

Kenya

The Development Challenge: Kenya is the dominant economy in the Horn of Africa. As a center for commercial and economic activity in a regional market of nearly 200 million people, it has the potential to promote economic growth and stability throughout the region. While Kenya in the past has achieved per capita income growth of 6% to 7% per year, actual growth fell from 4.6% in 1996 to a negative 0.2% in 2000, with some signs of turn around to an estimated 1.8% in 2002. Kenya's economic performance is a reflection of poor governance, including a culture of corruption, poor management of the economy by the previous government and, as a result, declining domestic and international investment in recent years. The successful December 27, 2002, presidential election hopefully marks a shift to a more open and democratic system in Kenya, bringing with it improvements in governance, management of the economy and delivery of social services. While this election is an important beginning, it is only the first step in addressing Kenya's development potential.

Although Kenya has a strong human resource base and significant amounts of existing, if deteriorating infrastructure from which to build, its progress in the short term will be hindered by constraints in health and primary education. Infant and child (under five) mortality is 112 deaths per 1,000 births, and HIV/AIDS continues to devastate the country. The Kenyan educational system is in disarray: enrollment rates, especially of girls and the economically disadvantaged have fallen. As public investment has decreased, therefore costs to families have increased. This is especially true in rural areas where some districts report as few as 17% of children are enrolled in primary schools.

Kenya is a high priority country for the United States in the fight against terrorism. Other important U.S. foreign policy interests in Kenya include: promoting regional stability, supporting democratization, encouraging economic prosperity and combating HIV/AIDS.

The USAID Program: The overarching goal of USAID assistance is to build a democratic and economically prosperous Kenya. This goal is being addressed through four objectives: improving the balance of power among the institutions of governance, protecting natural resources, improving rural incomes by increasing agricultural and rural enterprise opportunities, and improving health conditions.

HIV/AIDS prevention through positive behavior change, condom availability, blood transfusion safety, and preventing mother-to-child transmission is a program priority. Care and support for people living with HIV/AIDS will be expanded, including a pilot drug treatment program. Voluntary counseling and testing, reproductive health, and child survival will be supported, and tuberculosis (TB) and sexually transmitted infections (STIs) diagnosed and treated. In the wake of the December 2002 presidential election, USAID has a unique opportunity to help strengthen parliament and solidify the recent successes of the Kenyan electoral commission. Economic Support Funds (ESF) will be requested in FY 2004 for programs to promote better governance and transparency and to fight corruption. Growth of rural incomes will be encouraged through improvements in small farm agricultural productivity (including the use of biotechnology approaches), market access, and strengthening the private sector's abilities to manage the production and distribution of key commodities. Activities to improve management of wildlife outside protected areas, forest management and environmental governance, and integrated coastal management will all provide tangible benefits to local communities as well as preserve Kenya's wealth of natural resources.

Other Program Elements: Kenya is a priority country under the Presidential Initiative for Prevention of Mother-To-Child Transmission (PMTCT) of HIV/AIDS, which will greatly expand USAID's current support in this area.

Other USAID funding supports operations research in HIV/AIDS and community and reproductive health. Other central funds provide scholarships for girls and increase access to Internet and other electronic communications. Finally, central funding promotes market development, demonstrating best practices, in selected agricultural commodities. P.L. 480 Title II resources are used to improve food security in arid and semi-arid areas by providing agriculture and livestock production and marketing opportunities as well as promoting sustainable natural resource management practices.

Other Donors: USAID coordinates its assistance program closely with other donors in Kenya. Overall development assistance for Kenya totals about \$500 million per year. The United States is the third largest bilateral donor after Japan and the United Kingdom (UK). The main donors to the democracy and governance sector are the UK and the European Union (rule of law), the Netherlands, Denmark, Sweden, Germany, and Canada (civic education). USAID and the World Bank have been instrumental in working for an enabling policy environment for agricultural exports and markets. The World Bank works closely with USAID to provide support to Kenya's agricultural research institutes while the Netherlands supports livestock development. The leading donors in the micro- and small enterprise sector are the UK, the EU, the Netherlands, Denmark, and the United Nations Development Program. In the natural resources management (NRM) sector, the major donors are the Netherlands, the UK, Japan, Sweden, Belgium, Finland, Germany, Denmark, the EU, the World Bank, and the United Nations Environment Program (UNEP). USAID is the leading donor to Kenya's population and health sector and is working closely with the UK and the World Bank.

Kenya PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	13,272	27,563	33,413	38,513
Development Assistance	19,927	13,547	13,280	3,776
Economic Support Fund	2,400	2,000	0	8,000
Supplemental - ESF*	0	4,000	0	0
PL 480 Title II	47,771	17,682	12,134	14,262
Total Program Funds	83,370	64,792	58,827	64,551

STRATEGIC OBJECTIVE SUMMARY

615-003 HIV/AIDS, Population, and Health				
CSH	13,272	27,563	33,413	38,513
DA	5,800	0	0	0
615-005 Natural Resources Management				
DA	3,200	3,018	2,980	2,776
615-006 Democracy and Governance				
DA	2,330	2,494	3,000	1,000
ESF	2,400	2,000	0	4,000
615-007 Increased Rural Household Incomes				
DA	8,597	8,035	7,300	0
ESF	0	4,000	0	4,000

* Prior Year Unobligated Funds include \$4 million of FY 2002 Supplemental - ESF.

Data Sheet

615-001: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Kenya

615-001	DA	DFA	ESF
Through September 30, 2001			
Obligations	11,577	1,769	1,603
Expenditures	10,356	1,704	874
Unliquidated	1,221	65	729
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	766	0	246
Through September 30, 2002			
Obligations	11,577	1,769	1,603
Expenditures	11,122	1,704	1,120
Unliquidated	455	65	483
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	11,577	1,769	1,603

Data Sheet

615-002: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Kenya

615-002	CSH	DA	DFA
Through September 30, 2001			
Obligations	100	45,650	44,842
Expenditures	100	40,090	42,772
Unliquidated	0	5,560	2,070
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	0	4,791	177
Through September 30, 2002			
Obligations	100	45,650	44,842
Expenditures	100	44,881	42,949
Unliquidated	0	769	1,893
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	100	45,650	44,842

Data Sheet

USAID Mission:	Kenya
Program Title:	HIV/AIDS, Population, and Health
Pillar:	Global Health
Strategic Objective:	615-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$33,413,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$38,513,000 CSH
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2005

Summary: USAID focuses on reducing fertility and the risk of HIV/AIDS transmission through efforts to improve health sector reform, health care financing, HIV/AIDS prevention, care and support, and delivery of family planning and child survival services.

Inputs, Outputs, Activities:

FY 2003 Program:

Reproductive health (\$6,013,000 CSH). Technical assistance will continue to further integrate reproductive health services, including family planning, into broader health care delivery in 96 health facilities, which will also receive training for health care professionals and upgraded facilities. Sixteen of these facilities will extend services to other private and public clinics. USAID will also provide assistance to strengthen national-level reproductive health training and supervision systems. Social marketing of contraceptives, using radio spots to promote family planning, will be continued; technical assistance in contraceptive logistics management will ensure a continuous supply of commodities to regions and districts. Additional assistance will be provided to address policy reforms necessary to ensure long-term contraceptive supply. Studies will be undertaken, a Demographic and Health Survey will be conducted, and data will be collected to help the government, NGOs, and donors plan better health programs. Prime contractors and grantees: Engender Health, Family Health International, Futures Group, John Snow, Inc., Macro International, PSI, and the University of North Carolina. Sub-contractors and grantees include: Aga Khan Health Services, Kenya Medical Association, PATH, and the University of Nairobi.

HIV/AIDS (\$24,000,000 CSH). Behavior change activities will include support for a popular radio soap opera and theater presentations, focusing on young people. Counseling and testing sites will be expanded from the current 56 to 136 and will continue to ensure the distribution of HIV test kits. Training will be provided to additional caregivers to maintain and expand care and support programs for people affected by HIV/AIDS. Efforts will be made to link communities with high HIV/AIDS prevalence with micro-finance organizations to provide income-generating opportunities for those who may be able to work in more traditional job environments. Applied research activities will include the continuing studies on reducing mother-to-child transmission of HIV/AIDS. Assistance to the National AIDS Control Council will improve program management and help it implement Kenya's HIV/AIDS program. Finally, USAID will provide assistance for orphans and vulnerable children within a family and community setting, and an innovative project with Marquette University will be initiated to improve the care that nurses provide to people living with HIV/AIDS. Prime contractors and grantees: Catholic Relief Services, Engender Health, Family Health International, Futures Group, John Snow, Inc., Macro International, Marquette University, Pathfinder International, and PSI. Sub-contractors and sub-grantees include: Children of God Relief Institute, Islamic AIDS Society, Kenya AIDS NGO Consortium, Kenya Girl Guides, PATH, and the Society for Women and AIDS in Kenya.

Infectious diseases (\$1,900,000 CSH). Malaria and TB programs will be continued, including the social marketing of insecticide treated bednets. The national malaria control program will receive technical assistance and training to improve policy implementation, and the national TB program will receive

funding to increase the number of diagnostic centers to 109 and integrate TB into voluntary counseling and testing sites, as well as to address important policy and management issues.

Health care reform (\$1,500,000 CSH). Technical assistance and training will be provided to improve health sector financing and sustainability, upgrade, strengthen and expand the sector's financial information system. Technical assistance will also be provided to the national medical supplies agency to improve logistics planning and management. Polio activities will strengthen the national program by improving logistics systems and assisting with vaccine distribution. USAID is also improving the management of childhood diseases in a district public health setting, and transferring lessons to the national program. Prime contractors and grantees: AMREF, CDC, Engender Health, Futures Group, John Snow, Inc., and PSI. Sub-contractors and sub-grantees include: PATH and JHPIEGO.

FY 2004 Program:

Reproductive health (\$6,013,000 CSH). Activities will improve the supply of, and demand for, reproductive health services in target areas and at the national level, and further improve national systems for planning, budgeting, and distributing essential commodities such as contraceptives and bednets. Training of community health workers, supervisors, and managers in home-based care including family planning, condom use, nutrition, and income-generating activities will be stressed. Principal contractors and grantees will remain the same as in FY 2003.

HIV/AIDS (\$29,000,000 CSH). Prevention activities will target increased numbers of young people and expand activities preventing mother-to-child HIV transmission. Training and technical assistance will be provided to additional health workers and home-based caregivers, emphasizing improvements in the quality of voluntary counseling and testing services and the integration of TB and family planning services as appropriate. Principal contractors and grantees will remain the same as in FY 2003.

Infectious diseases (\$2,200,000 CSH). The social marketing of treated bednets for malaria control will be expanded. Technical assistance in policy implementation will be continued to the national malaria program, and support will be provided for implementation of policy and management implements. Principal contractors and grantees will remain the same as in FY 2003.

Health care reform (\$1,300,000 CSH). Training will be provided to improve the skills of district health management teams, while technical assistance will be used to develop a national health insurance program, and promote the health sector reform process. Principal contractors and grantees will remain the same as in FY 2003.

All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Performance and Results: Sales of the socially marketed Trust condom remained high, reaching 17.2 million in FY 2002, while sales of Femiplan injectable and oral contraceptives also increased by 50% and 300% respectively. In FY 2002, to combat malaria 450,000 bednets were sold, well above target. Ministry of Health cost-sharing revenue collections grew to \$15.0 million in 2001, also above the target of \$12.0 million. USAID's technical assistance for commodity distribution resulted in about 2.2 million couple years of protection, and again there were no gaps or shortages in district-level supplies of major commodities. Geographically focused HIV/AIDS prevention and community-based care and support programs were further expanded in FY 2002: 22 USAID-supported voluntary counseling and testing centers were opened in FY 2002, bringing the number of such sites to 56. These centers provided services to over 55,000 people in FY 2002. Following the training of community health workers and caregivers, over 6,000 HIV-positive people received care in their homes. Over 21,000 units of blood were collected, tested, and stored for transfusion. With USAID assistance national policies and guidelines for counseling and testing, anti-retroviral drug therapy, and home-based care were produced.

By program completion in FY 2005, Kenya's health sector will be better able financially and technically to provide essential health care, resulting in lower HIV/AIDS prevalence rates, improved care for those with HIV/AIDS, lower unwanted fertility, and lower childhood mortality.

US Financing in Thousands of Dollars

Kenya

615-003 HIV/AIDS, Population, and Health	CSH	DA	DFA
Through September 30, 2001			
Obligations	27,283	20,507	51,328
Expenditures	12,812	12,184	51,202
Unliquidated	14,471	8,323	126
Fiscal Year 2002			
Obligations	27,358	0	0
Expenditures	12,349	5,361	124
Through September 30, 2002			
Obligations	54,641	20,507	51,328
Expenditures	25,161	17,545	51,326
Unliquidated	29,480	2,962	2
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	33,413	0	0
Total Planned Fiscal Year 2003			
Obligations	33,413	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	38,513	0	0
Future Obligations	0	0	0
Est. Total Cost	126,567	20,507	51,328

Data Sheet

615-004: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Kenya

615-004	ESF
Through September 30, 2001	
Obligations	37,850
Expenditures	28,141
Unliquidated	9,709
Fiscal Year 2002	
Obligations	0
Expenditures	5,468
Through September 30, 2002	
Obligations	37,850
Expenditures	33,609
Unliquidated	4,241
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	0
Total Planned Fiscal Year 2003	
Obligations	0
Proposed Fiscal Year 2004 NOA	
Obligations	0
Future Obligations	0
Est. Total Cost	37,850

Data Sheet

USAID Mission:	Kenya
Program Title:	Natural Resources Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	615-005
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,980,000 DA
Prior Year Unobligated:	\$500,000 DA
Proposed FY 2004 Obligation:	\$2,776,000 DA
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2005

Summary: The natural resource management (NRM) program intends to reverse, halt or lessen the unsustainable use of natural resources outside protected forests and wildlife and marine areas through community involvement in the management of these resources. The program focuses on: improving community based wildlife management, strengthening forestry management and environmental oversight, and enhancing integrated coastal zone management.

Inputs, Outputs, Activities:

FY 2003 Program:

Wildlife management (\$2,100,000 DA). Technical assistance and training will be provided to at least 11 nature-focused businesses to promote awareness of the socio-economic benefits, particularly jobs and increased income, to communities and landowners of wildlife management that exist outside protected areas. Two private sector and community partnership businesses and 20 spin-off enterprises will be established, increasing the number of beneficiaries from 46,000 to 70,000. Five business ventures will also benefit from greater availability of credit. Additional technical assistance and training will be provided to 15 community-based organizations in support of natural resource planning, of which eight, allocating 20,000 hectares to improved management, will be implemented. Fifteen workshops and five regional forums on wildlife policy will be held, four exchange visits will be organized, and five issues of a newsletter will be produced. Finally, a new grant will be awarded to foster debate on natural resources management policy reform. Principal contractors and grantees: African Wildlife Foundation, PACT, Inc. and Kenya Wildlife Service; a new partner to lead advocacy activities will be identified.

Forest management and environmental governance (\$680,000 DA). Technical assistance, through the U.S. Forest Service, will assist in revising the Kenyan forest department's staffing structure; ten foresters will receive training in modern forest planning, utilization and protection. An earlier pilot activity that encouraged joint community-government management will be expanded to ten additional initiatives in forests throughout the country. Fifteen community tree nurseries will be established and/or improved, and 15,000 seedlings will be planted on farms outside Mt. Kenya Forest Reserve. Principal contractors, grantees and agencies: Forest Department, Kenya Wildlife Service, Kenya Forestry Research Institute, and the National Environmental Management Authority; NGO partners will be selected.

Integrated coastal management (\$200,000 DA). An integrated marine policy will be encouraged through a variety of awareness and information sharing activities, including three workshops. Integrated coastal management technologies will be disseminated, small scale construction will be undertaken to demonstrate environmentally appropriate models, training will be provided to businesses whose work affects the beach, and environmentally friendly commodities will be procured as examples of ways to maintain and/or improve productivity while preserving natural resources. Principal grantee: the University of Rhode Island.

FY 2004 Program:

Wildlife management (\$1,566,000 DA). USAID will finalize the training and assistance provided to five enterprises and one community organization and link them to commercial credit sources. To ensure communities continue to develop management plans, allocate land for conservation and increase incomes, a joint community-private sector forum will be established and a land trust registered, increasing improved management land set-asides by 50,000 hectares. Communities will participate in 10 environmental debates and dialogue with wildlife authorities to determine needed policy changes. Principal contractors and grantees will remain the same as in FY 2003.

Forest management and environmental governance (\$910,000 DA). Participating communities will be increased from 15 to 30. Opportunities for nature-based business will be expanded to more non-timber forest products and 100,000 hectares will be put under improved management. The number of beneficiary households will increase from 200 to 500 and community-based forestry management organizations will be strengthened. Principal contractors and grantees will remain the same as in FY 2003.

Coastal management (\$300,000 DA). USAID will continue to increase the number of focal sites, train 50 technicians on rainwater harvesting technologies, and provide 150 fishermen with environmentally appropriate fishing gear. Technical assistance will continue to encourage advocacy and dialogue on coastal policy by the Marine Forum. Principal contractors and grantees will remain the same as in FY 2003.

Performance and Results: Eight initiatives secured 11,150 hectares for conservation in 2002, bringing the total to 668,090 hectares under joint community-private conservation areas to date. In collaboration with the private sector, USAID's program created the first conservation lease scheme, with 77 landowners bordering the Nairobi National Park agreeing not to sell, fence, subdivide or carry out illegal wildlife practices on 2,546 hectares under the terms of an annual lease valued at \$7,792. Furthermore, 5,420 individuals benefited from the community wildlife program through training, dividends or exchange visits. Nature-based enterprises generated \$143,000, providing wages, cash dividends and critical infrastructure improvements such as schools, clinics and water supplies.

By the end of the program in FY 2005, sufficient capacity will have been instituted to enable community groups to invest in mutually profitable conservation ventures, carry out improved natural resource management practices and independently advocate for appropriate environmental policy reforms, while government departments will have functional capacity to effectively manage natural resources in Kenya.

US Financing in Thousands of Dollars

Kenya

615-005 Natural Resources Management	DA
Through September 30, 2001	
Obligations	3,200
Expenditures	0
Unliquidated	3,200
Fiscal Year 2002	
Obligations	2,514
Expenditures	231
Through September 30, 2002	
Obligations	5,714
Expenditures	231
Unliquidated	5,483
Prior Year Unobligated Funds	
Obligations	500
Planned Fiscal Year 2003 NOA	
Obligations	2,980
Total Planned Fiscal Year 2003	
Obligations	3,480
Proposed Fiscal Year 2004 NOA	
Obligations	2,776
Future Obligations	0
Est. Total Cost	11,970

Data Sheet

USAID Mission:	Kenya
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	615-006
Status:	Continuing
Proposed FY 2003 Obligation:	\$3,000,000 DA
Prior Year Unobligated:	\$200,000 ESF
Proposed FY 2004 Obligation:	\$1,000,000 DA; \$4,000,000 ESF
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2005

Summary: This program works to improve the balance of power among the various branches of government in Kenya, specifically by helping to increase the independence of select government institutions; promoting more transparent and competitive electoral processes, and increasing the effectiveness of civil society organizations in lobbying for reforms, monitoring government activities, and preventing and resolving conflicts.

Inputs, Outputs, Activities:

FY 2003 Program:

Institutional independence (\$1,300,000 DA). Training and technical assistance will be provided to the new Parliamentary Service Commission, to new parliamentary staff, and to parliamentary committee members on how to prioritize their activities and structure their strategic plan to better direct the development of their institution; support will be provided for fora where parliamentarians, Government of Kenya (GOK) officials and civil society organizations can engage in dialogue on economic and other key policy issues. Principal contractor/grantee: the State University of New York.

Electoral processes (\$700,000 DA). With the 2002 presidential election successfully completed, this program will be vastly scaled down. However, assistance to the Electoral Commission of Kenya (ECK) will continue for voter registration and administration of the elections. Prior year ESF will also be used to fund this activity. Principal contractors/grantees: the International Foundation for Election Systems and the Carter Center.

Advocacy and conflict resolution (\$1,000,000 DA). USAID grants to local non-governmental organizations (NGOs), including religious organizations and think tanks, will provide research and other information to inform public debates, and support NGOs in lobbying for reforms, monitoring government activities, and preventing and/or resolving conflicts. NGOs also will receive technical assistance designed to improve their skills and management with the ultimate goal of enhancing interaction between civil society and government. Principal contractors/grantees: Kenya civil society organizations including Transparency International - Kenya Chapter, the Institute for Economic Affairs, the Center for Governance and Development, the Collaborative Center for Gender and Development, the National Council of Churches of Kenya, and the Law Society of Kenya.

FY 2004 Program:

Institutional independence (\$3,000,000 ESF). In addition to the parliament accounts and investment committees, there are ten sectoral committees who scrutinize and amend all bills before they are passed by the whole house. USAID provides these committees with policy analysis and information from non-governmental organizations and parliamentary interns, enabling the members of parliament to effectively scrutinize legislation and issues brought before the committees. This parliamentary strengthening program will continue, focusing on the effectiveness of the committee system. Given sufficient political will and constitutional reform, technical assistance and training may be provided to the judiciary or local

government to improve good governance in those institutions. ESF will also fund a program on GOK transparency and accountability. Principal contractors and grantees will remain the same as in FY 2003.

Electoral processes (\$700,000 DA). Assistance to the Electoral Commission of Kenya will improve the capacity to effectively administer elections by developing the ability to register voters, updating and verifying the voter registry, and computerizing various aspects of its work ranging from budgeting and financial planning to developing the electoral calendar. Principal contractors and grantees will remain the same as in FY 2003.

Advocacy and conflict resolution (\$1,000,000 ESF; \$300,000 DA). DA funds will continue to focus on support to NGOs working to prevent, mitigate, and resolve conflicts. With ESF funding, USAID will support civil society organizations working to promote transparency and accountability. These civil society organizations will work in close collaboration with the parliament, executive, and judicial branches of government to raise awareness and build consensus around anti-corruption activities as well as continuing research and analysis on the incidences of bribery in the country. Principal contractors and grantees will remain the same as in FY 2003.

Performance and Results: Results during the past year are noteworthy, in particular the recently published draft constitution and improvements in the electoral enabling environment. USAID civil society partners effectively lobbied the Constitution of Kenya Review Commission for inclusion of key issues in the constitution including mechanisms to promote transparency and accountability, both in the public budget process and in establishing new GOK entities to address transparency. NGO partners also effectively lobbied for affirmative action to ensure increased representation of women in the Government of Kenya, including representation in parliament and other constitutional offices. They have lobbied as well for additional safeguards to ensure independence and checks and balances among the branches of government. Considerable success was also witnessed in the preparations for the national elections. Lobbying efforts of NGO partners and political party representatives' led to the re-appointment of 12 electoral commissioners, whose terms were due to expire within two months of the elections, a situation that would have seriously compromised the ECK's ability to administer the election. Similarly, NGOs successfully lobbied for regulations improving the transparency of the elections, including counting ballots at the polling stations. USAID-funded NGOs also set up a national network of observers to monitor election-related violence and intimidation and provide credible information to the public. The receipt of credible, timely information has directly contributed to the ECK's increased assertiveness in condemning violence and other irregularities such as bribery.

In the area of parliamentary strengthening, even its critics would agree, the last parliament was the most independent in Kenya's history. Committees are serving their function more effectively. For example, committee recommendations for legislative amendments are now overwhelmingly adopted by the full parliament. By program completion, there will be a better balance of power among the institutions of governance, the National Assembly (i.e., parliament) will be independent and more effective, the government systems will be more transparent and accountable to the people of Kenya, and civil society organizations will have full capacity to effectively lobby for national reforms and monitor government activities.

By program completion, there will be a better balance of power among the institutions of governance; the National Assembly will be independent and more effective; government systems will be more transparent and accountable to the people of Kenya; and civil society organizations will have full capacity to effectively lobby for national reforms and monitor government activities.

US Financing in Thousands of Dollars

Kenya

	DA	ESF
615-006 Democracy and Governance		
Through September 30, 2001		
Obligations	1,950	1,400
Expenditures	112	0
Unliquidated	1,838	1,400
Fiscal Year 2002		
Obligations	3,320	3,300
Expenditures	832	657
Through September 30, 2002		
Obligations	5,270	4,700
Expenditures	944	657
Unliquidated	4,326	4,043
Prior Year Unobligated Funds		
Obligations	0	200
Planned Fiscal Year 2003 NOA		
Obligations	3,000	0
Total Planned Fiscal Year 2003		
Obligations	3,000	200
Proposed Fiscal Year 2004 NOA		
Obligations	1,000	4,000
Future Obligations	0	0
Est. Total Cost	9,270	8,900

Data Sheet

USAID Mission:	Kenya
Program Title:	Increased Rural Household Incomes
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	615-007
Status:	Continuing
Proposed FY 2003 Obligation:	\$7,300,000 DA
Prior Year Unobligated:	\$200,000 DA; \$4,000,000 ESF
Proposed FY 2004 Obligation:	\$4,000,000 ESF
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2005

Summary: This program's objective is to increase rural household incomes in Kenya through agriculture and micro-enterprise activities. Specific program activities will increase agricultural productivity and trade of maize, dairy, horticulture and other commodities, will improve the ability of smallholder organizations to provide business services to their members, and will improve access to business support services for micro and small enterprises.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve productivity, access, and services (\$7,300,000 DA). Technical assistance and training will be provided to the Government of Kenya (GOK), non-governmental organizations (NGOs) and the private sector to improve agricultural productivity, decrease production costs, enhance soil fertility, improve crop and animal husbandry practices, increase trade and strengthen private sector service delivery to producers. It will also provide objective information to GOK decision-makers as input to debate on policy reforms that will remove constraints to sustainable agricultural growth in Kenya. The program will increase micro and small entrepreneurs' access to financial (micro-credit) and business services, and will address the key policy issues that constrain micro and small enterprise development. FY 2003 funds will be used to 1) develop and transfer productivity enhancing technologies, including biotechnology, for agricultural producers; 2) expand artificial insemination, extension services and business training to small dairy farmers; 3) identify new products and markets that increase agricultural trade; 4) train small farmers on improved crop, dairy and business management practices; 5) strengthen producer organizations to access or directly provide services to their members; 6) develop capacity for trade negotiations, biotechnology, research, and extension for institutions focusing on agricultural production and marketing; 7) expand existing financial services and develop new services for rural Kenyans; and 8) increase micro and small entrepreneurs and producers' access to business services and markets. Principal contractors, grantees and agencies: ACDI/VOCA, Land o' Lakes, Winrock, Tegemeo Institute, Kenya Agricultural Research Institute, Kenya Plant Health Inspectorate Services, Ministry of Agriculture, Deloitte Touche, KREP Bank, Cooperative Bank, Faulu, Kenya Women Finance Trust, KIPPRA and AMFI.

Supplemental ESF (\$4,000,000 FY 2002 supplemental ESF). Prior year supplemental ESF will provide development activities for Muslim populations in Northeast and Coast Provinces. The program will fund NGOs to support pastoral market development, business development skills, increase access to financial and veterinary services, pastoral organizations and provide educational opportunities for marginalized populations. In the Coast Province, the program will focus on increasing access to business and financial services and possibly support the provision of fixed, legal market/business areas. Humanitarian food assistance complements the development program. Principal contractors and grantees: To be determined.

P.L. 480 Title II assistance focuses on improving incomes and food security in Kenya's arid and semi-arid lands through agriculture and livestock production marketing and sustainable natural resource management practices. Households affected by HIV/AIDS will be targeted to receive food assistance.

Interventions to improve health, nutrition and sanitation in targeted communities will also be implemented. Principal contractors and grantees: World Vision, CARE, Catholic Relief Services (CRS), Technoserve, Heifer International, Adventist Development and Relief Agency, and Food for the Hungry.

FY 2004 Program:

Improve productivity, marketing, and services (\$4,000,000 ESF). USAID will continue support for ongoing maize, dairy and horticulture programs initiated in FY 2002 to decrease costs of production as well as increase productivity, efficiency of markets and trade, financial and business services and strengthen producer business organizations. USAID may also expand biotechnology activities on research, biosafety and public outreach, focusing on biotechnology solutions to diseases in maize, livestock and sweet potato. Principal contractors and grantees will remain the same as in FY 2003.

Performance and Results: USAID-funded research has informed the GOK's reform efforts, by providing research as well as by helping to increase the voice of private sector and other stakeholders in the policy reform process. Strong linkages have been forged between the GOK, community-based organizations, farmers, seed multipliers, and other private sector participants to promote technology transfer, and suppliers are increasingly providing technical information to farmers. USAID-supported activities increased the production of improved maize seed by 430% above its target in 2001/2002, and there was a 30% increase of farmers in the project area using improved, certified seed, against the end target of 20%. Some 28% of seed multipliers in the project are women, a considerable achievement in a traditionally male-dominated activity, and women purchased 70% of the improved varieties. One implementing partner alone sold over \$150,000 worth of products (improved seeds, fertilizer, pesticides, tools) to small-scale farmers who had never bought agricultural products before.

In the dairy sector, USAID projects have reduced milk losses by \$701,912 over the past year. A consumer awareness campaign reached over 1.5 million people and milk sales increased by 5.5% (\$144,865). In one assisted cooperative, cash realized from the sale of milk or the proceeds of milk increased 43% compared to the previous year. It is estimated that 27% of targeted farmers adopted new technologies. Calving mortality decreased by 35% and calving intervals decreased from 24 to 18 months.

More income opportunities were created by increased access to business support services to micro and small enterprises. By September 2002, \$42 million in loans had been provided for 86,750 micro and small business loans, and approximately \$25 million had been mobilized in savings accounts by USAID-supported microfinance institutions. Kenya Women's Finance Trust, an institution serving only women, disbursed 36,538 loans.

P.L. 480 Title II assistance continued to improve food security and increase rural household incomes in the arid and semi-arid areas of Kenya with activities in agricultural/livestock production, marketing, and water, sanitation, health, nutrition, and rural infrastructure development. Some results achieved in 2002 are: 11,107 new farmers in Nyanza Province adopted at least two new crop production practices; in Kitui District, 4,720 livestock disease cases were attended by program-trained community paravets, compared to the target of 3,000; and 1,568 Kitui District farmers adopted four soil fertility improvement practices, compared to the target of 1,400.

By the end of the program, the following increases will be seen in household incomes (from 2000 baseline) in the targeted subsectors: 10% from maize, 30% from horticulture, 15% from dairy, 30% from micro-enterprises and 30% in Title II program areas. For Title II communities, there will also be a 30% increase in household food needs that are generated on their own farms.

US Financing in Thousands of Dollars

Kenya

	DA	DFA	ESF
615-007 Increased Rural Household Incomes			
Through September 30, 2001			
Obligations	7,647	0	0
Expenditures	0	0	0
Unliquidated	7,647	0	0
Fiscal Year 2002			
Obligations	8,831	500	0
Expenditures	286	500	0
Through September 30, 2002			
Obligations	16,478	500	0
Expenditures	286	500	0
Unliquidated	16,192	0	0
Prior Year Unobligated Funds*			
Obligations	200	0	4,000
Planned Fiscal Year 2003 NOA			
Obligations	7,300	0	0
Total Planned Fiscal Year 2003			
Obligations	7,500	0	4,000
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	4,000
Future Obligations	0	0	0
Est. Total Cost	23,978	500	8,000

* Prior Year Unobligated Funds includes \$4 million of FY 2002 Supplemental - ESF.