomatic Security's Anti-terrorism Assistance Program
ECD	Early Childhood Development
ECK	Electoral Commission of Kenya
EGR	Early Grade Reading
EMACK	Education for Marginalized Children in Kenya
ESR	Environmental Status Report
ETOA	Environmental Threats and Opportunities Assessment
FAO	Food Agricultural Organization
FFP	Food for Peace
FHI	Food for the Hungry International
FP	Family Planning
GAP	Good Agricultural Practices
GATE	Greater Access to Trade Expansion

GJD	Governing Justly and Democratically
GOK	Government of Kenya
HDAC	House Democratic Assistance Commission
ICT	Information Communication and Technology
IEE	Initial Environmental Examination
IMET	International Military Education & Training
ITN	Insecticide-Treated Nets
KCSE	Kenya Certificate of Secondary Education
KEMACA	Kenya Education Management Capacity Assessment
KEMCAP	Kenya Microenterprise Capacity Building Program
KESI	Kenya Education Staff Institute
KFS	Kenya Forest Service
KIE	Kenya Institute of Education
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KNEC	Kenya National Education Council
KPS	Kenya Police Service
KSL	Kenya Sign Language
KWS	Kenya Wildlife Service
MCA	Millennium Challenge Account
MCH	Maternal Child Health
MDR	Multi Drug Resistant
MEO	Mission Environmental Officer
MIS	Management Information System
MOE	Ministry of Education
MOH	Ministry of Health
MP	Member of Parliament
MPU	Maritime Police Unit
MSE	Micro- and Small Enterprise
MTC	Medical Training College
NCEP	National Civic Education Program
NEP	North Eastern Province
NEPDP	North-Eastern Province Development Program
NLTP	National Leprosy and TB Program
NRM	Natural Resource Management
NSC	National Steering Committee
OCA	Organizational Capacity Assessment
OFA	Office of Fiscal Analysis
OVC	Orphans and Vulnerable Children
PEPFAR	President’s Emergency Plan for AIDS Relief
PIP	Private Sector Development Strategy Implementation Plan
PISCES	Personal Identification Secure Comparison and Evaluation System
PME	Professional Military Education
PMI	President’s Malaria Initiative
PMP	Performance Monitoring Plan
PPOA	Public Procurement Oversight Authority

PTE	Primary Teacher Education
PWD	People with Disabilities
RF	Results Framework
RH	Reproductive Health
SCAA	Specialty Coffee Association of America
SME	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary
SRA	Strategy for Revitalizing Agriculture
TB	Tuberculosis
TF&B	Tropical Forests and Biodiversity
TIP	Terrorist Interdiction Program
TOT	Trainers of Trainers
WFP	World Food Program

Kenya 2007 Performance Report

Operating Unit Performance Summary

The past year has been an excellent year for Kenya and the U.S. Government has contributed to the achievement of these objectives. Overall, the Kenya Program has demonstrated results and continues to achieve people-level impacts across all Program Areas. These results are due to the fact that the Mission has focused the USG's program resources directly on intended beneficiaries through effective partnership with government, implementing partners, other donors, and the private sector. We also focus on synergies across agencies as well as across Objective Areas, e.g. legislation and sectoral issues, to facilitate the development impact.

In the area of Peace and Security, USG assistance has contributed significantly to Kenya's ability to deter and respond effectively to terrorism at home and in the region. The GOK won praise for its increasing vigilance as well as the demonstrated will and ability to secure its borders from potential terrorists following the outbreak of hostilities in neighboring Somalia.

The priority issue in the Governing Justly and Democratically area is the December 2007 Elections. USG investments have led to a significant increase in the number of registered youth voters and have resulted in more equitable, balanced and accountable media coverage. In governance, the USG continued to work to improve the balance of power among institutions of governance in Kenya. Today, the Kenya Parliament is more independent and over the past one year the Parliament passed a record high of 16 bills into law, some of which will have direct bearing on corruption.

The USG has contributed to Kenya's economic growth, which was 6.1% in 2006 and is estimated to be more than 7.0% in 2007. Tourism is Kenya's prime earner of foreign exchange with revenues increasing from $365 M in 2003 to more than $800 M in 2006. The value of agricultural production also increased by 12.4% in 2007.

Continued progress was also realized in the area of Investing in People. Children, especially girls, have greater access to education in historically marginalized areas. In addition, through combined efforts of different USG agencies there is increased access to the supply of safe-drinking water in Arid and Semi-Arid Land (ASAL) regions. In health, USG assistance continues to provide increased access to quality health care in family planning, reproductive health, child survival and other infectious diseases.

Program Area Performance \ 1 Peace & Security \ 1.1 Counter-Terrorism

USG assistance is contributing to Kenya\'s ability to deter and respond effectively to terrorism at home and in the region. Under the Restrict Travel sub-element, the Terrorist Interdiction Program (TIP) program enjoyed greater funding than originally planned and thus extended the Personal Identification Secure Comparison and Evaluation System (PISCES) to six additional points of entry in Kenya. Under the Deny Terrorist Access to Finance sub-element, the DOJ-OPDAT program in Nairobi sucessfully achieved its goals of providing meaningful training and assistance to Kenyan prosecutors in doing their jobs ethically and efficiently. Finally, under the Collaborative CT Planning sub-element, the DS/ATA program provided extensive training and equipment that has enabled the GOK to make the strategically important Port of

Mombasa more secure, and also strengthened the institutional capacity of the Anti-Terrorist Police Unit. There were no major terrorist attacks in Kenya in FY-2007, and the GOK won praise for its willingness and ability to secure its borders from potential terrorists in December 2006 following the outbreak of hostilities in neighboring Somalia. The GOK also made significant progress towards securing its coastline after forming an effective inter-agency mechanism which is holistically addressing the challenge of coastal security. USG programs directly supported these efforts.

In all areas in the Counter-Terrorism Program Area, USG programs met or exceeded its targets.

Program Element Performance \ 1 Peace & Security \ 1.1 Counter-Terrorism \ 1.1.1 Deny Terrorist Sponsorship, Support and Sanctuary

The Terrorist Interdiction Program (TIP) in Kenya seeks to constrain terrorist mobility in the East Africa/Horn of Africa region by helping the GOK enhance its border security capabilities. TIP provides Kenya with a computerized watchlisting system known as PISCES (Personal Identification Secure Comparison and Evaluation System). The system enables Kenyan border control officials to identify suspect travelers against a current watchlist. PISCES is installed at both arrival and departure terminals so that GOK officials can identify travelers entering and leaving the country. TIP also trains GOK border control officials to operate the PISCES system and provides periodic maintenance and upgrading as necessary.

At the start of FY-07, TIP/PISCES hardware and software were already installed and operating at three point of entry in Kenya. FY-07 funding was increased from the originally planned $250,000 to $500,000, allowing the program to exceed its FY-07 target of installing hardware and software at two additional sites. In FY-07, TIP/PISCES systems were deployed at six additional sites, bringing the total now on-line to nine. Systems and software at existing sites were also upgraded using FY-07 and previous year monies.

The DOJ-OPDAT program in Nairobi sucessfully achieved its goals of providing meaningful training and assisting the Kenyan prosecutors in doing their jobs ethically and efficiently. In addition to assisting the GOK draft plea bargaining legislation that is currently being considered by Parliament, the RLA helped in finalizing a binding code of ethics for all prosecutors as well as a prosecution policy manual that is used by the DPP nationally. Counter-terrorism specific training was also provided to prosecutors of the DPP and the National Counter-Terrorism Center. The DOJ-OPDAT program continues to be hobbled by inadequate attention to the DPP by the GOK, both in terms of budget resources and leadership. The inability of the GOK leadership to make needed structural reforms to the DPP, and the inability of the DPP itself to clearly articulate its strategic needs, have limited the impact of USG

Program Element Performance \ 1 Peace & Security \ 1.1 Counter-Terrorism \ 1.1.3 Governments' Capabilities

Kenyan law enforcement units have marked a series of milestones on the road to building capacity to counter terrorism. The Port of Mombasa is now under 24-hour security patrols performed by the revitalized Maritime Police Unit (MPU). Prior to March of this year, there were no patrols in the Port. The successful delivery of seven maritime security courses supported by two equipment grants has made this possible.

Since the patrols began in April, the MPU is credited with multiple interdictions and arrests and providing security for the recent USS Porter ship visit and providing a visible deterrent to drug, human, weapons and animal trophy traffickers. The Kenya Police Service (KPS) must also be credited with making this initiative a priority; calling back from retirement a seasoned, no-nonsense commandant to head the unit and selecting only high performing officers for the MPU.

The Anti Terrorism Police Unit (ATPU) is operating from a newly refurbished headquarters, complete with a generator, safe electrical wiring, reliable plumbing and a new roof. The pilot phase of the secure IT network initiative is underway. ATPU officers have completed extensive investigative and cyber security training in anticipation of the FY2008 delivery of an ATA cyber forensics lab. The ATPU is assuming an ever expanding role in the investigation and prevention of terrorist activities. Examples of ATPU development include its prominent role and successful operations along the Somalia border in December - February and its execution of a covert operation that thwarted a planned disruption of the March World Cross Country Championships in Mombasa.

The Office of the President continues to place importance on the careful selection and multi-agency representation of officers in ATA training. Instructors consistently comment on the superior caliber and appropriate selection of class participants. ATA initiatives continue to compete with a host of other issues including gang activities, violent crimes, officer and resource shortages, corruption, and unemployment. In spite of these, the GOK has shown unprecedented commitment to building capacity to prevent and investigate acts of terrorism.

Element Indicator Narrative \ 1 Peace & Security \ 1.1 Counter-Terrorism \ 1.1.1 Deny Terrorist Sponsorship, Support and Sanctuary

The reality on the ground is that Kenyan prosecutors do not have a good foundation to get the maximum benefit from a CT-only focused training program. Therefore, our approach has been to build their basic skill set while introducing more sophisticated CT training. We exceeded our FY-07 target of 150 but believe a more realistic target for FY-08 is 200.

Program Area Performance \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform

The only USG program in this Program Area in FY07 was small but successful IMET program. Under that program, six Kenyan officers began professional military education (PME) in US Air Force, Army, and Navy Staff and War Colleges and two completed PME in the specialities of US Army Signals and Engineering. These extended programs teach the strategic, operational and tactical aspects of the profession of war and provide the opportunity to emphasize US military values, the apolitical role of the military in civil democracies, and provide an extended time to learn and understand American culture. The Kenyan Ministry of Defence was very supportive of the IMET program both in identifying training requirements and student nominations in a timely manner.

Element Indicator Narrative \ 1 Peace & Security \ 1.3 Stabilization Operations and Security Sector Reform \ 1.3.6 Defense, Military, and Border Restructuring, Reform and Operations

With additional funding ($650,000 vs. the $67,000 originally anticipated), the IMET program exceeded its target of one host country trainee by training a total of eight. The target for FY-08 has been revised

accordingly.

Program Area Performance \ 1 Peace & Security \ 1.6 Conflict Mitigation and Reconciliation

The USG is supporting Civil Society Organizations (CSOs) and the Government of Kenya (GOK) interventions to address conflict from the national as well as local dimensions. Kenya has made remarkable progress under the Conflict Mitigation Program Element. Community-based structures such as Peace Committees and Elders Forums are well established in most of the areas that experience conflict and CSOs have been working through these structures to promote peace. Community representatives are receiving more training in conflict mitigation/resolution and they in turn are applying the skills and knowledge by sensitizing members of their clans/communities, facilitating dialogue and engaging the GOK representatives on pressing issues. Local interventions under the current program target Kenya's North Eastern Province – a region that has experienced some of the worst conflicts in the country's history. In 2007, the region was relatively peaceful because of on-going interventions by CSOs.

The Peace and Reconciliation Processes Program Element has also had some positive developments. The GOK-led National Steering Committee on Conflict Management and Peace Building (NSC) continued to provide an open forum for collaboration and partnership between the GOK, CSOs and communities and a number of activities were planned/held jointly. The NSC also consulted widely when drafting the national policy on conflict management and peace building. In addition, the draft policy has largely incorporated the concerns of communities as well as borrowed heavily from the work and experience of CSOs. However, the NSC has not effectively fulfilled its mandate of i) providing a national framework/policy of addressing conflict and ii) coordinating all conflict management programs in the country. The NSC's biggest challenges are lack of resources and limited capacity. The USG will therefore continue funding national and local structures with a view to building their capacity to address conflict. USG will also fund the development of appropriate systems/mechanisms for preventing and/or responding to conflict. The environment under this Area should improve once the national policy is adopted. This will pave the way for Kenya to move from a developing to transforming country.

Program Element Performance \ 1 Peace & Security \ 1.6 Conflict Mitigation and Reconciliation \ 1.6.1 Conflict Mitigation

The majority of conflict mitigation interventions in Kenya have been and continue to be undertaken by Civil Society Organizations (CSOs) working through community-based structures, such as Peace Committees and elders. USAID supported CSOs, with the exception of one, are based in their local area of operation. This has been advantageous because the CSOs have able to gain the trust of the local communities, gather information promptly and respond faster. The CSOs have also been crucial intermediaries in bringing together communities and the Government of Kenya (GOK) representatives.

The program met and in most cases exceeded the targets for all common indicators. For example, CSOs provided training to a total of 237 committee members, 64 of whom were women. The locals, in turn, used their skills and knowledge to promote peace and reconciliation. CSOs also facilitated inter-clan dialogue and warring clans were able to reach peace agreements that were respected by both parties. In Mandera, the two clans of Garre and Murulle maintained peace and continued trading with each other despite isolated episodes of violence. CSOs were also involved in early warning/response by gathering information and facilitating negotiations between parties, particularly during the dry season when conflicts tend to escalate. Generally,

more women were involved in decision making.

Despite gains made, certain challenges still exist. First, GOK is not effective in mitigating conflict due to limited resources. Secondly, CSOs and the GOK have parallel early warning/response systems. The GOK mechanism has not been effective due to its complex reporting structure and lack of awareness. The CSOs' approach, while often effective, is not consistent, and is not formally recognized by the GOK. The GOK and CSOs have discussed these issues and there are proposals to harmonise the two systems. Thirdly, lack of donor coordination in the sector has made it difficult to build on the gains at the local level. Currently, there are efforts towards intergration and cross fertilisation of programs by some donors such as USAID, DFID and Oxfam.

USAID is in the process of developing a new program which will build on the current program and strengthen the GOK/CSO/community partnerships as well as harmonize and strengthen conflict mitigation structures, particularly those focused on early warning/response.

Program Element Performance \ 1 Peace & Security \ 1.6 Conflict Mitigation and Reconciliation \ 1.6.2 Peace and Reconciliation Processes

USAID continued to support the efforts of the National Steering Committee on Conflict Management and Peace Building (NSC) to: i) develop and advocate for the adoption of a national policy on Conflict Management and Peace building and ii) improve collaboration between the Government of Kenya (GOK), Civil Society Organizations (CSOs) and communities. USAID supported the NSC directly and indirectly through two CSOs that are members of the NSC.

The program met the target for the first indicator on establishing/strengthening a peace building structure. USG supported the review and editing of the draft national policy. The draft policy provides a comprehensive framework for addressing conflicts. The two CSOs, on behalf of the NSC, also facilitated consultations with communities to discuss the progress of the draft policy. In addition, the GOK has recognized and is now working with local Peace Committees that were initially created by CSOs and communities to provide a forum for dialogue and negotiation. As such, the partnership between CSOs and the GOK has improved and there are efforts by both entities to cross-utilize expertise and resources in addressing conflict. These efforts have trickled down and communities are also more involved in peace building and reconciliation.

While progress has been achieved in building partnership, the NSC Secretariat was not able to directly meet the target under the second indicator (i.e. organizing public fora/educational events to teach public about peace) due to the following. The NSC has very limited financial and human resources and this is further compounded by the fact that the Secretariat is relatively new and not well known within the GOK structure. The Secretariat is also receiving funding from different donors and there is little or no coordination of this support. These factors affected overall progress. USAID attempted to address these challenges by funding peace education activities implemented by CSOs on behalf of the NSC. In addition, USAID, DFID and Oxfam have also made efforts towards ensuring better integration of their support to the NSC.

USAID is currently developing a new program with a view to channeling support through a mechanism that will build the capacity of the NSC Secretariat. An efficient and effective NSC will be able to better coordinate interventions of all actors. Future programming will also continue to support the adoption and implementation of the national policy.

Element Indicator Narrative \ 1 Peace & Security \ 1.6 Conflict Mitigation and Reconciliation \ 1.6.1 Conflict Mitigation

Partners met and exceeded targets under three indicators but missed targets under three indicators because of the following reasons: Parts of the region experienced serious floods at the beginning of 2007. This was closely followed by Rift Valley Fever which affected a significant proportion of the livestock in the region. In addition, the creation of new/additional Districts also brought in a new dimension of new administrative boundaries. These factors had a negative impact on implementation of activities. The 2008 targets under \"number of people from at-risk groups reached; training and; programs supporting early warning and/or response mechanism\", have been revised upwards to reflect the expansion of the program into the newly created Districts (but the increase is not proportional because current Partners have reduced from 4 to 2 and a new follow-on program will commence in mid-2008). Further, the target under \"number of activities that demonstrate positive impact of a peace process\", have been adjusted downwards since this refers to the actual activities (such as, creation of Youth Theatre Groups and Peace Clubs in schools) as opposed to the number of times that these activities are carried out. Therefore the adjustment is necessary to reflect this.

Element Indicator Narrative \ 1 Peace & Security \ 1.6 Conflict Mitigation and Reconciliation \ 1.6.2 Peace and Reconciliation Processes

During the last year, the Government-led National Steering Committee on Conflict Management and Peace Building (NSC) prioritized and concentrated on two main activities: (1) revising and editing the draft national policy on conflict management and peace building (funded by USG) and (2) formalization of local Peace Committees across the country (funded by other donors). The NSC Secretariat has limited capacity/resources in terms of staff, vehicles etc. Therefore, given the two priorities and the limitations, the NSC was not able to directly organise and carry out public fora/educational events to raise public awareness on peace. However, the NSC collaborated with civil society organizations funded by USAID in sensitizing the public under activities/events implemented under the Conflict Mitigation Program Element. USAID is currently developing a new Program with a view to channeling support through a mechanism that will build the capacity of the Secretariat. We should therefore anticipate progress in FY 2008. Targets for 2008 have been adjusted downwards since implementation will not begin until mid FY 2008.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance

USG assistance is contributing towards a greater balance of power among the institutions of governance. Progress in the Program Element Legislative Function and Processes is demonstrated by the Legislature increasingly exercising its authority to question members of the Executive, to challenge and amend proposed legislation, and to oversee the expenditure of public resources. While Parliament has not yet effectively engaged women Parliamentarians in the Committee system, and Parliamentarians have at times passed self-interested legislation, Parliament is laying the foundation to become a more effective institution of good governance.

Progress in the Anti-Corruption Program Element is mixed. Much work remains to be done. While projected

targets were met (and exceeded) for anti-corruption measures and training undertaken, delays hinder the improvement of anti-corruption enforcement capacity through more successful anti-corruption prosecutions. Greater advances have been realized through the prevention and oversight approaches to anti-corruption, especially with the adoption of the new public procurement regulations, the establishment of the Public Procurement Oversight Authority, and the passage of the Supplies Practitioners Management Act. There is also more meaningful public participation in the oversight of decentralized funds and civil society contributions to increasing transparency in the national budget allocation process.

While Kenya continues to face challenges in the Good Governance Area, the trajectory is moving in the right direction and reform efforts are underway. The Government of Kenya (GOK) demonstrates a commitment to improving governance effectiveness through several reform strategies, including those targeting the Public Service and Public Financial Management. Yet control of corruption remains the key indicator hindering Kenya's progress from a developing to transforming country. Programs under the USG's Anti-corruption Element, coupled with MCA Threshold Program activities, are designed to improve Kenya's score on this indicator. Overall, USG assistance in this Area will continue to improve governance effectiveness through more accountable and responsive system sof checks and balances.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes

With USG assistance, parliamentary committees, executive oversight and budget expertise have improved and all performance targets were met. Committees now review and compile quality reports on bills and policy proposals. Bills were extensively amended and most policy reviews ended with the policies being sent back to the Executive for refinement. For example, a national land policy and education sector legal framework underwent extensive review by parliamentary committees in collaboration with USAID's Agriculture and Education Offices, and their implementing partners. Furthermore, training has increased Parliamentarians' budget literacy as well as their expertise to engage the Executive on budget-related policies and legislative actions. Evidence of these achievements was demonstrated in the informed contributions made by Members of Parliament (MPs) during debate on the Finance Bill, 2007 to which over 25 amendments were introduced. MPs now regularly engage the Executive on budget issues and the content of debate has vastly improved. Yet, while incremental progress is evident, allegations that many MPs prioritize self-interest and protect patronage networks rather than promoting national interests cannot be dismissed. Indeed, significant progress is needed before Parliament can be deemed effective.

Given USG focus on the committee system, effectively engaging women is a continuing challenge. Parliament only has 10 elected and 8 nominated women MPs and few serve on key committees. To address this bias, the program supported a gender audit of the Standing Orders to ensure that the new rules address discrimination and training always stresses women's participation. With time, the political party assistance program should improve gender representation, producing more opportunities to support women parliamentarians.

Without question, more progress can be made and the USG is confident that Parliament is key in promoting good governance. Further, with elections looming and MP turnover projections exceeding 65%, future programming has great potential. A new Budget Department, which can vastly increase internal budget expertise, will be central to our support and will be a key area for collaboration with the House Democratic Assistance Commission (HDAC). We will also continue to focus on watchdog committees and departmental committees that can influence policy of critical importance to Kenya and the USG, while strengthening

Parliament's Executive oversight.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.4 Anti-Corruption Reforms

During FY 2007, USG investments strengthened the watchdog capacity of the Kenyan Parliament and helped establish two new oversight institutions: the Office of Fiscal Analysis (OFA) and the Public Procurement Oversight Authority (PPOA). Through the PPOA, new procurement regulations were drafted and the new public procurement system came into force. Parallel support to the PPOA is being provided through the Millennium Challenge Account Threshold Program.

Among civil society organizations, USG resources supported initiatives to monitor: 1) accountability in political financing through a coalition that promoted adoption of the Political Party Act; and 2) transparency in the use of decentralized funds. Specific anti-corruption trainings were also conducted with target populations, including women, youth, and journalists. These trainings – focused on awareness of the misuse of public resources, monitoring skills, and building networks to enhance citizen oversight capacity – were carried out by local partners that were not yet selected when the OP was drafted. Therefore, we greatly underestimated the number of people reached as local partners organized more trainings than anticipated. Future targets are being adjusted accordingly.

Progress strengthening the Government of Kenya's (GOK) anti-corruption enforcement capacity has been less substantial. GOK failure to meet commitments to review advocates' remuneration levels and to hire adequate staff has hampered the performance of our support to the Department of Public Prosecutions' (DPP) anti-corruption unit. However, a stronger and more effective DPP remains critical to the reduction of corruption-related impunity, as the DPP is a key institution in the GOK's Governance Justice Law and Order Sector reform program. The USG will continue dialogue with the GOK to address implementation challenges.

In FY 2008, building upon the positive momentum in rolling out the GOK's new public procurement system, the USG intends to increase complementary support to civil society monitoring activities to track the GOK's progress in procurement integrity and transparency. Likewise, as the Parliamentary watchdog committees and the new Office of Fiscal Analysis are strengthened, the USG will also emphasize initiatives to monitor the effectiveness of Parliament's oversight function.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.1 Legislative Function and Processes

In calculating the number of laws for final vote, we initially focused on the number that were passed, rather than the total number voted on. Thus, while the target was met for the number of laws passed, it was greatly exceeded for the number of law voted on. Consequently, the FY 2008 target is revised upwards. Initial targets for training were lower given that our Canadian colleagues had planned to take the lead on training. However, when some of this funding did not come through, USAID increased training for more committee-related staff. In addition, the House Democratic Assistance Commission (HDAC) also participated in some of our training and provided technical advisors for the training allowing us to train more individuals. Given this partnership, we have revised our training projections upward.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and

Consensus-Building

USG assistance is contributing towards a greater balance of power among the institutions of governance. Political Competition and Consensus is fundamental to promoting greater balance and Kenya has made impressive strides in this program area. USG assistance directly contributes to Kenya's ability to hold regular, transparent, and competitive elections. Funding in FY 2007, which continues to support programs in FY 2008, significantly increased the number of registered youth voters; is creating more equitable, balanced and accountable media coverage; and is increasing the availability of information and discourse on national issues. This marks the first time that the Average Kenyan has had access to relevant issues based information and an open debate on those issues. This is an important departure from purely negative ethnic based politicking, which characterized previous electoral campaigns. Furthermore, during the last national election in 2002, the constitutional referendum in 2005, and recent by-elections, credible observation missions assessed the electoral process as having few irregularites and clearly reflecting the electorate's will. Cited irregularities focused on misuse of state resources and attempts to bribe voters.

While there is still scope for further improvements, the Consensus-Building and Elections and Political Process Elements are at a standard to move Kenya into the transforming category. Consequently, the USG will not allocate new funds to these Elements after FY 2007. However, genuine political competition is still lacking. Political parties\' operations are covert and driven by indvidual founders, and meaningful participation of women and youth remains abysmal. While programs are successfully preparing women and youth to serve in positions of greater responsibility, more needs to be done to realize that goal. The USG will continue funding interventions aimed at strengthening political parties. Newly passed political party financing legislation will provide a vastly improved enabling environrment to pursue that goal. In the medium term, prospects for promoting transparent, competitive, issues based political parties that reflect and represent the broader Kenyan society are positive. Improvements in this area should allow Kenya to meet benchmarks for a transforming country in this program area.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.2 Elections and Political Processes

USG support is increasing the efficiency and professional management of the electoral process; enhancing information available to voters thereby empowering them to make informed choices; increasing citizens\' knowledge of the electoral process; improving the accuracy of media reporting; and enhancing the effectiveness of observation. Implementation is proceeding rapidly, but start up in several activities was delayed. While common indicator data will not be available until December, excellent progress is evident, including impressive increases in youth voter registration and more balanced media coverage. Management of the electoral process and electoral violence are being closely monitored.

Recent uncertainty regarding the composition of the Electoral Commission of Kenya (ECK) has slowed implementation of programs focused on electoral management. The ECK has been under significant stress as its composition changed with unilateral Presidential appointments, in contradiction to the previously followed inter-parties consultative process. Further, the tenure of eight commissioners, representing the bulk of the electoral experience and including the Chair and Vice-Chair, expire between October and December of 2007. This insecure atmosphere in the run up to elections has distracted attention from some planned technical activities. However, with USAID support dating back to 2001, the ECK has established an impressive track record and confidence remains high that the ECK will effectively and professionally administer the elections.

Incidences of, and the potential for, electoral violence, and in particular gender-based violence, is of concern. USG interventions, diplomatic and development, have increased and will continue to be closely monitored. A new youth anti-violence campaign was designed and ongoing programs have expanded women\'s leadership and gender violence activities. Programs focused on ECK/District level peace committees are also being launched. Yet, while all development partners continue to concentrate efforts to reduce violence, an effective response must come from the Kenyan police and ultimately depends upon the Kenyan political will to ensure a peaceful electoral process.

While monitoring changes that may impact the independence of the ECK and patterns of electoral violence, we remain confident that although delayed, the overall program is on track, objectives will be realized, and assistance for the program element will be graduated.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.3 Political Parties

Even though a nascent program, solid progress is evident in strengthening political parties, with several parties adopting manifestos and finalizing elections platforms highlighting key issues and campaign messages. These steps greatly enhance prospects for more issue-driven campaigns. Parties also influenced – then successfully lobbied for – political party financing legislation. These achievements are particularly significant given the highly challenging environment complicated by the ever-changing composition of party coalitions. While the program was initially working with seven political parties, it has had to evolve with the changing political scene, as three major party coalitions emerged and several parties changed alliances. For example, the program responded to the emerging coalitions by harmonizing coalition party manifestos and elections platforms to reflect input from pre-existing documents prepared by member parties and presidential aspirants.

Incremental progress has been evidenced with women and youth participation. Five parties redressed structural barriers to women’s political participation into draft action plans. Several parties are now conducting follow-on work to develop lists of potential women candidates and participating parties have identified a cadre of women leaders that can ably take on new party responsibilities and positions. Furthermore, 204 women participated in leadership training; and 38 youth leaders drawn from seven major political parties participated in political and organizing skills training. Eleven of these youth leaders are currently seeking party nominations for either civic or parliamentary seats while 73% of the youth have been able to contribute to their parties by implementing practical projects. However, short term prospects for significantly greater women and youth representation in political parties and office remain bleak.

While current efforts have identified and strengthened the skills of capable women and youth party members, effective participation still requires genuine political competition. The recently enacted Political Parties Finance Act provides for an enabling environment that would greatly level the electoral playing field. It includes requirements for more party transparency and improved gender representation. Consequently, effective implementation of this new act will be a critical focus in future political party strengthening activities.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.2 Elections and Political Processes

The majority of our electoral assistance is being implemented through UNDP. The program start up was delayed and reporting numbers will not be available until January. However, we are confident that all the above targets will be met, although the majority of FY07 targets will be achieved in FY08. Note on the number of election officials trained, the above actuals reflect training with the ECK commissioners and staff. We are yet to train the returning and presiding officers. This training is still scheduled to take place and therefore targets should be realized.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.3 Political Parties

Political party interest in training greatly exceeded our expectations in this nascent program. As a consequence, next year the targets have been increased. Given that the elections will have occurred, targets are set lower than 2007, since there was a keen need to develop party manifestos. Nevertheless, with the new political parties finance act, we anticipate a continuing high level of interest in training from the partners.

Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society

In 2007, the USG revised its strategy to support civil society by launching a civil society strengthening program that is designed to improve the sustainability of the non-governmental sector, nurture new leadership, and build the advocacy and outreach skills of local Civil Society Organizations (CSOs). With activities implemented through the Civic Participation Program Element, the USG has been able to engage more partners, including new partners who focus on women and youth leaders. The USG has also been able to support new CSO networks, such as the Coalition for Accountable Political Financing, whose work to promote citizen oversight and transparency in an election year is particularly timely. Equally timely has been emergence of civil society campaigns focusing on citizen oversight of the use of decentralized funds.

Encouraging coalitions among CSOs takes time. Effective and sustainable coalitions cannot be the creations of external partners such as the USG. Local CSOs, while recognizing the value of working collaboratively, remain wary of diluting their own independence and the clarity of their individual mandates by joining coalitions. The formation of networks among like-minded CSOs, however, is the first step towards more effective and lasting joint civic action. CSOs also need to diversify their sources of support, reaching out to local constituencies in addition to international donors. In terms of effectiveness, national-level advocacy campaigns would be more credible by engaging additional stakeholders outside of urban centers.

Prospects for long-term impact are good. Kenyan civil society operates in an environment relatively free from government interference. The expanding private sector is recognizing and acting upon common interests with non-governmental advocacy and watchdog groups around issues such as procurement reform. And after several years of decline, the non-governmental sector is reviving, with CSOs refocusing their advocacy efforts and addressing their internal weaknesses. The USG is supporting these activities and is revising a scale to measure improvements in the strength and sustainability of local CSOs. A robust civil society is critical to the graduation of Kenya from a developing to a transforming country.

Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation

With the adoption of a new approach to supporting and strengthening civil society in FY 2007, the USG was

able to increase the number of local civil society organizations (CSOs) assisted. Each CSO received support to undertake an advocacy or watchdog campaign. Performance during the period demonstrates the CSOs are actively involved in influencing decision-making processes, contributing towards policy formation, and overseeing government performance.

With USG assistance, CSOs were able to constructively engage the Government of Kenya (GOK) on policy and legislative reform topics, as well as to monitor the GOK's performance. For example, CSOs conducted activities to: 1) enhance the transparency of, and public participation in, the national budget making process; 2) expand citizen involvement in the identification, planning, implementation, and monitoring of projects funded at the local level to ensure accountability in the use of decentralized funds; and 3) mainstream women's participation in managing public resources, advocating for a gender sensitive budget, and expanding opportunities for young women to participate in decision-making.

While the GOK recently revived the national registration bureau for non-governmental organizations and initiated a census of CSO activities – moves that CSOs initially interpreted as signals of the GOK's intention to control and curtail their activities – the CSO operating environment remains largely free of government interference. The USG will continually monitor the situation for signs of GOK interference that may constrain the CSO sector.

Enhancing both the quality and quantity of women's and youth voices is critical to promoting comprehensive civic participation. Support to CSO activities addressing marginalized populations is encouraged in the program, including advocacy campaigns to make the national budget more gender sensitive. Gender and youth considerations are emphasized through trainings such as leadership skills to ensure that women and youth leaders are fostered in the CSO sector.

In FY 2007, the program began addressing the internal weaknesses (e.g., administrative and financial systems, management and governance structures) of local CSOs. Although it is too soon to comment upon the effectiveness of this approach, baseline data has been collected and targets are being set to track the success of strengthening the local CSOs to increase their effectiveness and to ensure their long-term sustainability.

Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.1 Civic Participation

The FY 2007 actuals for the CSO-related indicators exceeded targets because the actual numbers include both the targeted 15 CSOs that were suppoted with FY 2007 funds as well as 8 CSOs that had received prior year funding for grants that expired during FY 2007. One grant also supported a consortia of CSOs, thereby increasing the total number of CSOs improving their internal organization. As all of the older grants have now expired, we do not anticipate a trend of exceeding our targets, and therefore we will retain our FY 2008 targets.

Program Area Performance \ 3 Investing in People \ 3.1 Health

USAID's goal is to improve the wellbeing and productivity of Kenyans by investing in health and education. In health the objective is to reduce the transmission and impact of HIV/AIDS and improve reproductive, maternal, and child health.

USAID's new service delivery strategy is to integrate various program elements. In FY07 the seven new AIDS, Population, and Health Integrated Assistance Program (APHIA) projects, one in each province, started to implement this strategy. The APHIA partners provided HIV/AIDS prevention, care and support, and treatment and, where funding was available, FP/RH, TB and child health activities.

In their first full year the APHIA projects met their FP/RH targets. USAID also continued its successful contraceptive social marketing project. Although USAID contributed intrauterine contraceptive devices and male condoms to the national system, shortages of other FP contraceptive commodities was a major problem.

Two of the APHIA projects implemented MCH activities, training health providers in child health and nutrition. The social marketing project distributed enough commodities to purify 1.3 billion liters of water. USAID's 3 Title II programs increased access to safe drinking water, improved sanitation and trained on child health care and nutrition.

In malaria USAID assisted the campaign which sprayed 825,000 houses. 233,000 USG-procured insecticide-treated nets were distributed, continuing a program that has distributed 10 million nets in the past 3 years. Due to these malaria activities it is likely that the 2008 health survey will detect a decline in childhood mortality.

Two APHIA projects implemented TB activities. One worked with TB centers to improve treatment and strengthen the community-based DOTS program. The other expanded DOTS and worksite activities. Multi-drug resistant TB is becoming a challenge.

Since Kenya is a President's Emergency Plan for AIDS Relief (PEPFAR) priority country USAID HIV/AIDS activities are covered in its Country Operational Plan. Results of this element have been very good. USAID has several "wraparound" activities, ones that link together PEPFAR programs with those from other sectors.

Health systems is a crosscutting area affecting all program elements. USAID worked with the MOH to improve areas such as human resources, training, and logistics.

USAID's achievements in health in FY07 furthered the objective of investing in people, which will move Kenya to a transforming country status.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.1 HIV/AIDS

Kenya is a President's Emergency Plan for AIDS Relief (PEPFAR) focus country and its HIV/AIDS activities are covered in its Country Operational Plan. This narrative explains how the HIV/AIDS program related to the rest of the program area. USAID has wraparound activities that link PEPFAR programs with those from other health programs to provide comprehensive support and improve the quality of life to HIV/AIDS-affected communities.

USAID's seven new provincial AIDS, Population, and Health Integrated Assistance Program (APHIA) projects support the delivery of integrated services. These are USAID's principal means of implementing HIV/AIDS prevention, care and support, and treatment services at the facility and community level. As such they are responsible for activities such as orphan care and antiretroviral treatment. In addition to PEPFAR

funds all APHIA projects received FY07 FP/RH funds and two received TB and MCH funds.

FP/RH funds were used to support FP training, MOH supervision systems, and infrastructure improvement, and to incorporate FP/RH into HIV/AIDS activities such as the prevention of mother-to-child HIV transmission and home based care. TB funds were used to improve treatment and to strengthen community-based and worksite interventions. MCH funds were used to train health providers in managing childhood illnesses. All activities took place in facilities and communities supported by PEPFAR funds.

At the national level both PEPFAR and non-PEPFAR funds were used to support the MOH logistics unit forecast, order, and distribute all commodities to health facilities. The same activity that used PEPFAR funds to recruit and place over 800 HIV/AIDS nurses used non-PEPFAR funds to recruit two advisors for the Ministry of Planning and the MOH’s FP/RH division. USAID blended PEPFAR, FP/RH, and TB funds to assist the MOH with its National Health Accounts survey which will enable the MOH to better allocate its health resources.

In an example of a wraparound activity using other funding sources to serve PEPFAR priority populations, one Title II program trained Community Health and Nutrition Facilitators on child health care and nutrition. They then provided care for people living with HIV/AIDS in their communities.

All of these wraparound projects were able to meet their PEPFAR targets, as shown in the FY2007 Annual Program Results report, and contribute to other important health results in the communities they were serving.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.2 Tuberculosis

Kenya\'s goal is to increase the TB case detection rate to 55% and the cure rate to 75% by 2010. In FY07 USAID supported the national program by focusing on service delivery, logistics and strategic information.

USAID\'s 7 APHIA (AIDS, Population and Health Integrated Assistance) provincial-level projects are its main service delivery platforms. Two of these projects implemented TB activities in FY07. In Coast Province, the APHIA partner worked with TB centers to improve treatment initiation and follow-up and strengthen the community-based DOTS program. 55 people were trained on DOTS. In Nyanza Province, DOTS was expanded by training 28 workers at a 5-day course. Worksite programs in 3 large sugar companies promoted TB awareness and other health issues. This activity trained 75 workplace motivators and 200 magnet theater group members.

USAID is conducting a study to see how to improve access to TB care for pregnant women. In FY07 a course on TB screening in antenatal clinics was held for 24 health service providers. It was found that active screening for TB in pregnancy using a simple checklist is easy and cost effective. The focused antenatal care orientation package, used to update service providers, was revised to include a TB component.

A major USAID focus has been to strengthen the ability of the Ministry of Health\'s (MOH\'s) logistics agency to forecast, order and distribute TB and other drugs. In FY07 USAID assisted with province-to-district, and district-to-heath facility, supervisory visits by MOH staff. During these visits drugs were distributed and data collected. USAID also introduced Quanti-med software to help managers forecast TB drug needs. USAID helped the National Leprosy and TB Program (NLTP) communicate with its field staff by providing cell phone and internet access.

There were over 250 cases of Multi-Drug Resistant TB (MDR-TB) in Kenya last year. There is a policy supporting MDR-TB diagnosis and treatment and a national laboratory performing culture and drug sensitivity tests. There is still no surveillance system. In FY08 USAID will work with CDC and the NLTP to put this system in place.

There was good host country commitment and performance during this period by the MOH's NLTP.

USAID used the centrally-procured Frontiers, Health Systems 20/20, and Rational Pharmaceutical Management Plus projects.

Overall USAID met its TB targets. MDR-TB remains a challenge.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.3 Malaria

In FY07 USAID helped Kenya mount the first large-scale indoor residual spraying campaign in 50 years. 4,500 sprayers were trained and 825,000 houses sprayed, well over the target. In FY07 233,000 USG-procured insecticide-treated nets (ITN) were distributed as USAID continued to contribute to the UK-supported program to socially market ITNs through the commercial sector and to sell ITNs at a low cost through clinics. Overall, this program distributed over 10 million nets in the past 3 years.

USAID helped train 900 antenatal care health workers on malaria during pregnancy and 965 health workers on the new malaria drug, ACT. USAID assisted the MOH to improve its Malaria Information System and start a website designed to collect data and disseminate information. It also supported development of the recently-submitted Global Fund Round 7 proposal. USAID continues to assist the MOH quantify Kenya's ACT drug needs and monitor its availability in health facilities. In FY07 USAID helped introduce a new drug tracking tool and train logistics staff on its use. USAID helped strengthen the MOH's management capacity by supporting a monitoring and evaluation expert and providing the tools to track and report on malaria activities. USG management will be strengthened when the Senior Malaria Advisor, initially supported using FY07 funds, is hired.

There was excellent host country commitment and performance during this period. The MOH's Division of Malaria Control has strong leadership and good professional skills. It was able to coordinate national and donor efforts into an effective national program. It was a key participant in the development of the President's Malaria Initiative (PMI) 2008 Malaria Operational Plan. GOK miscommunications with the Global Fund resulted in a delay in the procurement of malaria drugs, but this problem has been resolved.

USAID used two centrally-procured projects, Indoor Residual Spraying and Rational Pharmaceutical Management Plus, in FY07. Linkages were also made with PEPFAR to ensure that malaria is a part of home-based care. All sprayers trained and paid under the indoor residual spraying project were men. The MOH states that this is because of the physical strength required for this job. This will be reviewed before the next round of spraying in 2008. In other areas more women than men were trained.

Overall there was good progress in the malaria element in FY07. Kenya ended the year poised for an excellent start of PMI in FY08.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health

Kenya\'s national MCH goal is to reduce under-5 mortality and maternal mortality. To help reach these goals USAID helps improve facility-based services, policy, and strategic information systems. Title II activities address malnutrition through safe water access and by providing lactating mothers and children with critical micronutrients.

USAID\'s APHIA (AIDS, Population and Health Integrated Assistance) projects are its main service delivery platforms. There is one project in each province. Two of these projects implemented MCH activities in FY07. These projects trained about 350 health providers in managing childhood illnesses and almost 300 providers on child health and nutrition. The social marketing of point-of use water treatment complements Title II activities in water and nutrition. This project distributed enough commodities to purify 1.3 billion liters of water.

At the national level in FY07 USAID assisted the MOH with its National Health Accounts survey. Field work was completed and results are expected in early 2008. These estimates of health expenditures will allow the MOH to better allocate its health resources.

Food for the Hungry/Kenya’s Title II program aims to increase rural incomes and improve the health and nutrition status of under-5 children. The program built pit latrines in strategic places and exceeded its target. Over 3,000 people were trained on child health care and nutrition, including contact mothers, and 2,083 under-5 children received semiannual Vitamin A.

Adventist Development and Relief Agency’s Title II program aims to increase rural income and improve health in a food insecure district. Over 25, 000 people gained access to improved drinking water. 460 people were trained in child health care and nutrition, including those providing care for people living with HIV/AIDS. This program reached over 7,000 children.

CARE’s Title II program aims to improve the food and livelihood security of vulnerable households. About 12,000 people gained access to improved drinking water as a result of new water facilities. Similarly, 6,000 people gained access to improved sanitation. Through the growth promotion program, 23,000 children were reached.

There was good host country commitment and performance during this period by the MOH’s Division of Child Health.

USAID used the centrally-procured Health Policy Initiative, Health Systems 20/20, and Measure Evaluation projects.

Overall USAID met its MCH targets.

Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health

Kenya\'s goal is to increase demand and access for family planning (FP) and other reproductive health (RH) services, provide quality services, ensure commodity security, and strengthen the policy environment. To help reach these goals, USAID used FY07 funds to improve facility-based services, socially market contraceptives, ensure a sustainable supply of FP commodities, and improve the RH policy.

Support to FP services was provided by the 7 new AIDS, Population, and Health Integrated Assistance Program (APHIA) projects, one in each province. These support the integrated delivery of services. In its first full year APHIA partners reached 883 facilities and doubled the couple years of protection (CYP) of the previous FP project with the same level of funding. These projects accomplished this through support to training on FP methods, MOH supervision systems, infrastructure support, and incorporating FP/RH into HIV/AIDS activities such as home based care.

USAID continued its successful contraceptive social marketing project in FY07 in collaboration with the UK's Department for International Development, which supplied the commodities. CYP achieved by this project grew by 14%, to 434,000, 22% of the total national CYP.

USAID also procured 150,000 intrauterine contraceptive devices using FY07 funds, and received 40 million condoms from USAID/W. Support to the MOH logistics unit assisted the MOH distribute these commodities to health facilities.

With USAID assistance the MOH completed its new National RH Policy in 2007. This policy guides the provision of all RH services, emphasizes increasing equitable access and improving quality of care, and makes the integration of HIV/AIDS and RH services a guiding principle.

There was good host country commitment and performance during this period. The MOH's Division of Reproductive Health has good leadership, augmented by an advisor funded by USAID. Due to donor coordination problems largely outside the influence of this Division, however, there were temporary stockouts of FP commodities that affected most health facilities in Kenya.

USAID used the centrally-procured BRIDGE, Central Contraceptive Procurement, Contraceptive and Reproductive Health Technology, Frontiers, Health Policy Initiative, Health Systems 20/20, Measure Evaluation, and Rational Pharmaceutical Management Plus projects.

Overall USAID met its FP/RH targets. The survey planned for 2008 will show if FP trends have changed.

Program Area Performance \ 3 Investing in People \ 3.2 Education

The overall objective of the Government of Kenya\'s education program is the provision of quality education that is necessary for a modern thriving democracy and free market economy. The USAID program assists the Government of Kenya effort to increase access to primary education in the historically marginalized areas of Northeastern and Coast Province. The USAID program is also supporting the Government effort to improve the quality of education through Teacher Training, Policy and ICT interventions.

The Program area achievements in FY 2007 demonstrated good progress and an upward trend toward achieving long-term impact. Kenya's education sector is undergoing system wide reform. USG support is directly contributing to the effective implementation of those reforms which will lead to a better educated, more productive and informed citizen in Kenya. With USG assistance, Kenya become one of the first sub-Saharan African countries to conduct a nationwide survey of its capacity to implement sector-wide reforms. This survey is being used to inform decision-makers to effectively sequence policy reforms and investments to accelerate the impact of the education reform process and improve the quality of educational services delivered.

Key achievements during the year were considerable. The legal framework for the education sector was revised. A strategic plan for the financing and management of the sector was developed. A service charter ensuring enhanced delivery of education services was adopted. A gender in education policy paper was disseminated and education officials trained in its use. A school mapping exercise of every education institution at all levels was completed – providing policy makers with critical data on which they can now base decisions.

The greatest challenge to program implementation in the marginalized areas has been the rapid scale-up in Coast and Northeastern by the GOK. The doubling of the number of districts covered will have level of effort, sequencing, and cost implications for the education sector. Additional challenges include general insecurity and political tensions during the election run-up period as well as droughts and flooding that reduced school attendance for part of the past school year.

Program Element Performance \ 3 Investing in People \ 3.2 Education \ 3.2.1 Basic Education

The focus of USAID Education is Basic Education in particular programs that impact on pre-primary and lower primary children. The Element covers: Education for Marginalized Children in Kenya; Supporting Teacher Training to Improve Basic Education for the Marginalized Deaf Community; Teacher Education and Professional Development; Capacity Development in ICT, and Education Administration.

Overall, the Ministry of Education (MOE) has been fully commited to the program\'s success and has actively participated in program implementation with USAID and the NGO partners. Performance against targets has been very good and exceeded expectations. Completion of the Kenya Education Management Capacity Assessment (KEMACA) and the development of the Early Grade Reading Assessment were key achievements during this reporting period. Targets were met and performance was well above average with regards to the technical quality (value added) of the deliverables.

Tafakari Mindset Network in Kenya, in collaboration with the Kenya Institute of Education achieved the following: (a) conducted a two-day conceptualization workshop on content development and production and a 10 day workshop with teacher trainers as well as science and mathematics curriculum experts from KIE; (b) drafted 36 scripts to be used for computer-based multi-media production; (c) worked with KIE staff to make 36 scripts production ready; and (d) produced multi-media and print materials for science and mathematics – grades 4 and 5.

For the Education for Marginalized Children of Kenya mechanism, after nine months of full implementation it is still too early in the program to objectively verify impact. Site visit observations, however, indicate a positive trend. For example in Northeastern Province Muslim women are participating and speaking out at (mixed gender) public forums. There are several challenges such as insecurity, political rivalry and the creation of new districts that are being addressed.

The support of Teacher Training to Improve Basic Education for the Marginalized Deaf Community is yielding observable and measurable impact. For example, there has been been a marked improvement in student performance as a result of tutors being able to tailor evening and weekend coaching to document the respective learning needs of individal students USAID assistance also resulted in GOK policy change on

special needs students admission.

Program Area Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations

USAID-funded PL 480 Title II development activities implemented by Adventist Development Relief Agency (ADRA), CARE and Food for the Hungry (FHI/Kenya) under Social Assistance provide key in-kind, financial and technical assistance to the chronically vulnerable households in order to build their resilience to temporary shocks. In FY 07, activities under Title II program have enabled thousands of beneficiaries to participate in social safety net programs aimed at building community assets such as roads and drainage canals to control floods and improve crop cultivation. USG-supported social programming, including food-for-work programs, have also enabled vulnerable households to mitigate the effects of drought. Pregnant and lactating mothers benefited from provision of direct food distribution, thereby enhancing their nutritional status. The Title II social assistance program has also incorporated community savings mobilization reaching over ten thousand beneficiaries that are otherwise unable to access loans and other financial services. Despite these achievements challenges still remain. The cumulative effect of drought, floods, diseases and poverty in Kenya\'s Arid and Semi-Arid Lands (ASAL) continues to threaten the lives and livelihoods of hundreds of thousands of vulnerable households, including pastoralists, agro-pastoralists and marginal agriculturalists. In addition, the cumulative effects of many yeas of drought, depletion of assets and livelihoods deterioration in the ASAL areas outstrip the limited scope and duration of Title II programming. USAID is coordinating closely with other donors in developing a harmonized approach to address the issue.

Program Element Performance \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.3 Social Assistance

USAID funded Title II activities implemented by Adventist Development Relief Agency (ADRA), CARE and Food for the Hungry (FHI/Kenya) under Social Assistance provide key in-kind, financial and technical assistance to the neediest and chronically vulnerable households in order to help them better withstand recurrent shocks triggered by drought and other natural calamities. Building the resiliency of vulnerable households to temporary shocks is fully consistent with the USG foreign assistance priorities as it enhances effectiveness in humanitarian response.

In FY 07 ADRA was able to reach 36,000 beneficiaries (of which 21,600 were women) through USG-supported social programing including food-for-work programs aimed at building community assets such as roads. During the same period, CARE\'s social assistance program reached 9,360 beneficiaries (of which 7,207 were women) participating in community savings mobilization exceeding the FY 07 target of 8,667 bneficiaries. However, the cumulative effect of drought in FY 06 and prior years negatively impacted on availability of food at household level in most Title II program areas. Hence, the number of months that households had enough food, on average, was seven months in FY 07 compared to the target figures of seven to eight months.

Element Indicator Narrative \ 3 Investing in People \ 3.3 Social and Economic Services and Protection for Vulnerable Populations \ 3.3.3 Social Assistance

ln FY 07, activities under Title II program enabled thousands of beneficiaries to participate in safety net

programs aimed at building community assets such as roads and drainage canals to control floods and improve crop cultivation. The program also benefited various vulnerable groups including orphaned and vulnerable children, the elderly and pregnant women through direct food distribution thereby enhancing their nutritional health status. In FY 07, ADRA was able to reach 36,000 beneficiaries (of which 21,600 were women) through USG-supported social programming including food-for-work programs aimed at building community assets such as roads. During the same period, CARE\'s social assistance program reached 9,360 (of which 7,207 were women) beneficiaries participating in community savings mobilization exceeding the FY 07 target of 8,667 beneficiaries. However, the cumulative effect of drought in FY 06 and prior years negatively impacted on availability of food at household level in most Title II program areas. Hence, the number of months that households had enough food, on average, was seven months in FY 07 compared to the target figures of seven to eight months.

Program Area Performance \ 4 Economic Growth \ 4.5 Agriculture

Kenya’s agricultural sector grew by about 5.6% in 2006, maintaining its dominant position in terms of gross domestic product (over 50%, including agribusiness), exports (over 50%; horticulture and tea alone 38%), and employment/livelihoods (75-80%). Value of marketed agricultural production rose by 12.4%. Ongoing challenges limiting competitiveness include inadequate infrastructure, insufficient investment, low productivity, limited commodity diversification and value-added products, and lack of policy cohesiveness. Alignment of GOK and donor policy objectives, approaches and investments improved in FY07. The GOK’s ambitious new \"Vision 2030\" strategy targets agriculture among the six priority sectors for increasing investment. The GOK FY07/08 budget in which the agricultural sector budget increased by 20% over 2006/07 to 6.8% of the overall budget. The Africa-led Comprehensive African Agricultural Development Program (CAADP), aimed at enhancing coherence of government-donor agricultural development programs across sub-Saharan Africa, was officially launched in Kenya in December.

Drawing on its Initiative to End Hunger in Africa (IEHA) funding, USAID continued to be a key player in Kenya’s agricultural sector development through participation in policy discussions, support for implementation of the Strategy for Revitalizing Agriculture (SRA), and significant advances in productivity and market competitiveness for three priority sub-sectors -- maize, dairy, and horticulture -- via ongoing value chain programs. The Tegemeo Institute’s biennial household income survey completed in November 2006 established that: i) average household income increased in the medium and high potential areas (where USAID programs are focused) by 13 percent since 2004; and ii) female-headed households grew their incomes more (19%) than male-headed households (12%), due mainly to significant improvements in productivity and trade in the targeted commodities. USAID’s maize and dairy programs assisted over 350,000 small farmers, creating estimated incremental household income of $73 million and $25 million, respectively, in FY07. Horticulture was once again among Kenya\'s leading growth sectors and the country’s leading export sector with over $700 million in total exports. USAID contributed to that growth by helping over 30,000 producers increase their gross annual sales by an average of $359 per grower, or a total incremental income of over $10 million.

Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.1 Agricultural Enabling Environment

The newly launched CAADP process should reinforce implementation of Kenya’s overarching GOK-donor Strategy for Revitalizing Agriculture (SRA), which in turn is closely linked to the recent GOK-Donor Kenya Joint Assistance Strategy 2007-2012. A multi-donor program was developed for the Agricultural Sector

Coordination Unit (ASCU) to lead SRA inter-ministerial coordination through 2014.

USAID contributed to an enhanced agricultural enabling environment in FY07 through direct support to ASCU and SRA implementation within the agricultural donors group, as well as via ongoing support for the Tegemeo Institute of Egerton University to carry out analyses aimed at informing the policy debate. Tegemeo participated in the formulation of the Kenya Vision 2030 Strategy, continued to support ASCU in SRA implementation, and was appointed to the CAADP policy stock-taking team. Tegemeo built capacity for the Parliamentary Committee on Agriculture, Lands and Natural Resources in order to influence policy through the National Assembly. The following policy reforms were advanced in FY07: a) Policy Paper, Draft Bill and Cabinet Memo for harmonization of policies in agriculture leading to consolidated legislation prepared; b) Policy Paper, Draft Bill and Cabinet Memo on Food and Nutritional Security Policy prepared; c) Dairy Policy finalized and Dairy Bill prepared and presented to Parliament; and d) Livestock Policy Sessional Paper and Bill drafted and presented to Parliament.

USAID, USDA/FAS, USAID/EA, EGAT and several local organizations conducted a series of stakeholder consultations/advocacy sessions and provided technical input to finalize a Biosafety Policy and a Biotechnology Bill that was presented to Parliament. USAID also began working with local stakeholders with the ultimate aim of building the understanding and capacity of the eight GOK Agencies charged with various biosafety regulatory responsibilities.

USAID's microfinance capacity-building project (KEMCAP) helped facilitate passage of the Microfinance Act, which will facilitate provision of financial services to smallholder farmers and other rural clients. USAID's maize and dairy programs worked closely with USAID/East Africa's RATES project in strengthening nascent regional marketing organizations. USDA/APHIS collaborated with USAID's horticulture program to facilitate approval of new Kenyan horticultural export commodities to the U.S.

Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity

USAID programs addressing agricultural sector productivity, marketing and related value chain issues included maize, dairy, horticulture, business development services (BDS), Title II food aid, agricultural research, biotechnology, and pastoral livestock. Across these programs, improved agricultural technologies were developed and transferred to the farming communities. With USAID support, the Kenya Agricultural Research Institute (KARI) continued to develop and release improved production technologies. A total of 23 new technologies were under research by KARI and other programs in FY07, and 43 new technologies were made available to farmers. These results surpassed the respective FY07 targets (13 and 30) mainly because they incorporate results of ongoing activities that were not part of the FY07 OP.

A total of 428,980 individuals received short-term agricultural sector productivity training under all USAID programs, 20% over the target. Women benefited proportionally more from this training than expected as they represented 41% of total trainees (174,136), compared with the expected 31%. The multiple interventions of the maize program increased average yields per acre by 9% (from 32 to 35 90-kg bags). The dairy program's combined interventions led to an average productivity increase of 4% (from 10.36 to 10.74 liters/cow/day). The horticulture program pioneered new commercial production techniques for domestic and export crops, thereby increasing productivity by over 20% and raising average gross annual sales for 30,000 smallholders by an average of $359/grower. USAID's BDS program developed a commercial service market for tree fruit sprayers—with a new loan product that over 3,000 farmers have already used to access

productivity-enhancing technologies. USAID’s pastoral livestock project strengthened local livestock marketing associations to open new markets and improved access of remote pastoral communities to animal health services. Title II programs improved the food security of communities in arid and semi-arid lands by introducing more productive technologies, improving market access and other related interventions. The number of rural households benefiting directly from USG assistance (490,644) was 5% above target and includes a sub-set of vulnerable households (8,101) covered by the Title II programs. During the period, five individuals received long term agricultural sector productivity training in biotechnology and horticulture.

Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.3 Program Support (Agriculture)

In FY07, USAID/Kenya\'s Agriculture, Business and Environment Office (ABEO) Increased Rural Incomes (SO7) team carried out a two-stage process to review and update its performance monitoring plan and conduct data quality assessments. It also undertook with EGAT assistance a review of Kenya\'s dairy sector, which informed the design of new dairy program. In addition, a preliminary analysis was conducted with EGAT assistance toward design of a future commodity value chain program. Finally, a Country Action Plan was approved and gender integration training workshop was conducted for USAID staff and all ABEO implementing partners under the Greater Access to Trade Expansion (GATE) program funded by EGAT/WID.

Element Indicator Narrative \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.1 Agricultural Enabling Environment

USAID support to the Tegemeo Institute has facilitated agricultural policy analysis and reform, including the recent formulation of Kenya Vision 2030 and implementation of the Strategy for Revitalizing Agriculture (SRA) through its support to the Agricultural Sector Coordination Unit (ASCU). With USG assistance, the following 5 policy reforms were analyzed and advanced in FY07: (i) Dairy Policy; (ii) Food and Nutrition Security Policy; (iii) Consolidated Agricultural Legislation Policy; (iv) Livestock Policy; and (v) Biosafety Policy. Four of these policy reforms were advanced as “Sessional Papers” and presented for legislation/decree with USG assistance: (i) Dairy Bill; (ii) Biosafety Bill; (Iii) Consolidated Agricultural Legislation Bill; and (iv) Livestock Bill. USAID also helped facilitate completion and passage of the Microfinance Bill, which is reported under “Economic Opportunity”. During the year, four individuals received long-term advanced degree training relevant to an agricultural enabling environment in U.S. universities. Results under \'institutional capacity assessment\' will only begin to be achieved in FY08 as the Program for Biosafety Systems/Kenya activity has only recently begun implementation.

Element Indicator Narrative \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity

USAID programs that addressed agricultural sector productivity, marketing and related issues included maize, dairy, horticulture, business development services (fish and tree fruit), Title II development food aid, agricultural research and biotechnology. FY07 targets for the “number of new technologies/management practices under research and made available” were exceeded largely as a result of incorporating ongoing activities (in particular agricultural research and dairy) that were not explicitly part of the FY07 OP. Overall

results reported under “short-term agricultural sector productivity training”, which cuts across all programs listed above, were 20% above target, due in part to the focus on on-farm training. The FY08 target for this indicator is being reduced slightly to reflect current expectations in this final year of implementation for some projects. “Number of rural households benefiting from USG assistance” (5% above target) includes a sub-set of vulnerable individuals covered by the Title II programs. Five individuals received long-term training in biotechnology and breeding at MSc and PhD levels against a target of two, which had inadvertently omitted three students.

Element Indicator Narrative \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.3 Program Support (Agriculture)

In FY07, USAID/Kenya\'s Agriculture, Business and Environment Office (ABEO) Increased Rural Incomes (SO7) team carried out a two-stage process to review and update its performance monitoring plan and conduct data quality assessments. It also undertook with EGAT assistance a review of Kenya\'s dairy sector, which informed the design of new dairy program. In addition, a preliminary analysis was conducted with EGAT assistance toward design of a future commodity value chain program. Finally, a Country Action Plan was approved and gender integration training workshop was conducted for USAID staff and all ABEO implementing partners under the Greater Access to Trade Expansion (GATE) program funded by EGAT/WID.

Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness

Kenya’s economy grew by 6.1% in 2006 compared with 5.8% in 2005. The government’s continued growth-oriented reforms are bearing fruits. Several public companies were listed on the stock exchange and new investments witnessed in the transportation and telecommunications sectors, among others. Kenya was ranked among the world’s top10 reformers in 2006/07 in the World Bank\'s \"Doing Business 2008\" report as a result of steps taken to streamline business licensing and start-up, facilitate property registration, and establish a private credit reference bureau. These actions should help accelerate private sector investment. The government increased its budget allocation for investment from 1.9% GDP in FY2002/03 to 8.1% of GDP in FY2007/08. However, Kenya’s overall prosperity remains inequitable and affected by rising inflation rates. Private sector competitiveness as whole remains constrained by poor infrastructure, corruption, and the high cost of doing business. Despite these impediments, the Kenyan private sector remains vibrant -- expanding where opportunities exist -- and is the powerhouse of economic growth in the region. This year the GOK unveiled its ambitious \"Vision 2030\" strategy, which aims for 10% annual economic growth and targets six priority sectors. Meanwhile, through prolonged and intensive interactions, the Ministry of Trade and Industry and donors (including USAID) developed a comprehensive new Private Sector Development Strategy Implementation Plan (PIP) 2007-2012 which provides a foundation for more collaborative prioritization of investments to facilitate private sector-led growth. The PIP falls within the framework of the newly launched overall GOK-Donor Kenya Joint Assistance Strategy 2007-2012. Horticulture was once again among Kenya\'s leading growth sectors and income-earners in 2007, achieving over 10% growth. USAID made significant contributions to this growth, increasing private sector productivity and competitiveness by addressing value chain constraints within selected sub-sectors. More than 30,000 producers increased their gross average annual sales by more than $350 per grower. Other USG programs contributed to this program area, including USAID’s Trade Development Program with the Export Promotion Council, which enhances Kenyan firms’ (40% women-owned) export competitiveness to the U.S. market helping to facilitate an additional $12 million in coffee orders through U.S. trade fair participation in FY07.

Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

The Kenyan horticulture sector performed well in 2007, achieving more than 10% growth. The sector made progress on sanitary and phytosanitary (SPS) market compliance requirements. A key achievement, with USDA/APHIS support, was gaining approval in the U.S. Code of Federal Regulations for Kenya to export baby corn and baby carrots to the U.S. Two leading private sector associations (the Kenya Flower Council and the Fresh Produce Association of Kenya) merged to form the Kenya Horticulture Council, which will spearhead sector planning and representation. The Kenya Horticulture Council, with technical support from USAID/Kenya's horticulture program, received a bronze award for stand design and educational content (environment, "carbon miles", social awareness) at the premier international horticultural trade show in Amsterdam. Challenges for the sector include low productivity, poor domestic market infrastructure, high air freight costs and emerging market standards on issues such as "carbon miles". The USAID horticulture program exceeded targets for the three OP indicators monitored in FY07. Twenty one (21) firms against the targeted 20 received assistance to improve their management practices through training in business management and by being linked to markets. Three national trade associations and more than 400 farmer associations received technical support for business and organizational strengthening. More than 2,200 new members joined these associations, 10% over the FY07 target. Six small and medium enterprises (SMEs) obtained bank loans with USAID assistance, exceeding the target of three. Three of these businesses were partly women-owned. The value of loans and new equity facilitated under the program exceeded $3 million. The total value of Kenya-U.S. trade - to which USAID contributed - increased from $8.2 million to an estimated $10.1 million in FY07, albeit below the target $12 million (due in part to the continued weakening of the dollar vis-à-vis the Kenya Shilling).

Element Indicator Narrative \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity

Three trade associations and more than 400 farmer associations received training in business and organizational strengthening. More than 2,200 new members joined these associations, 10% over target. Out of the six small and medium enterprises (SMEs) that received bank loans, three were partly women-owned. The target for incremental number of new members (firms and farmers) joining business associations has been revised to 2000 from 2500. This is because the program will focus more on enhancing efficiency of existing associations than expanding membership of exisiting organizations or setting up new ones.

Program Area Performance \ 4 Economic Growth \ 4.7 Economic Opportunity

Following improvements to its business environment, Kenya\'s economy experienced a 6.1% growth in gross domestic product in 2006 and may grow at a rate of approximately 7% in 2007. The micro- and small enterprise (MSE) sector played a significant role - contributing over 20 percent of GDP and 90 percent of new jobs. Under this program area, USAID enhances economic participation of economically vulnerable groups by: (i) building capacity of the microfinance industry; (ii) improving the policy and regulatory environment for MSEs; and (iii) strengthening MSE productivity through increased access to business development services such as inputs, technology, extension and technical/business training.

In FY07, USAID worked with the Kenya Institute of Public Policy Research and Analysis (KIPPRA) to narrow the gap between policy recommendations and implementation, and played a significant role in drafting the MSE Bill, which has been advanced for review by the Attorney General's Chamber. USAID also worked with the Central Bank of Kenya and the Association of Microfinance Institutions to secure the passage of the Microfinance Act - a very significant achievement which will allow for expansion of financial services to underserved enterprises.

During the period, USAID, DfID and DANIDA facilitated the development of service providers\' capacity to offer improved quality services, strengthened smallholder producer groups to provide better services to their members, and linked farmer groups with large-scale lead firms that provided markets for the MSE products and also supported the provision of some key technical services critical for achieving increased productivity and product quality. Over 73,000 MSEs had accessed commercial business services as a result of USAID activities by the end of FY07. A key achievement in the past year is the introduction of a sustainable commercial business development services market in the tree fruits subsector that can now both replicate and expand without donor support. Through USAID intervention, four market linkage firms have emerged that carry out \"brokerage\" services for over 23,000 farmers and six export and three processing firms as a commercial business service. Through the "graduated" market linkage firms, six of the major exporters are sourcing grade 1 avocado fruits directly from smallholder farmers, while three industrial avocado processors are each crushing 40 MTs of grade 2 avocados a day.

Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.2 Policy Environment for Micro and Small Enterprises

USAID worked with the Kenya Institute of Public Policy Research and Analysis (KIPPRA), Central Bank of Kenya (CBK), Ministry of Finance, and the Association of Microfinance Institutions (AMFI) to support micro- and small enterprise (MSE) policy and regulation reforms. To narrow the gap between policy formulation and implementation, about 160 policy analysts and implementers were trained. Through KIPPRA, USAID played a significant role in drafting the MSE Bill, which is now at the Attorney General's Chamber awaiting presentation in Parliament. The MSE bill proposes the MSE Council and MSE Technology Fund, two major positive changes in the management of the sector. Plans are underway to roll out training workshops for policy analysts and implementers at the district level without USAID funding.

Significant efforts devoted to advocacy and lobbying yielded the most important output critical to the ongoing evolution of the financial sector – the passage of the Microfinance Act -- which creates a legal framework for significantly expanding access to financial services for the rural poor and other underserved MSES throughout Kenya. To facilitate implementation of the Act, USAID's Kenya Microenterprise Capacity Building Program (KEMCAP) has initiated assistance in the preparation of the attendant prudential regulations necessary to operationalize the new law and build capacity of the Central Bank supervision department through on-site mentoring and off-site training. This includes training at the U.S. Federal Reserve and assistance to the Central Bank in its efforts to educate the universe of microfinance institutions on what transformation under the new law entails.

USAID continued to provide technical assistance to AMFI, CBK, the Ministry of Finance and the commercial banks implementing Development Credit Authority (DCA) programs aimed at extending credit to underserved MSE markets. Currently, USAID has loan guarantees with four commercial banks: Cooperative Bank, K-Rep Bank, Kenya Commercial Bank and Fina Bank, totaling $23,900,000, with a satisfactory utilization rate.

KEMCAP also provided technical support to enhance MSE access to financial services through other USAID programs. An innovative maize warehouse receipting product was developed for the benefit of smallholder farmers and an agrochemical loan program resulted in 3,055 small-scale tree fruit farmers accessing commercial spray services on credit in coordination with Equity Bank.

Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity

Under this program element, USAID increases productivity of micro- and small enterprises (MSEs) through increased access to business support services among smallholder farmers in the tree fruit and the Lake Victoria fish sub-sectors. To achieve its objectives, USAID facilitated development of commercial quality business services for smallholder farmers, established market linkages with large-scale exporters and processors, and built capacity of microentrepreneurs as business service providers.

As of September 2007, 73,251 MSEs had accessed commercial business services, an increase of 14,338 from September 2006, and surpassing the 2007 target by 19%. Another 23,659 MSEs had been linked with large-scale firms (comprising six exporters and three processors), up from 15,442 as of September 2006 and 28% above the target. To ensure sustainability, the program has facilitated development of four commercial market linkage firms – Fineline Rural Reach, Agri-Outlets Ltd., SureLink Ltd. and Ideal Matunda Ltd - that are providing brokerage services to over 23,000 farmers on full commercial terms. The firms are financing their operations from a percentage-based levy on the sale of each unit of product accepted by the buyer. With the emergence of these market linkage firms, this activity is becoming fully commercialized in the passion fruit and avocado sub-sectors and USAID is in the process of graduating from direct support or subsidy to any of the players. In the passion fruit sub-sector, another exporter, Kandia Ltd, has come on board - buying passion fruits directly from smallholder farmers without USAID involvement. The total number of microentrepreneur business service providers participating in the program increased by 463 to 1,469 as of September 2007, exceeding the target by 40%.

There was a significant expansion of the Lake Victoria fish activity. USAID facilitated a value chain credit from Promasidor, a fish exporting firm, to women’s groups for construction of fish-drying racks and for buying fish from fishermen. The linkage led to over 640 women traders adopting the new fish-drying technology, resulting in sales of 250 MT of fish valued at $160,700. The savings mobilization activities have continued at the USAID-assisted beach banks, more than 1.5 years since program support ended, with a total of 14,100 clients having cumulative savings of $1.4 million, indicating that some of the program activities have been successfully commercialized.

Element Indicator Narrative \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.2 Policy Environment for Micro and Small Enterprises

USAID contributes to improvements in policies, laws and regulations affecting operations of micro- and small enterprises. KIPPRA\'s activities focus on narrowing the gap between overall MSE policy formulation and implementation through training and capacity strengthening of relevant government officers responsible for policy implementation. KIPPRA trained about 160 policy analysts and implementers in FY07 and played a significant role in drafting the MSE Bill currently at the Attorney General’s Chamber. KIPPRA made substantial comments on the MSE Council and the MSE Technology Fund - two key proposals in the bill.

USAID’s KEMCAP project works on policies and regulations affecting operations of microfinance institutions and has achieved two significant policy and regulatory milestones – including the passage of the Microfinance Act, which was signed into law by the President. The Act creates a pathway for NGO microfinance institutions to become limited banks, leading to expansion of financial services into underserved sectors. Thirteen prudential guidelines have been drafted that will help the Central Bank regulate and supervise the new deposit-taking microfinance industry. Given the slow process of policy implementation in Kenya, the FY 08 target has been reduced from 5 to 2 for FY 2008.

Element Indicator Narrative \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity

The number of MSEs participating in USG-assisted value chains is represented by commercial entrepreneurs providing business services within the value chains targeted by USAID’s Kenya Business Development Services program. Data in the table includes service providers developed by the program in the previous years who continued to provide the services in FY07. The total number achieved exceeded the target by 40% due to the creation of a cadre of well-trained and equipped commercial sprayers and the launch of a loan product through Equity Bank. Equity Bank approved a total of $25,000 in loans for 130 groups comprising approximately 3,055 farmers. Over 73,000 micro- and small enterprises, including smallholder farmers and fisherfolk, accessed commercial business development services, 24,760 of whom (34%) were women. This exceeded the FY 07 target of 61,500 by 19 percent. The actual and target data for this indicator are cumulative as the program aims to maintain and expand the base of entrepreneurs brought into the program during the previous periods. The FY08 targets for the number of MSEs receiving BDS and number of MSEs participating in value chains are revised upwards to 75,000 and 1,500, respectively, since the original targets have already been exceeded.

Element Indicator Narrative \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.5 Program Support (Econ Opportunity)

In FY07, USAID/Kenya\'s Agriculture, Business and Environment Office (ABEO) Increased Rural Incomes (SO7) team carried out a two-stage process to review and update its performance monitoring plan and conduct data quality assessments. It also undertook with EGAT assistance a review of Kenya\'s support to Kenya\'s microfinance sector, which informed the design of the new Kenya Access to Rural Finance prgram. dairy program. In addition, a Country Action Plan was approved and gender integration training workshop was conducted for USAID staff and all ABEO implementing partners under the Greater Access to Trade Expansion (GATE) program funded by EGAT/WID.

Program Area Performance \ 4 Economic Growth \ 4.8 Environment

Tourism, particularly ecotourism, is Kenya’s prime earner of foreign exchange, and gave returns of $800M in 2006; up from $365M in 2003. The building blocks of Kenyan tourism are national parks, charismatic fauna, ecosystems rich in biodiversity, and a clean, healthy environment. Analyses of threats to tropical forests and biodiversity (TF&B) identified activities to conserve and sustainably manage these resources. USAID has been implementing such activities since 2000 to strengthen the ecologic integrity of Kenya\'s TF&B and contribute to Kenya\'s economic performance.

Seven indicators are considered to be ‘strategic’, and four relate to improved natural resource management (NRM) inside and outside areas of biological significance. Results for the two indicators focusing on such

areas exceeded targets by three and 14 times. A third indicator exceeded its target by a little less than double. But performance of the fourth (the number of hectares of natural resources showing improved condition) was less than expected - within 18% of the target. While at first glance this might be disturbing, this is the first year that ‘hectares under improved NRM’ are split between ‘areas of biological significance’ and other ‘NRM areas’; e.g., intensively managed agro-ecological landscapes composed of farms, woodlots and densely settled catchments. The program focuses in such areas, but they are not where the bulk of our resources have been invested. The fifth strategic indicator, a hold-over custom indicator from previous performance monitoring, tracks net revenue generated from improved NRM. Performance was slightly off-target, but still within 8% ($553,591 vs $600,000). This less-than-expected-performance was due to a delayed start of the enterprise diversification, business development service and capacity building components of our civil society support project.

For the second year, USAID chaired the donor group that supports Kenya\'s environment sector. We led the planning of strategic, harmonized support to the sector that is well-aligned with GOK’s environmental and economic growth priorities as identified in Kenya’s Joint Assistance Strategy and in the country\'s ambitious \'Vision 2030\'. We infuenced the adoption of powerful indicators to measure the impacts of combined GOK/Donor efforts.

Program Element Performance \ 4 Economic Growth \ 4.8 Environment \ 4.8.1 Natural Resources and Biodiversity

Performance exceeded expectations under important indicators for management of terrestrial biodiversity, nature-based enterprise, policy and regulatory environment, monitoring and evaluation and management information systems.

A total of 377,298 ha in biologically significant areas came under improved management; an additional 72,815 ha in similar areas showed improved biophysical condition. In addition, beneficiaries received $553,591 in additional net revenue from nature-based enterprises, 78 percent of which was from biodiversity-dependent business (e.g., ecotourism, beekeeping in natural forest, aloe propagation and sales, and forest butterflies). Key Kenyan government partners, i.e. the Kenya Wildlife Service (KWS), the Forest Service, the National Museums and the Environment Authority delivered results through advancing biodiversity and natural resource policy, governance, management systems and financial benefits. For example, KWS, the nation’s foremost ‘keeper’ of biodiversity, matched USAID funds to improve its ‘SafariCard’ revenue collection system at Park gates. This upgrade will secure an additional $2 million per year of revenue, enabling KWS to increase its investments in biodiversity conservation, park infrastructure and community conservation. At the broader policy level, USAID facilitated broad stakeholder consultation in the review and re-framing of the wildlife management and conservation policy/act and the formulation of a draft National Land Policy. The Kenya Forest Service was gazetted as a state corporation to replace the Forest Department, and USAID provided technical assistance to advise on new administrative and management structures.

Program-funded consultants completed an assessment of gender-based constraints in the development and management of micro/small businesses and in linking nature-based products to markets. The Civil Society Support Program (CSSP) scaled-up integrating gender in its organization development training modules and in providing nine sub-grants for environmental advocacy and business development services. CSSP’s gender integration reached 3,365 men and 1,395 women across four advocacy sub-grants.

On the legal and regulatory front, the Small Group Tree Planting project signed 1,196 Greenhouse Gas transaction agreements with tree planting groups. These contracts, destined for the voluntary Carbon market, were underpinned by 2.29 million trees quantified during the period as eligible for carbon trading.

Program Element Performance \ 4 Economic Growth \ 4.8 Environment \ 4.8.3 Program Support (Environment)

USAID staff collaborated with partners in all aspects of implementation to deliver high-impact results. For example, the NRM/Biodiversity specialist effectively employed site visits and a mid-term evaluation of our dynamic community biodiversity conservation program in Kenya's northern rangelands. The strategic guidance to partners' staff and to inter-ethnic grazing committees resulted in a reallocation of USAID resources in support of committees' efforts in rangeland planning and in de-fusing potential conflict over the use of forage and water resources. The gender specialist guided the Greater Access to Trade Enhancement (GATE) consultancy team in tailoring their gender sector assessment and training program to serve the joint needs of our Envir/NRM and agricultural development partners.

The program exceeded expectations in partner training in M&E and in strategic information management. USAID inputs enhanced partners' capacity to assess ecological conditions and report biophysical change. Training strengthened community game scouts' abilities in conflict early warning, prevention and mitigation. In May, our Democracy and Governance Office assessed USG conflict-related activities in Kenya. The impacts of our Environment program were reported as follows: "the community-based conservation program [implemented by the Northern Rangelands Trust] provides an extraordinary model for an integrated approach to conflict mitigation, security, conservation, resource management and economic development. It is a model that should be exported and adapted to other conflict environments within and outside Kenya".

At the end of FY07, the program benefited from an external consultancy that evaluated strategic objectives, results frameworks (RF), performance monitoring plans (PMP), indicators and data quality (DQ) in light of USG's new foreign assistance framework. We realigned these foundation components of our Program, harmonizing standard with retained custom indicators and advised partners of DQ recommendations. These were 'stage-setting' actions to be followed with partner consultation, mentoring and training in FY 08.

Element Indicator Narrative \ 4 Economic Growth \ 4.8 Environment \ 4.8.1 Natural Resources and Biodiversity

For nearly all indicators, FY07 performance exceeded expectations. Perhaps we underestimated partner performance when setting targets, but these were new indicators with no track record. We were cautious in FY07, but used the year\'s performance to revise targets for FY08. There was one indicator under our previous PMP, \'#ha under improved NRM\', that is tracked by the combination of 2 new indicators. FY07\'s combined performance of these 2 new indicators exceeded expectations by 270,161ha, but this was not due to an underestimation of the FY07 target. One partner brought many more ha in biologically significant areas under improved management than we thought possible. At the close of the reporting period, data quality assessments (DQA) were undertaken for all indicators at 6 partner sites in concert with revising the SO\'s PMP. Results and recommendations of the DQA were discussed with all partners. This clarified indicator definitions and should improve the standard of data capture, analyses and reporting. We are dropping the standard indicator related to tranparent accounting of revenue generated from timber. We were

overly ambitious in selecting it for the FY07 OP.

Element Indicator Narrative \ 4 Economic Growth \ 4.8 Environment \ 4.8.3 Program Support (Environment)

Performance was adequate with exceeded expectations for some indicators, i.e., # evaluations and people trained in M&E, and less than expected in others, e.g., baseline/feasibility studies, number of monitoring plans & sector assessments. Environment program staff participated in assessments of financial management and procurement systems of 3 government of Kenya partners - Kenya Wildlife Service (KWS), Kenya Forest Service (KFS) and the National Environment Management Authority - as part of capacity building exercises prior to renewing Implementation Letters. There was misunderstanding of the indicator on \'monitoring plans\', and the FY07 target should have been 1 - the performance monitoring plan (PMP) of our Environment Program. Program staff spent nearly 1.5 months working with an external consultant in revising that PMP, assisting with Data Quality Assessments and preparing partners for data audits. These activities paid off with improved understanding by partners of monitoring, evaluation and reporting. The quality and timeliness of their data improved markedly. There was significant performance in 2 indicators not part of the FY07 matrix, and these are indicators we shall add in the FY08 OP - \'institutions with improved MIS\' and \'institutions using improved MIS in decision-making\'. Our Program assisted the establishment of MIS in the new KFS and aided KWS in improving its revenue collection system at park gates - \'SafariCard\'.

Program Area Performance \ 5 Humanitarian Assistance \ 5.2 Disaster Readiness

5.2 - Program Area: Disaster Readiness

Program Area Context:

Successive seasons of drought and flooding have contributed to a humanitarian emergency across the Horn of Africa. Poverty, weak governance, and in some cases, political marginalization of local populations have compounded chronic food insecurity in the region and in Kenya. In FY 2007, total USG Assistance to the Horn of Africa Complex Emergency was $370.5 million. In Kenya, the USG has provided a total of $84.8 million of food and non-food assistance to the drought and refugee programs within the country. Investment in early warning systems and disaster preparedness enhances efficient and effective delivery of humanitarian assistance. In FY 07, FEWS/NET provided key capacity building support to the GOK in disaster preparedness and analysis enabling the USG humanitarian assistance to be more effectively utilized.

Program Element Performance \ 5 Humanitarian Assistance \ 5.2 Disaster Readiness \ 5.2.1 Capacity Building, Preparedness, and Planning

Total Planned Funding for Program Element: $100,000

Overview:

Humanitarian assistance is an important foreign policy tool in that it enables the USG to demonstrate its commitment to helping those Kenyans in need. Disaster readiness is particularly relevant in that this program element allows the USG to work collaboratively with Kenyan partners to strengthen their capacity and reduce external dependencies.

While Kenya is prone to periodic droughts, floods, and other natural disasters, a key tenet of USG assistance is that better information and better management usually result in a better and timelier decision-making. Better crisis decision-making in turn allows humanitarian assistance to reach the target populations in a more timely fashion and generally at a lower cost to both the Government of Kenya (GOK) and the provider of humanitarian assistance resources including the USG.

In FY 2007, FEWS/NET provided critical capacity building trainings to national and district level food security analysts in Kenya. This includes training 57 national and district level food security analysts on food security methods and tools employed during national short and long rains food security assessment in 32 pastoral, agro pastoral and marginal agricultural districts. Of these 12 were female participants. In so doing, FEWS/NET made significant contributions to the development of the national response plan following recommendations from the outcome of the 2006 and 2007 short and long rains assessments. In addition, FEWS/NET played a catalytic role in the formation of the markets analysis team comprising the GoK's Arid Lands Project, Ministry of Agriculture, FAO and WFP and developed a plan of action for FY 2008 implementation.

Element Indicator Narrative \ 5 Humanitarian Assistance \ 5.2 Disaster Readiness \ 5.2.1 Capacity Building, Preparedness, and Planning

In FY 07 FEWS/NET ensured that the Kenyan early warning system is linked to a response system by providing food security and early warning input. This includes training 57 national and district level food security analysts on food security methods and tools employed during national short and long rains food security assessment in 32 pastoral, agro pastoral and marginal agricultural districts. Of these 12 were female participants. In so doing, FEWS/NET made significant contributions to the development of the national response plan following recommendations from the outcome of the 2006 and 2007 short and long rains assessments. In addition, FEWS/NET played a catalytic role in the formation of the markets analysis team comprising the GoK's Arid Lands Project, Ministry of Agriculture, FAO and WFP and developed a plan of action for FY 2008 implementation. Finally, as part of enhancing floods responsiveness capabilities in the country, FEWS/NET piloted a demographic data manager and developed population estimates disaggregated by demographic characteristics of floods-affected populations in the pastoral, coastal and lakeshore areas. Further developed, this capability will have a significant positive impact on the country's ability to respond to floods disaster more efficiently and effectively. The next step will be to train key personnel in flood-prone areas on the use of the software.

Key Issue Performance \ Local Organization Capacity Development

Civil Society Organizations (CSOs) receiving USG funding complete an organizational capacity assessment (OCA). OCA results are used to design training and capacity building assistance specific to each CSO. Targeted training opportunities are designed to strengthen the CSOs' internal systems, such as financial management, board relations, strategic planning, budgeting, and monitoring and evaluation. These interventions, coupled with the promotion of CSO networks and coalitions, help to ensure the long-term sustainability of local organizations. In FY07, the NRM program supported the Kenya Wildlife Service (KWS) in upgrading its Smartcard revenue collection system. The upgraded system is expected to improve KWS revenue by $1.5 million per annum through reduction of losses, integrate the KWS management information system and open opportunities for private sector participation in revenue collection. USAID

assisted the Ministry of Environment and Natural Resources and the Forest Reform Secretariat in financial planning, setting organizational structures, staff allocations and forest management partnerships with the private sector and communities. ADRA's business development services program linked 350 local chili and cotton producers with buyers, thereby enhancing their capacity to access local markets for their produce. 793 locally organized farmers have been sensitized to produce cash crops and other high-value products for local and export markets.

Key Issue Performance \ Anti-Corruption

Control of corruption remains the key indicator hindering Kenya's progress from a developing to transforming country. Programs under the USG's Anti-corruption Element, coupled with MCA Threshold Program activities, are designed to improve Kenya's score on this indicator. Activities address: 1) Prevention by closing loopholes in legislation, policy, and public systems such as procurement and supply chain management to reduce the opportunities for corruption; 2) Oversight by empowering citizens to monitor the use of public funds and by strengthening oversight institutions such as the Parliamentary watchdog committees; and 3) Enforcement by strengthening the capacity of the government to prosecute anti-corruption cases.

Key Issue Performance \ Microenterprise

The Microenterprise program increases household incomes of MSEs by building capacity of the microfinance industry, improving the policy and regulatory environment for MSEs, and strengthening productivity of microenterprises. There are over 3.5 million smallholders engaged in production of maize, dairy, horticulture and fish and about 1.3 million micro- and small-scale businesses employing over 2.4 million workers in the medium and high potential areas. About 160 policy analysts and implementers were trained on guidelines on policy analysis and formulation, research methods and communication, MSE program management and monitoring and evaluation. The Microfinance Act was also passed, the attendant prudential regulations necessary to operationalize the new law prepared, and capacity of the Central Bank supervision department built. 73,251 MSEs accessed commercial business services as of September 2007, an increase of 14,338 from September 2006, surpassing the 2007 target by 19%. Another 23,659 had been linked with large-scale firms (comprising six exporters and three processors), up from 15,442 as of September 2006 and 28% above the target. $ 401,807 was generated as new income from community-based conservation enterprises such as butterfly farming, aloe vera processing, herbal medicine, beadwork and ecotourism. The program facilitated joint investment deals between communities and the private sector for five group ranches in the semi-arid Northern Kenya.

Key Issue Performance \ Trade Capacity Building

Economic Growth programs achieved the following: (i) Business Development Services program has developed private sector service suppliers and linked them with smallholder farmers and fisher-folk, developing commercial links with six exporters; (ii) Biotechnology Program addressed sanitary and phytosanitary (SPS) issues as they relate to trade standards, labelling and intellectual property rights. The Biosafety Bill was drafted and debated in Parliament but not passed; (ii) The dairy program facilitated sale and use of over 60,446 doses of US quality bull genetics, assisting more than 23,070 farmers in targeted zones, while volume and value of traded dairy products in targeted cooperatives grew by 65% and 92%, respectively; (iii) horticulture program trained more than 1,900 smallholder farmers in EUREPGAP and certified them. Pest Risk Assessment conducted for baby corn and carrots facilitated authorization for export

to the US market; (iv) the maize program, covering over 300,000 farmers, raised smallholder productivity from a baseline of 8 bags (90kg) in 2002 to 35 (90kg)/acre; (v) The pastoral livestock program supported development and strengthening of local and national level livestock trade commissions and strengthened local livestock trade associations in business services and trade capabilities; and (vi) The Trade Development Program has facilitated 100 small and medium companies to participate in trade shows and buyers forums in the US.

Key Issue Performance \ Clean Energy

The Environment program provided support to agroforestry small groups to build fuel-efficient clay stoves designed to discharge combustion gases out of the homes. The clay stoves reduce the need for fuel wood and therefore reduce pressure on natural forests and aid in the protection of biodiversity.

Key Issue Performance \ Applied Research

USAID's applied research project looking at TB detection in antenatal care (ANC) clinics has succeeded in incorporating TB into the national ANC guidelines. USAID's adolescent reproductive health project has transferred lessons learned to three GOK ministries and to two USAID provincial-level service delivery projects. USAID and partners conducted six studies that link biodiversity and nature-based enterprise. Ten resistant maize varieties resistant to maize streak viruses and varieties resistant to a parasitic weed-Striga have been licensed to a private company for commercialization. Five animal disease diagnostics protocols are undergoing commercialization through a private firm. One vaccine for Rift Valley Fever of livestock is undergoing proof of concept stage of research. The control procedures for helminthes are ready for commercialization. Technologies for the control of East Coast Fever of cattle have been developed. Two maize varieties resistant to gray leaf spots are undergoing on-farm testing and the National Performance Trials prior to commercial release.

Key Issue Performance \ Dairy

The Kenya Dairy Development Program (KDDP) has achieved a 28% reduction in cost of milk production among targeted farmers. This is partly attributed to increased cow productivity. A total of 31,791 farmers were provided with direct technical assistance in Good Agricultural Practice aimed at increasing clean milk production against a target of 6,000 farmers. The program also facilitated the sale and use of over 60,446 doses of US quality bull genetics, assisting over 23,070 farmers in targeted zones in the past year against a target of 10,574 dozes. The farmer's have also been sensitized on merits of Artificial Insemination use thus stimulating demand for the service. The volume and value of traded dairy products in targeted cooperatives grew by 65% and 92% respectively. The program has enhanced the capacity of dairy cooperative management on key managerial areas such as governance and financial management as well as strategies to create value up the market chain. The program distributed 64,000 journals, educational materials and catalogues to dairy stakeholders in the last year to improve good animal husbandry practices and market access against the target of 2,000. Over 670 farm families have adopted the NRM technologies disseminated by KDDP.

Key Issue Performance \ Community Mobilization/Participation

Peace and reconciliation processes are successful in cases where local peace building efforts are encouraged and supported. Currently, communities, through traditional structures such as clan elders, have been at the

forefront of facilitating peace building efforts. Through the Ministry of Tourism and Wildlife, the "National Steering Committee on Wildlife Policy" sponsored 22 regional workshops to receive comment and consolidate views on wildlife management policy. Likewise, the National Land Policy was drafted through grass-roots regional and national stakeholder consultations. The draft Land Policy and Wildlife Policy and Bill are under review by the Attorney General and Parliament. Through community mobilization, Title II food aid development programs implemented by ADRA and FHI in FY 07 achieved remarkable results in disseminating appropriate messages on health and nutrition practices to target communities. The program mobilized communities through training and local community institutional development. This includes training 3,040 community health workers, community health promoters and contact mothers on child health care and nutrition. The trained groups mobilized communities to observe appropriate health and nutrition practices and ensured Vitamin A provision to a total of 2,083 children. CARE's program focusing on Orphaned and Vulnerable Children (OVCs) mobilized communities to ensure improved nutritional through provision of education on nutrition.

Key Issue Performance \ Public-Private Partnerships

USAID is undertaking many formal GDA partnerships as indicated in the subject annex. In addition to these activities, Kenya Mission is undertaking a number of other Public Private Partnerships.

Through public-private partnerships, over 25,000 export vegetable farmers were assisted to meet new EU market standards, increasing annual incomes by $8.4 million over the past three years. Safaricom, Sigma Feeds and Twiga Chemicals Ltd sponsored a dairy livestock show attended by 30 private sector exhibitors and 8,000 farmers. Asami Supplies, manufacturer of polythene, sponsored a feed conservation field day attended by over 4000 farmers.Over 20 private firms including Brookside Dairy Ltd and Kenya Livestock Breeders Organization contributed $15,000 for the Livestock Breeders seminar attended by over 1,500 farmers. Kenya Broadcasting Corporation (KBC) disseminated dairy market information, reaching over 1 million people. Over 70 private sector companies exhibited their products and services at a two day annual maize farmers business fair. The Mission has worked with the African Wildlife Fund (AWF), the private sector, and the local communities to develop joint-financing arrangements for Ecotourism. Population Services International (PSI) is working with Pfizer on a new five-year malaria treatment and education initiative and with Proctor and Gamble on a Safe Water Initiative.

Key Issue Performance \ Civil Society

The USG provides grants to Kenyan civil society organizations (CSOs) to undertake advocacy campaigns, to engage the Government of Kenya (GOK) on policy and legislative reform topics, and to monitor the government's performance. A range of non-governmental organizations receive support, including community- and faith-based groups, professional associations, think tanks, and research institutes. CSO grantees are assisted to undertake such activities by receiving training in campaign action planning, research, stakeholder analysis, constituency mobilization, as well as coalition building. These CSOs are also encouraged to strengthen their urban-rural networks and to foster the emergence of women and youth leaders to ensure that all citizen's voices are represented. Four CSOs were supported to engage GoK in the areas of forest sector reform and wildlife management and conservation policy and legislation. Five community groups were supported in the formation of forest conservation associations to engage the Kenya Forest Service in the allocation or concession of forest lands for joint forest management. Another CSO promoted environmental law in a campaign to the Judiciary and developed a national strategy on access to

environmental justice.

Key Issue Performance \ Increasing gender equity

Women's participation in the Economic Growth objective increased to 30% in environment and 33% in agriculture. Female-headed households in the agriculture, economic opportunity and private sector competitiveness programs achieved higher change in incomes (19%) compared to their male counterparts (12%). This achievement is a direct result of a combination of strategies that comprise proactive linking of women's enterprises to markets, increasing access to finance and improved agricultural inputs. The environment program reached more women through direct support of women's nature based enterprises. The National Land Policy activity focused on advocacy for joint ownership and equal inheritance rights.

Gender Equity remains a critical factor is both why and how we work in the Governing Justly and Democratic and Peace Building sectors. Political party and civic participation programs equipped more than 200 women with leadership and management skills. Election process and competition activities are encouraging voters to reflect on women as leaders, raising awareness on barrier to women's participation, and addressing gender-based violence. In conflict mitigation initiatives, women are participating in and influencing major decisions, roles that were previously the domain of male elders and male provincial administrators.

Key Issue Performance \ Development Research

An evaluation of a multi-donor funded program, planned for March 2008, will assess whether the National Civic Education Program (NCEP) led to positive changes in: 1) civic competence, or the extent to which individual citizens have the knowledge, awareness and personal capabilities to influence the political process; 2) engagement with politics, including the individual citizen's level of political interest, attentiveness to politics in the mass media, and actual participation in the political system; and 3) democratic values, encompassing adherence to the values of political tolerance, support for the rule of law, support for democracy as a system of government, and trust. The findings of this evaluation will strengthen local CSO program performance and provide useful information on the level of knowledge among women and marginalized groups, while furthering the current research on the impact of civic education programs, which will lead to better methodologies for promoting civic education in the country.

Key Issue Performance \ Food Security

In FY07 integrated Title II food aid development programs implemented by Adventist Development and Relief Agency (ADRA), CARE and Food for the Hungry/Kenya made incremental contributions to food security in target areas. In FY07, various Title II interventions that promote agricultural productivity, access to health services and appropriate nutritional practices enabled households to have enough food to last them for seven months (on average) in target areas. This achievement is slightly lower than the FY07 target of eight months. This was mainly due to the cumulative effect of the FY06 and prior years' droughts. In addition, some of the target households were affected by unseasonable rains and flash floods in FY07, which resulted in loss of assets and damaged crops. However, the dairy program, operating in less-drought affected areas, improved food security by reaching 31,791 farmers with direct technical assistance in Good Agricultural Practices (GAP) aimed at increasing clean milk production, and achieved an overall participation rate by women of 38%. The Kenya Maize Development Program trained 70,393 on improved food production techniques, thereby raising production per acre by almost 9 percent. The Kenya Horticulture

Development Program enabled 6,000 growers, including 40% Muslim women from marginalized and food insecure areas, to generate regular cash income ranging from $300 to $350 per annum per person.

Key Issue Performance \ Counter Terrorism

Fighting terrorism in East Africa is the highest priority of the U.S. Mission. While the Government of Kenya is a willing partner in this effort, it lacks the necessary legal tools, institutional capacity, and resources to prevent, investigate, and prosecute terrorism at home, let alone in the wider region. U.S. counter-terrorism assistance programs, coordinated under Post\'s Counter-Terrorism Working Group, extended beyond the those captured under the CT element and are multi-pronged. They include capacity building, training, and technical assistance to the Kenyan police, military, prosecutors, civil aviation and airport atuthorites, coastal security-related agencies, and customs. In all such programs, FY-07 targets were met or exceeded, and Kenyan capacity strengthened. There were no significant terrorist incidents in Kenya in FY-07, and Kenyan military and law enforcement authorites successfully closed and protected Kenya\'s northern border from potential terrorist infiltration after the outbreak of major hostilities in Somalia in December 2006.

The Development component complements the Defense and Diplomatic components as it endeavors to lessen ungoverned space and better integrate the marginalized peoples of Northeastern and Coast Provinces into the social, economic and political life of Kenya through education, health, water, livestock, and micro-enterprise activities.

Key Issue Performance \ Biodiversity

Biodiversity conservation is the foundation of our Environment program and is the mechanism through which the program advances Kenya to a transforming state. ‘Biodiversity’ has driven our program since 2000, and in FY07, 82% of our NOA was devoted to its conservation, protection and sustainable with investments in policy, governance, conservation and information technology. Our partners’ activities increased the number of hectares of biologically significant areas under improved management, improved biophysical condition and delivered significant financial impacts at the household level from nature-based enterprises. We were required to attribute $500,000 of sub-obligations to climate change (CC). We exceeded this target with $710,294 - mainly assisting rural communities and farm households in CC adaptation. Adaptation practices included improved rangeland management, community conservation set-asides of natural woodland and savannah habitats, and agroforestry/conservation farming.

Key Issue Performance \ Africa Education Initiative (AEI)

AEI supported pre and in-service training of primary school teachers, and administrators. In FY 2007 1,013 were trained in child centered teaching methods. Teaching materials were developed and distributed to schools in marginalized areas. Pre and Primary school enrollment in ASAL areas increased to 213,950 students. Orphans and Vulnerable Children received added support such as uniforms, textbooks and school feeding programs.

The Ambassador’s Girls Scholarship Program in Kenya is performing well, consistently providing a high level of quality support to needy girls. In FY 2007, AGSP helped 3000 girls to persist and achieve

academically through mentoring and HIV/AIDS education. The number of schools with AGSP scholars has risen from 80 in 2006 to 134 in 2007.The most challenging aspect of this program is maintaining good communication between the contractor, the CTO in USAID/Washington and the Mission

Key Issue Performance \ African Global Competitiveness Initiative (AGCI)

Through private sector partnerships, USAID's horticulture program (KHDP) has assisted more than 25,000 smallholder producers of export vegetables to meet sanitary and phytosanitary standards for EU and to some extent for U.S. markets. Two new products (carrot and baby corn) have been approved by USDA for entry into the U.S. market based on successful pest risk analysis. This has increased the annual incomes of over 30,000 smallholders by more than $10.7 million (average $359/grower). Trade in horticultural crops and products between Kenya and the U.S. is increasing following KHDP-supported representation at major U.S. trade shows. Direct marketing with U.S. buyers has also generated new interest in processed vegetable products and essential oils. The total value of Kenya-U.S. trade - to which USAID contributed - increased from $8.2 million to an estimated $10.1 million in FY07, albeit below the target $12 million (due in part to the continued weakening of the dollar vis-à-vis the Kenya Shilling). During 2007, six SMEs obtained bank loans with USAID assistance--three of which were partly women-owned. The value of loans and new equity facilitated under the program exceeded $3 million. Under USAID trade support program, 500 companies (40% women-owned) have been trained in "export readiness" to enhance their export competitiveness to the U.S. market. Eight firms participated in the Specialty Coffee Association of America, securing confirmed orders valued at $12 million.

Key Issue Performance \ Initiative to End Hunger in Africa (IEHA)

USAID used IEHA resources to strengthen agriculture-related institutions and community-based producer organizations, and assisted livestock production and marketing in Arid and Semi Arid Lands - directly benefiting over 490,000 rural households in FY07. About 43 improved technologies were made available to smallholder farmers, compared to a target of 30. This was accompanied with extensive agriculture productivity-related short-term training in which a total of 428,980 farmers participated, 174,136 (41%) women. Over 125,000 dairy and maize farmers adopted improved technologies and close to 42,000 hectares of dairy farms were brought under new technologies as a result of increased availability of improved technologies, training and extension services. The program facilitated market development for business development services as a total of 73,251 MSEs accessed the services in FY07 (vs. the target of 52,860) and 23,659 MSEs were connected to large-scale export and processing firms. The volume of purchases from smallholder dairy, maize and horticulture farmers was 7.4 million MT, valued at $472.6 million. Produce sales in the international market for milk, horticulture and maize totaled $266 million. Maize farmers sold 26,371 MT in the regional market, valued at $5.6 million, compared to $1.7 million in FY06. Similarly, exports of dairy products to the East African region has continued to rise from 1,000MT worth $1.4 million in FY06 to 1,950MT valued at $5.9 in FY07.

1 Peace & Security - Kenya

1.1 Counter-Terrorism\1.1.1 Deny Terrorist Sponsorship, Support and Sanctuary

Number of People trained on Counterterrorism finance by USG programs

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
60	150	163	250	200	-	-	-	-	-	-	-	-	-	-

357 chars

1.1.1 Deny Terrorist Sponsorship, Support and Sanctuary narrative (no more than 1500 characters)

The reality on the ground is that Kenyan prosecutors do not have a good foundation to get the maximum benefit from a CT-only focused training program. Therefore, our approach has been to build their basic skill set while introducing more sophisticated CT training. We exceeded our FY-07 target of 150 but believe a more realistic target for FY-08 is 200.

1.1 Counter-Terrorism\1.1.3 Governments' Capabilities

Number of people trained in Anti-terrorism By USG Programs

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
108	335	329	459	-	-	-	-	-	-	-	-	-	-	-

1 chars

1.1.3 Governments' Capabilities narrative (no more than 1500 characters)

1.3 Stabilization Operations and Security Sector Reform\1.3.6 Defense, Military, and Border Restructuring, Reform and

Number of host country military personnel trained to maintain territorial integrity

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	8	-	8

223 chars

1.3.6 Defense, Military, and Border Restructuring, Reform and Operations narrative (no more than 1500 characters)

With additional funding ($650,000 vs. the $67,000 originally anticipated), the IMET program exceeded its target of one host country trainee by training a total of eight. The target for FY-08 has been revised accordingly.

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of people attending USG-assisted facilitated events that are geared toward

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,600	3,300	1,325	4,000	2,500

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of people from 'at-risk' groups reached through USG-supported conflict mitigation activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7,800	10,400	500,000	13,800	250,000

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of people trained in conflict mitigation/resolution skills with USG assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
15	21	337	29	120	6	9	64	12	40	9	12	273	15	80

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of USG programs supporting a conflict and/or fragility early warning system and/or

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	2	1	2

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of USG-assisted facilitated events geared toward strengthening understanding and mitigating

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
80	100	88	120	-

1.6 Conflict Mitigation and Reconciliation\1.6.1 Conflict Mitigation

Number of USG-supported activities that demonstrate the postive impact of a peace process

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
80	120	4	160	6

1277 chars

1.6.1 Conflict Mitigation narrative (no more than 1500 characters)

Partners met and exceeded targets under three indicators but missed targets under three indicators because of the following reasons: Parts of the region experienced serious floods at the beginning of 2007. This was closely followed by Rift Valley Fever which affected a significant proportion of the livestock in the region. In addition, the creation of new/additional Districts also brought in a new dimension of new administrative boundaries. These factors had a negative impact on implementation of activities. The 2008 targets under "number of people from at-risk groups reached; training and; programs supporting early warning and/or response mechanism", have been revised upwards to reflect the expansion of the program into the newly created Districts (but the increase is not proportional because current Partners have reduced from 4 to 2 and a new follow-on program will commence in mid-2008). Further, the target under "number of activities that demonstrate positive impact of a peace process", have been adjusted downwards since this refers to the actual activities (such as, creation of Youth Theatre Groups and Peace Clubs in schools) as opposed to the number of times that these activities are carried out. Therefore the adjustment is necessary to reflect this.

1.6 Conflict Mitigation and Reconciliation\1.6.2 Peace and Reconciliation Processes

Number of peace-building structures established or strengthened with USG assistance that engage

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	1	-

1.6 Conflict Mitigation and Reconciliation\1.6.2 Peace and Reconciliation Processes

Number of people attending public fora/educational events supported by USG assistance to teach

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	450	-	1,800	450

1.6 Conflict Mitigation and Reconciliation\1.6.2 Peace and Reconciliation Processes

Number of public fora/educational events to teach public about peace process supported by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	3	-	6	3

1126 chars

1.6.2 Peace and Reconciliation Processes narrative (no more than 1500 characters)

During the last year, the Government-led National Steering Committee on Conflict Management and Peace Building (NSC) prioritized and concentrated on two main activities: (1) revising and editing the draft national policy on conflict management and peace building (funded by USG) and (2) formalization of local Peace Committees across the country (funded by other donors). The NSC Secretariat has limited capacity/resources in terms of staff, vehicles etc. Therefore, given the two priorities and the limitations, the NSC was not able to directly organise and carry out public fora/educational events to raise public awareness on peace. However, the NSC collaborated with civil society organizations funded by USAID in sensitizing the public under activities/events implemented under the Conflict Mitigation Program Element. USAID is currently developing a new Program with a view to channeling support through a mechanism that will build the capacity of the Secretariat. We should therefore anticipate progress in FY 2008. Targets for 2008 have been adjusted downwards since implementation will not begin until mid FY 2008.

2 Governing Justly & Democratically - Kenya

2.2 Good Governance\2.2.1 Legislative Function and Processes

Number of Draft Laws Subject to Final Vote in New or Transitional Legislatures Receiving USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
6	7	17	8	15

2.2 Good Governance\2.2.1 Legislative Function and Processes

Number of National Executive Oversight Actions Taken by Legislature Receiving USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	10	11	15	-

2.2 Good Governance\2.2.1 Legislative Function and Processes

Number of National Legislators and National Legislative Staff Attending USG Sponsored training or educational Events

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
70	50	268	100	150	5	8	53	20	35	65	42	215	80	125

814 chars

2.2.1 Legislative Function and Processes narrative (no more than 1500 characters)

In calculating the number of laws for final vote, we initially focused on the number that were passed, rather than the total number voted on. Thus, while the target was met for the number of laws passed, it was greatly exceeded for the number of law voted on. Consequently, the FY 2008 target is revised upwards. Initial targets for training were lower given that our Canadian colleagues had planned to take the lead on training. However, when some of this funding did not come through, USAID increased training for more committee-related staff. In addition, the House Democratic Assistance Commission (HDAC) also participated in some of our training and provided technical advisors for the training allowing us to train more individuals. Given this partnership, we have revised our training projections upward.

2.2 Good Governance\2.2.4 Anti-Corruption Reforms

Number of Mechanisms for External Oversight of Public Resource Use supported by USG Assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	4	5	4	-

2.2 Good Governance\2.2.4 Anti-Corruption Reforms

Number of People affiliated with non-Governmental Organizations receiving USG supported Anti-corruption Training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	15	170	25	100	-	7	70	12	40	-	8	100	13	60

2.2 Good Governance\2.2.4 Anti-Corruption Reforms

Number of USG-Supported Anti-corruption Measures Implemented

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	2	2	3	-

1 chars

2.2.4 Anti-Corruption Reforms narrative (no more than 1500 characters)

2.3 Political Competition and Consensus-Building\2.3.2 Elections and Political Processes

Number of Domestic Election Observers Trained with USG Assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	2,000	Not Available	2,000	-	-	1,000	Not Available	1,000	-	-	1,000	Not Available	1,000	-

2.3 Political Competition and Consensus-Building\2.3.2 Elections and Political Processes

Number of Election Officials Trained with USG Assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
50	100,000	98	210,000	-	10	20,000	30	42,000	-	40	80,000	68	168,000	-

2.3 Political Competition and Consensus-Building\2.3.2 Elections and Political Processes

Number of People Reached by USG Assisted Voter Education

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1,000,000	Not Available	2,000,000	-

572 chars

2.3.2 Elections and Political Processes narrative (no more than 1500 characters)

The majority of our electoral assistance is being implemented through UNDP. The program start up was delayed and reporting numbers will not be available until January. However, we are confident that all the above targets will be met, although the majority of FY07 targets will be achieved in FY08. Note on the number of election officials trained, the above actuals reflect training with the ECK commissioners and staff. We are yet to train the returning and presiding officers. This training is still scheduled to take place and therefore targets should be realized.

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties

Number of Individuals who Receive USG-Assisted Political Party Training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	135	407	135	300	-	35	276	35	85	-	100	131	100	215

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties

Number of political parties and political groupings receiving USG Assistance to articulate platform and

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	7	6	7	

2.3 Political Competition and Consensus-Building\2.3.3 Political Parties

Number of USG-assisted political parties implementing programs to increase the number of

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	7	6	7	-

433 chars

2.3.3 Political Parties narrative (no more than 1500 characters)

Political party interest in training greatly exceeded our expectations in this nascent program. As a consequence, next year the targets have been increased. Given that the elections will have occurred, targets are set lower than 2007, since there was a keen need to develop party manifestos. Nevertheless, with the new political parties finance act, we anticipate a continuing high level of interest in training from the partners.

2.4 Civil Society\2.4.1 Civic Participation

Number of Civil Society Organizations using USG Assistance to Improve Internal Organizational

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	20	26	25	-

2.4 Civil Society\2.4.1 Civic Participation

Number of CSO Advocacy Campaigns Supported by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	15	20	20	-

2.4 Civil Society\2.4.1 Civic Participation

Number of USG Assisted Civil Society Organizations that engage in advocacy and

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	15	23	20	-

541 chars

2.4.1 Civic Participation narrative (no more than 1500 characters)

The FY 2007 actuals for the CSO-related indicators exceeded targets because the actual numbers include both the targeted 15 CSOs that were suppoted with FY 2007 funds as well as 8 CSOs that had received prior year funding for grants that expired during FY 2007. One grant also supported a consortia of CSOs, thereby increasing the total number of CSOs improving their internal organization. As all of the older grants have now expired, we do not anticipate a trend of exceeding our targets, and therefore we will retain our FY 2008 targets.

3 Investing in People - Kenya

3.1 Health\3.1.2 Tuberculosis

Existence of a multi-drug resistance for TB at the national level

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	2	1	3

3.1 Health\3.1.2 Tuberculosis

Number of improvements to laws, policies, regulations or guidelines related to improved access t and use of health services drafted with USG support

					number of men (do not use, no need to disaggregate)				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	2	-	-	-	-	-	-

3.1 Health\3.1.2 Tuberculosis

Number of people trained in DOTS with USG funding

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
30	70	83	70	-	15	34	40	34		15	36	43	36	-

3.1 Health\3.1.2 Tuberculosis

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	20	43	20	-

3.1 Health\3.1.2 Tuberculosis

Number of USG-assisted service delivery points experiencing stock-outs of specific tracer drugs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	-	-

1 chars

3.1.2 Tuberculosis narrative (no more than 1500 characters)

3.1 Health\3.1.3 Malaria

Number of houses sprayed with insecticide with USG support

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,000	400,000	700,000	400,000	-

3.1 Health\3.1.3 Malaria

Number of ITNs distributed that were purchased or subsidized with USG support

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	200,000	233,721	200,000	-

3.1 Health\3.1.3 Malaria

Number of people trained in malaria treatment or prevention with USG funds

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
340	1,540	4,736	2,040	-	170	820	-	1,020	140	170	720	4,596	1,020	-

3.1 Health\3.1.3 Malaria

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
40	40	53	40	-

1 chars

3.1.3 Malaria narrative (no more than 1500 characters)

3.1 Health\3.1.6 Maternal and Child Health

Liters of drinking water disinfected with USG-supported point-of-use treatment products

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
600,000,000	1,000,000,000	1,306,432,000	1,200,000,000	-

3.1 Health\3.1.6 Maternal and Child Health

Number of children reached by USG-supported nutrition programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
28,500	26,000	30,177	27,000	-

3.1 Health\3.1.6 Maternal and Child Health

Number of children under 5 years of age who received vitamin A from USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,209	2,400	2,083	2,600	-

3.1 Health\3.1.6 Maternal and Child Health

Number of improvements to laws, policies, regulations or guidelines related to improved

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	2	-

3.1 Health\3.1.6 Maternal and Child Health

Number of people trained in child health and nutrition through USG-supported health area programs

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,260	1,760	3,795	2,620	-	680	1,240	3,292	1,790	-	580	520	503	830	-

3.1 Health\3.1.6 Maternal and Child Health

Number of people trained in maternal/newborn health through USG-supported programs

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
50	150	349	525	-	40	95	242	290	-	10	55	107	235	-

3.1 Health\3.1.6 Maternal and Child Health

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	25	12	30	-

1 chars

3.1.6 Maternal and Child Health narrative (no more than 1500 characters)

3.1 Health\3.1.7 Family Planning and Reproductive Health

Couple years of protection (CYP) in USG-supported programs

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
114,000	170,000	620,781	195,300	700,000

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of people trained in FP/RH with USG funds

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
300	770	784	1,725	-	200	445	525	1,020	-	100	305	259	685	-

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	125	392	115	-

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of policies or guidelines developed or changed with USG assistance to improve access to

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	3	4	3	-

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of service delivery points reporting stock-outs of any contraceptive commodity offered by the

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	35	717	35	-

3.1 Health\3.1.7 Family Planning and Reproductive Health

Number of USG-assisted service delivery points providing FP counseling or services

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
97	460	883	615	900

1 chars

3.1.7 Family Planning and Reproductive Health narrative (no more than 1500 characters)

3.2 Education\3.2.1 Basic Education

Number of administrators and officials trained

					number of men					number of women				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
44	131	6,833	66	531	29	76	3,417	44	177	15	55	3,416	22	354

3.2 Education\3.2.1 Basic Education

Number of learners enrolled in USG-supported pre-primary schools or equivalent non-school-based settings

number of women	number of men

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
19,944	30,315	30,315	48,504	48,504	9,309	14,150	14,150	22,640	22,640	10,635	16,165	16,165	25,864	25,864

3.2 Education\3.2.1 Basic Education

Number of learners enrolled in USG-supported primary schools or equivalent non-school-based settings

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
144,493	219,629	219,629	351,406	351,406	67,003	101,845	10,845	162,952	162,952	77,490	117,784	117,784	188,454	188,454

3.2 Education\3.2.1 Basic Education

Number of teachers/educators trained with USG support

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
228	613	1,013	1,406	2,120	138	374	507	855	1,060	90	239	506	551	1,060

1 chars **3.2.1 Basic Education narrative (no more than 1500 characters)**

3.3 Social and Economic Services and Protection for Vulnerable Populations\3.3.3 Social Assistance

Average number of months that households benefiting from USG-supported social assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	8	7	10	-

1192 chars

3.3.3 Social Assistance narrative (no more than 1500 characters)

In FY 07, activities under Title II program enabled thousands of beneficiaries to participate in safety net programs aimed at building community assets such as roads and drainage canals to control floods and improve crop cultivation. The program also benefited various vulnerable groups including orphaned and vulnerable children, the elderly and pregnant women through direct food distribution thereby enhancing their nutritional health status. In FY 07, ADRA was able to reach 36,000 beneficiaries (of which 21,600 were women) through USG-supported social programming including food-for-work programs aimed at building community assets such as roads. During the same period, CARE's social assistance program reached 9,360 (of which 7,207 were women) beneficiaries participating in community savings mobilization exceeding the FY 07 target of 8,667 beneficiaries. However, the cumulative effect of drought in FY 06 and prior years negatively impacted on availability of food at household level in most Title II program areas. Hence, the number of months that households had enough food, on average, was seven months in FY 07 compared to the target figures of seven to eight months.

4 Economic Growth - Kenya

4.5 Agriculture\4.5.1 Agricultural Enabling Environment

Number of individuals who have received USG supported long term agricultural enabling environment training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	3	4	3	-	1	1	2	1	-	1	2	2	2	-

4.5 Agriculture\4.5.1 Agricultural Enabling Environment

Number of institutions/organizations making significant improvements based on

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	-	-

4.5 Agriculture\4.5.1 Agricultural Enabling Environment

Number of institutions/organizations undergoing capacity/competency assessments as a result of

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	3	-	3	8

4.5 Agriculture\4.5.1 Agricultural Enabling Environment

Number of policy reforms analyzed with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7	3	5	3	-

4.5 Agriculture\4.5.1 Agricultural Enabling Environment

Number of policy reforms presented for legislation/decree as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3	2	4	3	-

1232 chars

4.5.1 Agricultural Enabling Environment narrative (no more than 1500 characters)

USAID support to the Tegemeo Institute has facilitated agricultural policy analysis and reform, including the recent formulation of Kenya Vision 2030 and implementation of the Strategy for Revitalizing Agriculture (SRA) through its support to the Agricultural Sector Coordination Unit (ASCU). With USG assistance, the following 5 policy reforms were analyzed and advanced in FY07: (i) Dairy Policy; (ii) Food and Nutrition Security Policy; (iii) Consolidated Agricultural Legislation Policy; (iv) Livestock Policy; and (v) Biosafety Policy. Four of these policy reforms were advanced as "Sessional Papers" and presented for legislation/decree with USG assistance: (i) Dairy Bill; (ii) Biosafety Bill; (Iii) Consolidated Agricultural Legislation Bill; and (iv) Livestock Bill. USAID also helped facilitate completion and passage of the Microfinance Bill, which is reported under "Economic Opportunity". During the year, four individuals received long-term advanced degree training relevant to an agricultural enabling environment in U.S. universities. Results under 'institutional capacity assessment' will only begin to be achieved in FY08 as the Program for Biosafety Systems/Kenya activity has only recently begun implementation.

4.5 Agriculture\4.5.2 Agricultural Sector Productivity

Number of individuals who have received USG supported long term agricultural sector productivity training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
10	2	5	6	4	6	1	3	3	2	4	1	2	3	2

4.5 Agriculture\4.5.2 Agricultural Sector Productivity

Number of individuals who have received USG supported short term agricultural sector productivity training

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
272,380	357,591	428,980	437,359	404,000	84,914	112,215	174,136	137,982	128,000	187,466	245,376	254,844	299,377	276,000

4.5 Agriculture\4.5.2 Agricultural Sector Productivity

Number of new technologies or management practices made available for transfer as a result of

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
20	30	43	25	

4.5 Agriculture\4.5.2 Agricultural Sector Productivity

Number of new technologies or management practices under research as a result of USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	13	23	9	

4.5 Agriculture\4.5.2 Agricultural Sector Productivity

Number of rural households benefiting directly from USG interventions

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
377,222	468,340	490,644	563,458	-

4.5 Agriculture\4.5.2 Agricultural Sector Productivity

Number of vulnerable households benefiting directly from USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7,103	8,091	8,101	8,231	-

1203 chars

4.5.2 Agricultural Sector Productivity narrative (no more than 1500 characters)

USAID programs that addressed agricultural sector productivity, marketing and related issues included maize, dairy, horticulture, business development services (fish and tree fruit), Title II development food aid, agricultural research and biotechnology. FY07 targets for the “number of new technologies/management practices under research and made available” were exceeded largely as a result of incorporating ongoing activities (in particular agricultural research and dairy) that were not explicitly part of the FY07 OP. Overall results reported under “short-term agricultural sector productivity training”, which cuts across all programs listed above, were 20% above target, due in part to the focus on on-farm training. The FY08 target for this indicator is being reduced slightly to reflect current expectations in this final year of implementation for some projects. “Number of rural households benefiting from USG assistance” (5% above target) includes a sub-set of vulnerable individuals covered by the Title II programs. Five individuals received long-term training in biotechnology and breeding at MSc and PhD levels against a target of two, which had inadvertently omitted three students.

4.5 Agriculture\4.5.3 Program Support (Agriculture)

Number of evaluations

					process					results					impact					other				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	2	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	-	-	-	-	-	-

4.5 Agriculture\4.5.3 Program Support (Agriculture)

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	1	-

4.5 Agriculture\4.5.3 Program Support (Agriculture)

Number of monitoring plans

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	-	-

4.5 Agriculture\4.5.3 Program Support (Agriculture)

Number of sector assessments

	environmental					conflict					gender					other				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	2	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	-	1	-	1	-

4.5 Agriculture\4.5.3 Program Support (Agriculture)

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	1	-

711 chars

4.5.3 Program Support (Agriculture) narrative (no more than 1500 characters)

In FY07, USAID/Kenya's Agriculture, Business and Environment Office (ABEO) Increased Rural Incomes (SO7) team carried out a two-stage process to review and update its performance monitoring plan and conduct data quality assessments. It also undertook with EGAT assistance a review of Kenya's dairy sector, which informed the design of new dairy program. In addition, a preliminary analysis was conducted with EGAT assistance toward design of a future commodity value chain program. Finally, a Country Action Plan was approved and gender integration training workshop was conducted for USAID staff and all ABEO implementing partners under the Greater Access to Trade Expansion (GATE) program funded by EGAT/WID.

4.6 Private Sector Competitiveness\4.6.2 Private Sector Productivity

Number of firms receiving USG assistance to improve their management practices

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	20	21	30	-

4.6 Private Sector Competitiveness\4.6.2 Private Sector Productivity

Number of new members in private business associations as a result of USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,200	2,000	2,200	2,500	2,000

4.6 Private Sector Competitiveness\4.6.2 Private Sector Productivity

Number of SMEs receiving USG assistance to access bank loans or private equity

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	3	6	5	-

611 chars

4.6.2 Private Sector Productivity narrative (no more than 1500 characters)

Three trade associations and more than 400 farmer associations received training in business and organizational strengthening. More than 2,200 new members joined these associations, 10% over target. Out of the six small and medium enterprises (SMEs) that received bank loans, three were partly women-owned. The target for incremental number of new members (firms and farmers) joining business associations has been revised to 2000 from 2500. This is because the program will focus more on enhancing efficiency of existing associations than expanding membership of exisiting organizations or setting up new ones.

4.7 Economic Opportunity\4.7.2 Policy Environment for Micro and Small Enterprises

Number of proposed improvements in laws and regulations affecting the operations of micro

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	3	2	5	2

1307 chars

4.7.2 Policy Environment for Micro and Small Enterprises narrative (no more than 1500 characters)

USAID contributes to improvements in policies, laws and regulations affecting operations of micro- and small enterprises. KIPPRA's activities focus on narrowing the gap between overall MSE policy formulation and implementation through training and capacity strengthening of relevant government officers responsible for policy implementation. KIPPRA trained about 160 policy analysts and implementers in FY07 and played a significant role in drafting the MSE Bill currently at the Attorney General's Chamber. KIPPRA made substantial comments on the MSE Council and the MSE Technology Fund - two key proposals in the bill. USAID's KEMCAP project works on policies and regulations affecting operations of microfinance institutions and has achieved two significant policy and regulatory milestones – including the passage of the Microfinance Act, which was signed into law by the President. The Act creates a pathway for NGO microfinance institutions to become limited banks, leading to expansion of financial services into underserved sectors. Thirteen prudential guidelines have been drafted that will help the Central Bank regulate and supervise the new deposit-taking microfinance industry. Given the slow process of policy implementation in Kenya, the FY 08 target has been reduced from 5 to 2 for FY 2008.

4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity

Number of micro enterprises participating in USG assisted value chains

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1,006	1,050	1,469	1,100	1,500

4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity

Number of micro enterprises receiving business development services from USG assisted sources

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
58,913	61,500	73,251	65,250	75,000

4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity

Total number of micro enterprises receiving finance from participating firms in a USG assisted

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2,450	3,000	3,055	4,500	-

1276 chars

4.7.3 Strengthen Microenterprise Productivity narrative (no more than 1500 characters)

The number of MSEs participating in USG-assisted value chains is represented by commercial entrepreneurs providing business services within the value chains targeted by USAID's Kenya Business Development Services program. Data in the table includes service providers developed by the program in the previous years who continued to provide the services in FY07. The total number achieved exceeded the target by 40% due to the creation of a cadre of well-trained and equipped commercial sprayers and the launch of a loan product through Equity Bank. Equity Bank approved a total of $25,000 in loans for 130 groups comprising approximately 3,055 farmers. Over 73,000 micro- and small enterprises, including smallholder farmers and fisherfolk, accessed commercial business development services, 24,760 of whom (34%) were women. This exceeded the FY 07 target of 61,500 by 19 percent. The actual and target data for this indicator are cumulative as the program aims to maintain and expand the base of entrepreneurs brought into the program during the previous periods. The FY08 targets for the number of MSEs receiving BDS and number of MSEs participating in value chains are revised upwards to 75,000 and 1,500, respectively, since the original targets have already been exceeded.

4.7 Economic Opportunity\4.7.5 Program Support (Econ Opportunity)

Number of baseline or feasability studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	-	1	-

4.7 Economic Opportunity\4.7.5 Program Support (Econ Opportunity)

Number of evaluations

					process					results					impact				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	2	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	-

4.7 Economic Opportunity\4.7.5 Program Support (Econ Opportunity)

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	-	1	-

4.7 Economic Opportunity\4.7.5 Program Support (Econ Opportunity)

Number of monitoring plans

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	-	-

4.7 Economic Opportunity\4.7.5 Program Support (Econ Opportunity)

Number of sector assessments

					other					conflict					gender				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	2	-	-	-	-	-	-	-	1	-	1	-	1	-	-	1	-

4.7 Economic Opportunity\4.7.5 Program Support (Econ Opportunity)

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	1	-

655 chars

4.7.5 Program Support (Econ Opportunity) narrative (no more than 1500 characters)

In FY07, USAID/Kenya's Agriculture, Business and Environment Office (ABEO) Increased Rural Incomes (SO7) team carried out a two-stage process to review and update its performance monitoring plan and conduct data quality assessments. It also undertook with EGAT assistance a review of Kenya's support to Kenya's microfinance sector, which informed the design of the new Kenya Access to Rural Finance prgram. dairy program. In addition, a Country Action Plan was approved and gender integration training workshop was conducted for USAID staff and all ABEO implementing partners under the Greater Access to Trade Expansion (GATE) program funded by EGAT/WID.

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of hectares in areas of biological significance showing improved biophysical conditions as a result of USG assistance

					terrestrial					marine				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
400	5,000	72,815	5,000	80,317	-	5,000	72,815	5,000	80,317	-	-	-	-	-

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of hectares in areas of biological significance under improved management as a result of USG assistance

					terrestrial					marine				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
691,611	119,450	377,298	134,540	126,879	690,111	119,450	377,298	134,540	126,879	-	-	-	-	-

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of hectares of natural resources showing improved biophysical conditions as a result of USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
876	2,500	2,043	4,500	3,353

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of hectares under improved natural resource management as a result of USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
264,537	18,550	30,863	33,100	57,472

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of people receiving USG supported training in natural resources management and/or biodiversity conservation

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
43,076	16,249	29,740	31,300	47,500	-	4,875	8,922	9,390	14,250	-	11,374	18,818	21,910	33,250

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance.

					number of women					number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
150,000	17,429	141,229	27,300	216,681	-	5,229	42,368	8,190	56,814	-	12,200	174,312	19,110	151,677

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of policies, laws, agreements or regulations promoting sustainable natural resource

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
3	12	740	16	5,021

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Number of USG-supported initiatives/mechanisms designed to reduce the potential for violent conflict

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	2	12	4	9

4.8 Environment\4.8.1 Natural Resources and Biodiversity

Value of revenue generated from diamonds/timber/oil/gold/cotton transparently

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	290,000	-	310,000	-

1184 chars

4.8.1 Natural Resources and Biodiversity narrative (no more than 1500 characters)

For nearly all indicators, FY07 performance exceeded expectations. Perhaps we underestimated partner performance when setting targets, but these were new indicators with no track record. We were cautious in FY07, but used the year's performance to revise targets for FY08. There was one indicator under our previous PMP, '#ha under improved NRM', that is tracked by the combination of 2 new indicators. FY07's combined performance of these 2 new indicators exceeded expectations by 270,161ha, but this was not due to an underestimation of the FY07 target. One partner brought many more ha in biologically significant areas under improved management than we thought possible. At the close of the reporting period, data quality assessments (DQA) were undertaken for all indicators at 6 partner sites in concert with revising the SO's PMP. Results and recommendations of the DQA were discussed with all partners. This clarified indicator definitions and should improve the standard of data capture, analyses and reporting. We are dropping the standard indicator related to tranparent accounting of revenue generated from timber. We were overly ambitious in selecting it for the FY07 OP.

4.8 Environment\4.8.3 Program Support (Environment)

Number of baseline or feasability studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	1	-	1	-

4.8 Environment\4.8.3 Program Support (Environment)

Number of evaluations

	process					results					impact					other				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
8	5	5	5	2	4	3	3	3	1	2	1	-	1	-	2	1	2	1	1	-	-	-	-	-

4.8 Environment\4.8.3 Program Support (Environment)

Number of information gathering or research activities

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	1	-	-

4.8 Environment\4.8.3 Program Support (Environment)

Number of monitoring plans

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
4	3	1	3	1

4.8 Environment\4.8.3 Program Support (Environment)

Number of people trained in monitoring and evaluation

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	10	59	15	75

4.8 Environment\4.8.3 Program Support (Environment)

Number of people trained in other strategic information management

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
40	60	128	60	30

4.8 Environment\4.8.3 Program Support (Environment)

Number of sector assessments

	environmental					conflict					gender					other				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
2	4	1	4	1	1	3	-	3	1	-	-	-	-	-	1	1	1	1	1	-	-	-	-	-

4.8 Environment\4.8.3 Program Support (Environment)

Number of special studies

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	1	1	1

1457 chars

4.8.3 Program Support (Environment) narrative (no more than 1500 characters)

Performance was adequate with exceeded expectations for some indicators, i.e., # evaluations and people trained in M&E, and less than expected in others, e.g., baseline/feasibility studies, number of monitoring plans & sector assessments. Environment program staff participated in assessments of financial management and procurement systems of 3 government of Kenya partners - Kenya Wildlife Service (KWS), Kenya Forest Service (KFS) and the National Environment Management Authority - as part of capacity building exercises prior to renewing Implementation Letters. There was misunderstanding of the indicator on 'monitoring plans', and the FY07 target should have been 1 - the performance monitoring plan (PMP) of our Environment Program. Program staff spent nearly 1.5 months working with an external consultant in revising that PMP, assisting with Data Quality Assessments and preparing partners for data audits. These activities paid off with improved understanding by partners of monitoring, evaluation and reporting. The quality and timeliness of their data improved markedly. There was significant performance in 2 indicators not part of the FY07 matrix, and these are indicators we shall add in the FY08 OP - 'institutions with improved MIS' and 'institutions using improved MIS in decision-making'. Our Program assisted the establishment of MIS in the new KFS and aide

assisted the establishment of MIS in the new KFS and aided KWS in improving its revenue collection system at park gates - 'SafariCard'.

5 Humanitarian Assistance - Kenya

5.2 Disaster Readiness\5.2.1 Capacity Building, Preparedness, and Planning

Number of countries with early warning systems linked to a response system in place as a result of

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
1	1	1	1	-

5.2 Disaster Readiness\5.2.1 Capacity Building, Preparedness, and Planning

Number of people trained in disaster preparedness as a result of USG assistance

					Number of women					Number of men				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	-	57	30	80	-	-	12	12	16	-	-	45	18	64

1409 chars

5.2.1 Capacity Building, Preparedness, and Planning narrative (no more than 1500 characters)

In FY 07 FEWS/NET ensured that the Kenyan early warning system is linked to a response system by providing food security and early warning input. This includes training 57 national and district level food security analysts on food security methods and tools employed during national short and long rains food security assessment in 32 pastoral, agro pastoral and marginal agricultural districts. Of these 12 were female participants. In so doing, FEWS/NET made significant contributions to the development of the national response plan following recommendations from the outcome of the 2006 and 2007 short and long rains assessments. In addition, FEWS/NET played a catalytic role in the formation of the markets analysis team comprising the GoK's Arid Lands Project, Ministry of Agriculture, FAO and WFP and developed a plan of action for FY 2008 implementation. Finally, as part of enhancing floods responsiveness capabilities in the country, FEWS/NET piloted a demographic data manager and developed population estimates disaggregated by demographic characteristics of floods-affected populations in the pastoral, coastal and lakeshore areas. Further developed, this capability will have a significant positive impact on the country's ability to respond to floods disaster more efficiently and effectively. The next step will be to train key personnel in flood-prone areas on the

ext step will be to train key personnel in flood-prone areas on the use of the software.

FY 2007 Performance Report - Custom Indicators

Select Program Element	Custom Indicator	2007 Actual	2008 Target
3.2.1 Basic Education	Number of administrators and officials trained	6,426	6,000
3.2.1 Basic Education	Number of teachers\educators trained with USG support		1,000
3.2.1 Basic Education	Number of learners enrolled in USG supported primary schools or equivalent		64,000
3.2.1 Basic Education	Number of text books and other teaching materials provided with USG assistance		1,000
4.5.1 Agricultural Enabling Environment	Number of Individuals Who Have Received USG-Supported Short-		
4.5.1 Agricultural Enabling Environment	Term-Agricultural Enabling Environment Training		93
4.5.1 Agricultural Enabling Environment	Number of Women		38
4.5.1 Agricultural Enabling Environment	Number of Men		55
4.8.1 Natural Resources and Biodiversity	Value of revenue generated from improved NRM in USG-supported sites	553,591	882,700
4.8.1 Natural Resources and Biodiversity	Number of people that adopt improved NRM practices in USG-supported sites	74,134	105,000
4.8.3 Program Support (Environment)	#institutions w/improved MIS as a result of USG support	2	2
4.8.3 Program Support (Environment)	#institutions that have used USG-assisted MIS to inform admin/mgmt decisions	3	4