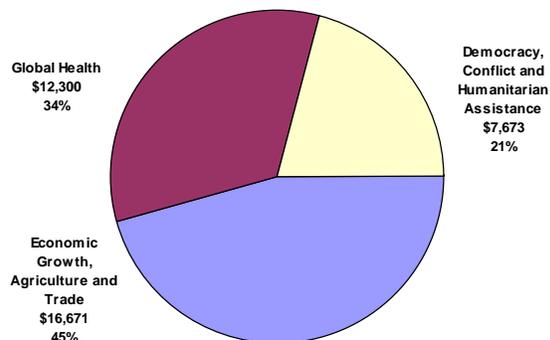
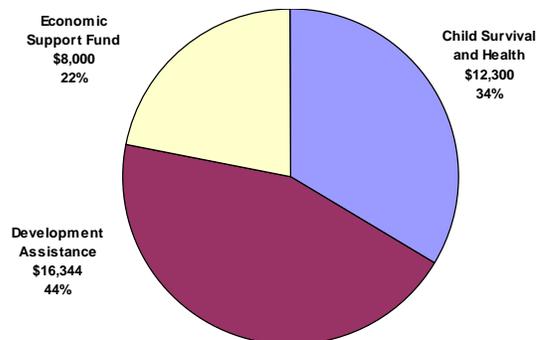


Kenya

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



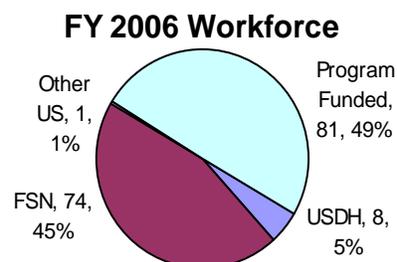
Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
HIV/AIDS, Population, and Health	615-003	34,877	12,600	12,300
Natural Resources Management	615-005	3,967	6,095	5,000
Democracy and Governance	615-006	6,436	6,728	7,673
Increased Rural Household Incomes	615-007	6,637	9,073	10,171
Basic Education	615-008	2,914	2,814	1,500
Total (in thousands of dollars)		54,831	37,310	36,644

Excludes P.L. 480. See Program Annex.

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	4,234	4,062	4,163
USDH Salaries & Benefits	923	1,237	1,264
Program Funds	2,761	3,581	3,622
Total (in thousands of dollars)	7,918	8,880	9,049



Mission Director: Kiert Toh

Kenya

The Development Challenge: Kenya, by most measures, continues to face a daunting array of developmental constraints. Sustained economic growth and the alleviation of poverty are still significant challenges in Kenya. The Government of Kenya (GOK) will have to carefully reallocate public spending to support economic growth and poverty reduction, while striving to eliminate systemic obstacles to the full participation of women and other groups in the economy and in the political system. Areas of concern include the Kenyan population's elevated expectation of the government's ability to deliver results linked to election promises; investor and donor community hopes for the institutionalization of critical structural reforms in the financial sector, especially for privatization and public sector reform; and the need to strengthen human resource development and to build institutional capacity. In 2004, Kenya was selected as a Millennium Challenge Account (MCA) Threshold Program-eligible country. Threshold countries are countries that do not qualify for MCA assistance but have demonstrated a commitment to meeting the eligibility requirements for MCA assistance in the future. These countries will be invited to submit proposals for funding to improve their performance on the Millennium Challenge Corporation (MCC) selection criteria. The GOK is preparing a concept paper for consideration by the MCC. In coordination with USAID, MCC will review the proposals.

The current government is made up of a fragile coalition of disparate parties, which have not yet been able to agree on a new constitution. Parliament, where all these parties are represented, is one arena where these differences are being played out in public. Unless ruling elites can agree on the most contentious issues, including how to share power under a new constitution, there will be a continuing delay in passing critical pieces of legislation and in the implementation of the legal and judicial reforms that are essential to the long-term stability and growth of Kenya. Much still remains to be done to strengthen democratic institutions and the rule of law in Kenya, but a foundation now exists to tackle these perennial weaknesses. Huge investments are needed to repair crumbling infrastructure and restore effective delivery of social services. Increased basic poverty and limited opportunities for generating income have contributed to the majority of rural Kenyans becoming exceedingly dependent on natural resources. As a result, Kenya's wildlife, forests, water and marine resources are being overexploited, resulting in degradation of the environment.

The country also faces a number of significant social challenges. More than half of the population is poor, and per capita income has declined every year from \$378 in 1992 to \$360 in 2003. HIV prevalence is declining, due both to fewer new infections and to increasing AIDS-related deaths. The latest modeling, using demographic health survey (DHS) and surveillance data, suggests that prevalence among adults 15-49 years old is now 7%, but there are still about 1,400,000 Kenyans infected with HIV, 140,000 adults who die from AIDS every year, and 1,700,000 orphans, many of whom lost parents to AIDS. HIV/AIDS prevention through positive behavior change, including the promotion of "ABC" (Abstinence, Be faithful, and correct and consistent Condom use), condom availability, blood transfusion safety, and preventing mother-to-child transmission is a program priority. The 2003 DHS survey, released in 2004, shows that fertility increased over the past five years, the first reversal in Kenya's successful family planning program in which USAID is the lead donor agency. Child mortality rates did not improve significantly. In 1999, 116/1000 children died before the age of five, while in 2003, the Child Mortality Rate was 114/1000. The infant mortality rate was constant at 77/1000. Maternal mortality remained high, while antenatal care coverage and medical assistance at delivery did not improve. The low levels of internal efficiency in Kenya's education system is evidenced by drop-out rates of between 5-6% and repetition rates of between 15-16% at primary school levels. The nation also continues to struggle with significant regional disparities in the rate of growth and investment, as well as with a prevalence of gender inequality in the distribution of income and wealth.

Kenya's total external debt in 2002 was about \$5.1 billion, including arrears, or 49% of the gross domestic product (GDP). Of this, 57.5% was owed to official multilateral creditors, while debt to bilateral and commercial creditors accounted for 32.2% and 8.5%, respectively. During the last decade, the GOK continued to service its external debt, bringing down debt service payments from 34% of the cost of export of goods and services in 1990 to 14% in 2001.

USAID's program contributes directly to the achievement of U. S. Government (USG) interests in Kenya. U.S. goals support the processes of political and economic reform, assist in the fight against corruption, protect Kenya's natural resource base, contribute to countering the terrorist threat in Kenya, and help combat the health crisis, especially 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 five objectives: improving the balance of power among the institutions of governance; promoting sustainable use of natural resources; improving rural incomes by increasing agricultural and rural enterprise opportunities; improving health conditions; and providing education support for children of marginalized populations. FY 2005 funds will be used to implement ongoing programs. Activities to improve the balance of power among various branches of government will focus on increasing the independence of select government institutions in promoting more transparent and competitive electoral processes; increasing the effectiveness of civil society organizations in lobbying for reforms; monitoring government activities; and preventing and resolving conflicts. Growth of rural incomes will be encouraged through improvements in smallholder 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. P.L. 480 Title II resources are used to improve food security and increase incomes in arid and semi-arid areas by increasing agriculture and livestock production and marketing opportunities, as well as promoting sustainable natural resources management practices. The natural resources management program will focus on the management of wildlife outside of protected areas, forests and environmental management, and integrated coastal management. USAID will use FY 2005 funds to implement an education program, focusing on improving historically marginalized populations' access to quality education.

Other Program Elements: USAID central funds support operations research in HIV/AIDS and community and reproductive health. Other central funds provide scholarships for girls and increased access to internet and other electronic communications. Anti-Corruption Initiative funds are used to support the GOK's efforts to increase transparency and accountability throughout the public sector. USDA resources contribute to the World Food Program's School Feeding Program, which is co-located with the USAID Education Program in marginalized areas.

Kenya is a focus country under the President's Emergency Plan for AIDS Relief. FY 2005 funding will be provided from the Global HIV/AIDS Initiative under the policy direction of the U.S. Global AIDS coordinator. The FY 2006 HIV/AIDS request for this country is contained in the Global HIV/AIDS Initiative account justification. For further details please see the Department of State FY 2006 Congressional Budget Justification.

Other Donors: As the leading bilateral donor in Kenya, the United States chairs several donor meetings which meet once a month. Overall development assistance to Kenya totals about \$700 million per year. The United States and the United Kingdom (UK) are Kenya's first and second largest bilateral donors, respectively. The United States is the leading donor in democracy and governance. Other donors are the UK's Department for International Development (DFID), European Union (EU), Netherlands, Denmark, Sweden, Germany, and Canada. The World Bank, EU, DFID and USAID work together to support the GOK in developing appropriate policies and macroeconomic and fiscal expenditure frameworks. USAID, the EU, and the World Bank have been instrumental in encouraging the development of an enabling policy environment for agriculture and natural resources management. The World Bank works closely with USAID to support Kenya's agricultural research institutes, while the EU, World Bank, African Development Bank, and USAID support livestock development. In natural resources management, major donors are the United States, the Netherlands, UK, Japan, Sweden, Belgium, Finland, Germany, Denmark, EU, World Bank, and the United Nations Environment Program. The United States is the leading bilateral donor in population and health. USAID and DFID support work in HIV/AIDS, family planning, and malaria. USAID is a member of the Sector Working Group on Education, which includes DFID, World Bank, Canada, Japan, and United Nations organizations.

Kenya PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Child Survival and Health Programs Fund	36,488	34,877	12,600	12,300
Development Assistance	14,183	11,701	15,782	16,344
Development Credit Authority	727	300	0	0
Economic Support Fund	1,950	7,953	8,928	8,000
PL 480 Title II	34,664	41,342	21,736	11,657
Total Program Funds	88,012	96,173	59,046	48,301

STRATEGIC OBJECTIVE SUMMARY

615-003 HIV/AIDS, Population, and Health				
CSH	36,488	34,877	12,600	12,300
615-005 Natural Resources Management				
DA	2,913	3,217	2,845	3,000
ESF	450	750	3,250	2,000
615-006 Democracy and Governance				
DA	3,550	2,436	2,600	3,673
ESF	1,500	4,000	4,128	4,000
615-007 Increased Rural Household Incomes				
DA	7,720	3,134	7,523	8,171
DCA	727	300	0	0
ESF	0	3,203	1,550	2,000
615-008 Basic Education				
DA	0	2,914	2,814	1,500

Mission Director,
Kiert Toh

Data Sheet

USAID Mission:	Kenya
Program Title:	HIV/AIDS, Population, and Health
Pillar:	Global Health
Strategic Objective:	615-003
Status:	Continuing
Planned FY 2005 Obligation:	\$12,600,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$12,300,000 CSH
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2008

Summary: USAID's health program focuses on reducing fertility and the risk of HIV/AIDS through efforts to reform the health care sector, preventing HIV transmission, providing treatment, care, and support for those already infected, and delivering family planning and child survival services. USAID is a member of the U.S. Government's country team that is working to manage a major expansion of HIV/AIDS programs, with special attention to the promotion of "ABC" (Abstinence, Be faithful, and correct and consistent Condom use), care and treatment.

Inputs, Outputs, Activities:

FY 2005 Program: Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$8,700,000 CSH). USAID will continue to support public and private sector reproductive health activities. One project works in 96 health facilities (80% Ministry of Health) in 10 districts of Kenya's Coast and Western provinces. The quality of care by training providers and upgrading facilities will be improved. Demand for services and the promotion of healthier behavior through community-level interpersonal communications will be increased. These activities will be consolidated in the existing areas in FY 2005 and started in a new province. USAID, working with the Ministry of Health (MOH), will decide which province to move into, and how to sustain the investment made in the first two provinces. Another project will train private sector health providers to improve their delivery of family planning services.

Several analyses of the 2003 Demographic Health Survey (DHS) will be completed in FY 2005. These will identify why family planning acceptance has reached a plateau and will help USAID develop programs to improve it. Work has already started under the Implementing Best Practices Initiative in six districts, including training health workers on family planning and ensuring contraceptive security at the local level. Principal contractors and grantees: Engender Health, Family Health International (FHI), The Futures Group, Intra Health, JHPIEGO, John Snow, Inc. (JSI), Population Council, Population Reference Bureau, and Population Services International (PSI). Subs: Aga Khan Health Services, Program for Appropriate Technology in Health (PATH), and the University of Nairobi.

Improve Child Survival, Health and Nutrition (\$2,700,000 CSH). During the East African Roll Back Network Conference in November 2004, USAID helped the Division of Malaria Control (DOMC) formulate country-specific priorities and an FY 2005 country plan aimed at achieving the Abuja targets. Through the Malaria Action Coalition, USAID will help the DOMC create a management database to track its activities and targets. The DOMC is now committed to change from sulfadoxine-pyrimethamine to Artemisin Combination Therapy (ACT) for first-line anti-malarial treatment beginning in early 2005. Given the increased costs, the DOMC needs information on the use of malaria diagnostics in some situations, such as adults and older children with fever. USAID will help conduct an evaluation of the efficacy and usefulness of rapid diagnostic tests in FY 2005. In collaboration with the United Kingdom's Department for International Development (DFID), USAID's distribution program for insecticide-treated bed nets (ITNs) will expand in FY 2005. Prices will again be reduced to reach an even poorer market segment. Principal contractors and grantees: the Malaria Action Coalition (Centers for Disease Control, JHPIEGO, and Management Sciences for Health), Engender Health, The Futures Group, JSI, and PSI.

Build Health Systems Capacity (\$1,200,000 CSH). A major challenge in the health sector is human

capacity development (HCD) at all levels, from managers to health care providers. USAID will assess HCD needs for Kenya and develop a plan to address these needs. USAID will continue to work with the Kenya Medical Supplies Agency (KEMSA), both directly and by providing technical assistance, in order to improve the MOH logistics system. USAID will continue to strengthen management systems to make KEMSA a viable business entity, and improve coordination between KEMSA and its customers.

USAID is working with the MOH on national health sector reform and on improving health sector financing and sustainability. USAID will help the MOH use its National Health Accounts survey to identify financial constraints and develop strategies to overcome them. Data from the 2003 Kenya Service Provision Assessment (KSPA) Facility Survey will be available in early 2005 and will be used to provide inputs for the new 2005-2010 National Health Sector Strategic Plan. USAID will support the creation of a health Geographic Information System (GIS) database, in collaboration with the Ministries of Planning and Health. Principal contractors and grantees: Abt Associates, The Futures Group, JSI, KEMSA, MACRO, and the University of North Carolina.

Reduce Transmission and Impact of HIV/AIDS. See the State Department's Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

FY 2006 Program: Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$8,200,000 CSH). Additional reproductive health resources will allow USAID to improve the supply of reproductive health services in target areas and at the national level, and further improve national systems for planning, budgeting, and distributing essential commodities. This will be guided by the new national Health Sector Strategic Plan, findings from the DHS and KSPA surveys, and lessons identified by the Implementing Best Practices Initiative. Principal contractors and grantees: Engender Health, FHI, The Futures Group, Intra Health, JHPIEGO, JSI, Population Council, Population Reference Bureau, and PSI. Subs: Aga Khan Health Services, PATH, and the University of Nairobi.

Improve Child Survival, Health and Nutrition (\$2,700,000 CSH). USAID funds will be used to further expand the ITN program and support the national malaria program. In FY 2006, significant activities will include malaria testing, if appropriate, and implementing and monitoring the new malaria drug policy. Principal contractors and grantees: the Malaria Action Coalition (Centers for Disease Control, JHPIEGO, and Management Sciences for Health), Engender Health, The Futures Group, JSI, and PSI.

Build Health Systems Capacity (\$1,400,000 CSH). Plans developed in FY 2005 to support human capacity development in the health sector will be implemented in FY 2006. Systems strengthening activities in logistics, training and supervision, and monitoring and evaluation will be continued. USAID will continue to work with KEMSA, both directly and by providing technical assistance, in order to improve the MOH logistics system. USAID will continue to strengthen management systems to make KEMSA a viable business entity, and improve coordination between KEMSA and its customers.

Reduce Transmission and Impact of HIV/AIDS. See the State Department's Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

All family planning assistance agreements will incorporate clauses that implement the President's directive, restoring the Mexico City policy.

Performance and Results: Final data from the 2003 DHS indicate that sexual activity by unmarried women and men has decreased in the past five years. Sales of socially marketed condoms, targeting those who are already sexually active, increased by 35%, meeting the FY 2004 target. Socially marketed oral contraceptives accounted for 32% of total national distribution in FY 2004. By the end of 2004, one third of all pregnant women in Kenya had received prevention of mother-to-child transmission services. About 350,000 people were counseled and tested, and over 16,000 persons with advanced HIV received antiretroviral therapy.

US Financing in Thousands of Dollars

Kenya

615-003 HIV/AIDS, Population, and Health	CSH	DA	DFA	ESF
Through September 30, 2003				
Obligations	108,599	20,507	49,865	0
Expenditures	69,145	19,284	49,808	0
Unliquidated	39,454	1,223	57	0
Fiscal Year 2004				
Obligations	54,545	0	0	1,000
Expenditures	18,008	497	57	0
Through September 30, 2004				
Obligations	163,144	20,507	49,865	1,000
Expenditures	87,153	19,781	49,865	0
Unliquidated	75,991	726	0	1,000
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2005 NOA				
Obligations	12,600	0	0	0
Total Planned Fiscal Year 2005				
Obligations	12,600	0	0	0
Proposed Fiscal Year 2006 NOA				
Obligations	12,300	0	0	0
Future Obligations	24,600	0	0	0
Est. Total Cost	212,644	20,507	49,865	1,000

Data Sheet

USAID Mission:	Kenya
Program Title:	Natural Resources Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	615-005
Status:	Continuing
Planned FY 2005 Obligation:	\$2,845,000 DA; \$3,250,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$3,000,000 DA; \$2,000,000 ESF
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2008

Summary: The Natural Resources Management (NRM) program intends to maximize the sustainable use of natural resources by working with communities and the Government of Kenya (GOK) to enhance sustainable land use practices. The program focuses on: improving community-based wildlife management; strengthening forestry and environmental management; and enhancing integrated coastal zone management.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$2,845,000 DA, \$3,250,000 ESF). USAID will support integrated wildlife management and conservation by increasing the area covered by improved management from 772,813 to 827,988 hectares and increasing the number of individuals benefiting from conservation initiatives from 109,937 to 150,000. NRM advocacy and governance will be enhanced. Ten community-based organizations (CBOs) will be strengthened. Targeted technical support will be provided to the Kenya Wildlife Service (KWS). That support includes developing a strategy for wildlife management; commercializing non-core services; conducting research for park management; and establishing a framework for a wildlife census. Income generation activities and re-investment in nature-based enterprises will be expanded. Eight community enterprises will be supported, and employment will be provided for 500 local people. Wildlife policy reform will be supported. KWS will host 15 workshops to facilitate public debate and dialogue on new wildlife policy for 30 key national organizations. Principal contractors and grantees: KWS, African Wildlife Foundation. USAID will procure the services of new partners to implement a wildlife program that is currently in the design stage.

The program will also focus on reversing forest and rangeland degradation and expand forest-based enterprises. The implementation of two participatory forest management (PFM) plans will be supported. Thirty thousand hectares will be placed under improved management through farm forestry and range rehabilitation. Two thousand community members will plant 150,000 tree seedlings. Eight district environment committees will receive institutional strengthening and 10 training sessions on the Environmental Management and Coordination Act. Five CBOs will be strengthened. Support will be provided to the Kenyan Government's Forest Reform Restructuring Committee to prepare a Forest Bill to be reintroduced to Parliament. The transformation of the Forest Department into the Kenya Forest Service will also be supported. The U.S. Forest Service will assist Kenya's Forest Department to develop fire management plans for six forest stations, and fire fighting equipment will be purchased for three forest stations. The diversity of forest-based businesses will be increased. Ten non-timber products businesses will be established or strengthened to benefit over 80,000 households. Two hundred farmers who live adjacent to target forest reserves will receive modern bee hives and receive training in apiary management. Sixty-five hectares will be set aside for commercial hay production, and six commercial tree nurseries will be established. Principal contractors and grantees: Kenya Forest Department, KWS, Kenya Forestry Research Institute, the National Environmental Management Authority and Nature Kenya.

In addition, the program will consolidate and strengthen local integrated coastal management (ICM) programs outside of marine protected areas. ICM will be mainstreamed through support to local-level initiatives. Support will be extended to 30 fishermen to access improved fishing gear. Fishermen will be

trained on fish handling, processing techniques and marketing. Incomes of 20,000 beneficiaries will be increased from \$10,000 to \$15,000. The ICM will be expanded to five new sites. Local and international training for 10 new coastal managers will be organized. Experience and information to support the ongoing dialogue on Kenya's national environmental policy will be provided through three workshops for policy makers. Support will be provided to the Kenya Marine Forum to enhance advocacy for marine policy. The progress undertaken to develop the Kenya Marine Policy will be at the 15% level on the policy advancement index. USAID will undertake an evaluation of this program to determine future program activities. Principal contractors and grantees: Kenya's Coast Development Authority and Pact/Kenya.

FY 2006 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$3,000,000 DA; \$2,000,000 ESF). USAID will provide support to KWS to complete the commercialization of non-core functions, such as concessions and ticketing. Dialogue with local authorities will be initiated to have a lease agreement with the private sector for the management of National Reserves. Park management plans for targeted parks will be developed and implemented to improve wildlife habitat. An annual wildlife census will be undertaken. In community areas, USAID will strengthen the governance systems of 20 new CBOs. A land Trust will be established and a land lease program will be developed. Communities will be encouraged to develop various value-adding activities for non-timber products, such as herbal medicine products, honey, crafts, etc. It is expected that the Kenyan Government will approve the new Wildlife Policy and a Bill will be in Parliament for debate. In this regard, support will be provided to KWS and other government departments to put in place a framework for implementing the new Wildlife Policy. Principal contractors and grantees: KWS.

After the new Forest Bill is enacted, USAID will focus on restructuring the Forestry Department. Technical assistance will be provided to the Forest Department to develop a strategic plan for the Kenya Forest Service. USAID will collaborate with other donors to undertake a forest inventory and to develop a master plan for the forest sector. Communities will expand farm forestry areas by providing an additional 4,600 hectares. Additional support will be provided to the National Environmental Management Authority to build the capacity of district environmental committees.

Principal contractors and grantees: Kenya Forest Department, KWS, Kenya Forestry Research Institute, the National Environmental Management Authority and Nature Kenya.

USAID will focus on policy formulation and on improving the institutional governance of community organizations. Technical assistance will be provided to assist in drafting a Marine Policy, hosting five exchange tours to countries that have undertaken similar reforms, and strengthening collaboration between the Kenya Marine Program and the upcoming World Bank East Africa Regional Marine Program. Lessons learned from pilot activities will be given attention and focus. Principal contractors and grantees: Kenya's Coast Development Authority and Pact/Kenya.

Performance and Results: USAID provided important support to improve NRM in target areas. In 2004, landowners and communities placed 44,945 hectares of land under improved management. Of these, 33,647 hectares were set aside for wildlife conservation, 11,294 hectares for farm forestry, and 44 hectares for marine conservation. Communities planted 46,040 tree seedlings and distributed 8,000 Aloe suckers to participating farmers. A total of 69,969 individuals across the target areas benefited through participation in the program. Community enterprises earned \$188,837 total in salaries, wages and dividends, and 810 new jobs were created. Significant progress was realized under the policy and legislative reform agenda of the program, with the Wildlife Amendment Bill being developed and tabled in Parliament. By the end of the program, the sustainable use of natural resources will be maximized through USAID's work with communities and the GOK in enhancing sustainable land use practices by focusing on improving community based wildlife management, strengthening forestry and environmental management, and augmenting integrated coastal zone management. A total of 669,544 hectares (111% increase from the baseline) of land will be under improved management. 300,000 tree seedlings will be established in degraded community and government forest areas. Total beneficiaries will increase to 121,000 individuals (140% increase from baseline). Fifty nature-based community businesses will be set up, and 2,500 additional jobs will be created. Kenya will have a new forestry and wildlife policy and act. A national land use policy and marine policy be drafted and tabled in Parliament for approval.

US Financing in Thousands of Dollars

Kenya

	DA	ESF
615-005 Natural Resources Management		
Through September 30, 2003		
Obligations	9,127	0
Expenditures	3,227	0
Unliquidated	5,900	0
Fiscal Year 2004		
Obligations	3,217	1,200
Expenditures	3,604	0
Through September 30, 2004		
Obligations	12,344	1,200
Expenditures	6,831	0
Unliquidated	5,513	1,200
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	2,845	3,250
Total Planned Fiscal Year 2005		
Obligations	2,845	3,250
Proposed Fiscal Year 2006 NOA		
Obligations	3,000	2,000
Future Obligations	6,600	4,000
Est. Total Cost	24,789	10,450

Data Sheet

USAID Mission:	Kenya
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	615-006
Status:	Continuing
Planned FY 2005 Obligation:	\$2,600,000 DA; \$4,128,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$3,673,000 DA; \$4,000,000 ESF
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2008

Summary: USAID 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, with a focus on Parliament and promoting more transparent and competitive electoral processes. The effectiveness of civil society organizations (CSOs) in lobbying for reforms, monitoring government activities, and preventing and resolving conflicts is increased. A key component of all program activities is support in the fight against corruption, which has widespread ramifications for the social, economic, and political development of the country.

Inputs, Outputs, Activities:

FY 2005 Program: Promote and Support Anti-Corruption Reforms (\$400,000 DA; \$2,778,000 ESF). USAID will continue to support the institutionalization, capacity building and training for key Government of Kenya (GOK) anti-corruption entities, including the Department of Governance and Ethics, the Department of Public Prosecutions, and the Kenya Anti-Corruption Commission. USAID will assist in strengthening a Public Complaints Unit, conducting the baseline survey for the National Anti-Corruption Campaign, and establishing an Asset Recovery Program. Principal contractors and grantees: the Office of the President, the Attorney General, and the Kenya Anti-Corruption Commission.

Strengthen Democratic National Governance Institutions (\$750,000 DA; \$500,000 ESF). The program will focus on improving the effectiveness of the Kenyan Parliament. Departmental and watchdog committees will be targeted. To accomplish this, the Parliamentary Service Commission will be assisted to revise standing orders, revalidate the strategic plan, kick-start the establishment of a Parliamentary Fiscal Analysis Office and fund an internship program. In addition, three committees will be assisted to develop and initiate the implementation of their strategic plans. Four forums will be convened for the Members of Parliament (MPs), the Executive Office, research organizations and the private sector associations to discuss key policy issues and how to improve accountability in public finances. Principal contractors and grantees: the Center for International Development of the State University of New York (until February 2005). A follow-on program is scheduled to begin on February 15, 2005, and USAID is currently identifying an implementing partner.

Support and Promote Free and Fair Elections (\$700,000 DA; \$350,000 ESF). USAID will continue to support the institutionalization, capacity building and training for the Electoral Commission of Kenya (ECK). Technical assistance will support the computerization of the Procurement and Supplies Department. The Research Division will be linked to web sites providing information on election legislation, election management, polling/counting technology, electronic voting, new electoral technology, reporting and results programs, advance voting and voting abroad concepts. A digital ID system software will be purchased and installed. Assistance will also support the implementation of the ECK's restructuring plan, further strengthening logistics capacity and local ballot printing, and accelerating the transmission and display of results. USAID will also support an assessment of the electoral environment in preparation for the 2007 national elections. Principal contractors and grantees: International Foundation for Election Systems (IFES).

Strengthen Civil Society (\$750,000 DA; \$500,000 ESF). USAID is supporting CSOs that advocate for

policy and legislative reforms, as well as monitor GOK activities. In FY 2005, CSO advocacy activities will mainly focus on the following sectors: judicial reforms, anti-corruption, economic reforms, gender inclusion, greater access to information and conflict management. Development assistance funds are also supporting CSOs working to prevent, mitigate and resolve conflicts in pastoral areas. Principal contractors and grantees: Kenyan CSOs, including Transparency International (TI-Kenya Chapter), the International Commission of Jurists (Kenya Section), Center for Governance and Development, Federation of Women Lawyers (Kenya Chapter), Institute of Economic Affairs, Center for Law and Research International, Center for Minority Rights, National Council of Churches of Kenya, Wajir Peace and Development Agency and Intermediate Technology Development Group.

FY 2006 Program: Promote and Support Anti-Corruption Reforms (\$813,000 DA; \$1,500,000 ESF). USAID will continue to support the institutionalization, capacity building, and training for key GOK anti-corruption entities, including the Department of Governance and Ethics, the Department of Public Prosecutions, and the Kenya Anti-Corruption Commission. USAID will assist in strengthening the Public Complaints Unit, as well as the Financial Intelligence and Asset Forfeiture Units of the Assets Recovery Program. Principal contractors and grantees: the Office of the President, the Attorney General, and the Kenya Anti-Corruption Commission.

Strengthen Democratic National Governance Institutions (\$750,000 DA; \$250,000 ESF). The program to strengthen Parliament will continue. Three additional committees will be assisted to revise and implement their strategic plans, while the staff capacity enhancement and forums to discuss economics and accountability will continue. Principal contractors and grantees: USAID is currently identifying an implementing partner.

Support and Promote Free and Fair Elections (\$1,060,000 DA; \$2,000,000 ESF). USAID will continue to support the institutionalization, capacity building and training for the ECK. Assistance will also be extended, in view of the upcoming 2007 Kenyan elections. Support could include assistance to domestic monitors to assess whether the elections are transparent and competitive. Media bias in the run up to the elections will also be assessed. Principal contractors and grantees: International Foundation for Election Systems (IFES).

Strengthen Civil Society (\$1,050,000 DA; \$250,000 ESF). Support for civil society organizations promoting policy advocacy and monitoring GOK activities as outlined above will continue, as well as support to the conflict prevention and mitigation program in pastoral areas. Principal contractors and grantees: Kenyan CSOs, including Transparency International (TI-Kenya Chapter), the International Commission of Jurists (Kenya Section), Center for Governance and Development, Federation of Women Lawyers (Kenya Chapter), Institute of Economic Affairs, Center for Law and Research International, Center for Minority Rights, National Council of Churches of Kenya, Wajir Peace and Development Agency and Intermediate Technology Development Group.

Performance and Results: An independent evaluation revealed that the Kenyan Parliament is significantly more independent, with the MPs now willing to demand amendments to bills and to force the Executive Office to better explain and justify the budget it proposes. Bills are routinely subjected to more amendments than at any other time in the history of Parliament. Early gains in the fight against corruption are also evident; TI's Corruptions Perception Index 2004 indicates that Kenya's index score increased from 1.9 (most acute range) to 2.1 (rampant range). The Kenya Bribery Index 2004, conducted by the local chapter of TI, notes a significant decline in both the number of bribes paid per person per year (from 28.8 to 9.4) and the cost of bribes to individuals per month (from \$52 to \$17). Although civil society continues to be key to advancing democratic consolidation in Kenya, it has also suffered, as several of its prominent leaders have accepted positions in the government. Continued assistance is needed to ensure it has the technical ability to monitor the GOK's commitment to reform.

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; government systems will be more transparent and accountable to the people of Kenya; and CSOs will have the full capacity to effectively lobby for national reforms and monitor government activities.

US Financing in Thousands of Dollars

Kenya

615-006 Democracy and Governance	DA	ESF
Through September 30, 2003		
Obligations	8,973	6,400
Expenditures	3,603	4,218
Unliquidated	5,370	2,182
Fiscal Year 2004		
Obligations	3,350	4,500
Expenditures	3,259	184
Through September 30, 2004		
Obligations	12,323	10,900
Expenditures	6,862	4,402
Unliquidated	5,461	6,498
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	2,600	4,128
Total Planned Fiscal Year 2005		
Obligations	2,600	4,128
Proposed Fiscal Year 2006 NOA		
Obligations	3,673	4,000
Future Obligations	6,000	8,000
Est. Total Cost	24,596	27,028

Data Sheet

USAID Mission:	Kenya
Program Title:	Increased Rural Household Incomes
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	615-007
Status:	Continuing
Planned FY 2005 Obligation:	\$7,523,000 DA; \$1,550,000 ESF
Prior Year Unobligated:	\$525,000 DCA
Proposed FY 2006 Obligation:	\$8,171,000 DA; \$2,000,000 ESF
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2008

Summary: The program increases rural household incomes for the smallholder farmers and micro-entrepreneurs in medium- and high-potential areas and improves food security and increased incomes for vulnerable populations in Arid and Semi-Arid (ASAL) areas. The program is an integral part of the Initiative to End Hunger in Africa (IEHA), approved for Kenya through 2009.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Agricultural Productivity (\$4,300,000 DA, \$900,000 ESF). USAID will fund the development and transfer of improved technologies and enhance the efficiency of market systems through support to the Kenya Agricultural Research Institute (KARI). USAID will build capacity and increase public knowledge and awareness in biotechnology and establish a functional National Biosafety Framework in Kenya. USAID's horticulture program will train over 150,000 smallholder farmers on sanitary and phytosanitary standards to increase horticulture exports. USAID will work with Kenyan stakeholders to remove critical policy constraints related to U.S. market access; emphasize export trade, focusing on tree crops and flower exports under the African Growth and Opportunity Act (AGOA); assist in Pest Risk Analysis required by the United States; and assist the Government of Kenya (GOK) to decrease trade in counterfeit products. Principal contractors and grantees: KARI, Land O' Lakes (LOL), Fintrac, ACDI/VOCA, Kenya Plant Health Inspectorate Service (KEPHIS), National Council of Science & Technology (NCST), African Biotechnology Stakeholders Forum (ABSF), Ministry of Trade (MOT).

Increase Private Sector Growth (\$1,400,000 DA, \$200,000 ESF). Micro and small enterprises' (MSEs) access to commercial business development services will be increased. Over 700,000 MSEs, including smallholder farmers and women entrepreneurs, will be made aware of the value of business development services, and 400,000 will have access to the services by 2005. Over 300 farmer groups will be formed and strengthened, with at least 80 linked to private sector markets, input suppliers and other private sector business service providers. More resources will be leveraged through the Development Credit Authority (DCA), Global Development Alliance and other forms of partnerships. Principal contractors and grantees: Emerging Markets Groups (EMG) (prime), ACDI/VOCA, LOL, Fintrac, and others to be determined.

Improve Economic Policy and Governance (\$830,000 DA, \$150,000 ESF). Resources will be used for policy research, analysis and dialogue as part of a reform process for agriculture, microenterprise, microfinance and biotechnology in trade. USAID will support analyses for streamlining agriculture legislation, harmonizing the seed policy within the East African region, enacting the Microfinance Institutions (MFI) Bill, establishing a system of self-regulation within the microfinance sector, and analysis on "Kenyanizing" the Cartagena Protocol. Principal contractors and grantees: Tegemeo Institute for Policy Analysis and Development (Tegemeo), Kenya Institute of Public Policy Research and Analysis (KIPPRA) and NCST.

Strengthen Financial Sector's Contribution to Economic Growth (\$993,000 DA; \$525,000 prior year DCA; \$300,000 ESF). USAID will build capacity of the microfinance industry (MFI) by creating an industry-level enabling environment that promotes MFI growth and product development, setting industry standards, credit reference bureaus. Through the DCA, there will be increased access to growth capital to expand

financial services to medium and small enterprises, including women entrepreneurs and smallholder farmers in the maize, horticulture and dairy sectors. Principal contractors and grantees: Development Alternatives, Inc (DAI) (prime), Association of Microfinance Institutions (AMFI), Cooperative Bank of Kenya, National Industrial Credit Bank.

Increase Food Security of Vulnerable Populations. USAID will increase capacity of vulnerable communities in the ASAL area to mitigate the effects of weather-related disasters that erode livelihoods. Activities include the promotion of drought tolerant crops and sustainable farming technologies, environmental conservation and natural resource management. The activities will increase annual incomes by 24% and the number of food secure families in USAID-targeted areas to 20% by 2005. Principal contractors and grantees: CARE, World Vision, CRS, ADRA, Food for the Hungry.

FY 2006 Program: Increase Agricultural Productivity (\$5,000,000 DA; \$2,000,000 ESF). DA resources will fund ongoing activities in maize, dairy and horticulture, emphasizing IEHA priorities of technology development and transfer, biotechnology and markets. ESF will be used to promote AGOA exports and strengthen trade capacity. Principal contractors and grantees: KARI, LOL, Fintrac, ACDI/VOCA, KEPHIS, NCST, ABSF, MOT.

Increase Private Sector Growth (\$1,600,000 DA). DA resources will continue to increase MSE access to expanded business support services. Principal contractors and grantees: Emerging Markets Groups (EMG), ACDI/VOCA, LOL, Fintrac, and others to be determined.

Improve Economic Policy and Governance (\$750,000 DA). USAID will continue increasing local research and analysis capacity and advancing the unification of agriculture sector legislations and financial services policy and regulatory reforms. Principal contractors and grantees: Tegemeo and KIPPRA.

Strengthen Financial Sector's Contribution to Economic Growth (\$821,000 DA). USAID will continue promoting industry-level enabling environment for MFI growth and product development. Principal contractors and grantees: DAI, AMFI, Cooperative Bank and NIC Bank.

Performance and Results: Due to USAID activities, household incomes increased by 12%, from \$1,922 in 2002 to \$2,151 in 2004, exceeding the 10% target. Household incomes in targeted ASAL communities increased from \$1,445 in 2003 to \$1,666 in 2004. The USAID training on improved farming practices increased farmer adoption of technologies. USAID-supported product promotion and consumer awareness campaigns, trade in milk, horticulture and maize increased. Milk trade increased by 32%, (target was 8%), while the traded value increased by 29%. The value of fresh horticultural exports increased by 13% to \$410 million in 2004, while the volume increased by 22% to 162,000 MTs. The fresh fruits exports provided at least \$6 million in additional smallholder incomes. Private sector participation increased significantly in the smallholder sector. Through commercial banks, USAID's DCAs expanded credit access to a large number of MSEs, including smallholder farmers in Kenya. USAID-supported Tegemeo Institute assisted the Parliamentary to develop a unified legislation for the agriculture sector, the first such attempt in Africa. USAID, through Seed Trade Association of Kenya (STAK) made progress towards harmonizing standards in seed quality, certification protocols, release and registration of regional seed variety lists within the East African region.

By the end of the program, rural household incomes for the smallholder farmers and micro-entrepreneurs in medium- and high-potential areas will be increased by 40%. Food security will be improved and incomes for vulnerable populations in ASAL areas will increase by 45%. The Kenya program's contribution to IEHA's objectives will be significant in incomes and agricultural productivity.

US Financing in Thousands of Dollars

Kenya

615-007 Increased Rural Household Incomes	DA	DCA	DFA	ESF
Through September 30, 2003				
Obligations	24,390	275	500	4,500
Expenditures	4,063	0	500	18
Unliquidated	20,327	275	0	4,482
Fiscal Year 2004				
Obligations	4,147	227	0	2,903
Expenditures	9,305	92	0	178
Through September 30, 2004				
Obligations	28,537	502	500	7,403
Expenditures	13,368	92	500	196
Unliquidated	15,169	410	0	7,207
Prior Year Unobligated Funds				
Obligations	0	525	0	0
Planned Fiscal Year 2005 NOA				
Obligations	7,523	0	0	1,550
Total Planned Fiscal Year 2005				
Obligations	7,523	525	0	1,550
Proposed Fiscal Year 2006 NOA				
Obligations	8,171	0	0	2,000
Future Obligations	14,800	0	0	4,000
Est. Total Cost	59,031	1,027	500	14,953

Data Sheet

USAID Mission:	Kenya
Program Title:	Basic Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	615-008
Status:	Continuing
Planned FY 2005 Obligation:	\$2,814,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$1,500,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: The USAID basic education objective in Kenya is focused on improving the quality and efficiency of education accessed by historically marginalized populations. While the Kenyan concept of marginalized populations includes the arid and semi-arid lands, urban slums, people with disabilities and girls, the initial phase of the USAID program focuses primarily upon the largely Muslim populations of the Northeastern and Coast Provinces, which have the lowest rates of school enrollment and educational attainment in Kenya. Key components of the USAID program include: implementing a social mobilization campaign to increase the appreciation for education and creating a demand for quality educational services by marginalized populations; (2) implementing a policy and investment framework which encourages and facilitates the participation of marginalized populations within the national education system; and improving Teacher Practices/Competencies through in-service training. The basic education program is closely linked to the President's Emergency Plan for AIDS Relief and USAID's Health Program. These linkages have improved the Ministry of Education, Science and Technology's (MOEST) policies, institutional framework, services and HIV/AIDS awareness efforts.

Inputs, Outputs, Activities:

FY 2005 Program: Improve the Quality of Basic Education (\$2,414,000 DA). USAID will finance a campaign to mobilize communities and schools to raise issues and foster dialogue regarding the value of education, improved school management, and improved educational attainment in marginalized areas. The program intends to strengthen local communities' responsibilities for influencing, implementing and achieving quality education. Activities will increase both the demand for quality education and the capacity of the education system to meet that demand. The geographical focus of the program will be the predominantly Muslim regions of the Northeastern and Coast Provinces, which have the lowest rates of school enrollment and educational attainment in the country.

This complements the efforts undertaken in the policy areas by the World Bank and the British Department for International Development (DFID), the leading development partners in basic education in Kenya. The focus will be on making adjustments to the MOEST's policy and investment framework to ensure that outreach mechanisms are maximized and responsive to the needs of Kenyans, especially those living in marginalized areas. It is expected that technical assistance will assist the government in developing policies and programs which are inclusive in nature, as well as using technology (interactive radio and internet technologies) to increase educational access.

Principal contractors and grantees: Academies for International Research (prime), Aga Khan Foundation (sub).

Improve Quality of Workforce (\$400,000 DA). This program complements the efforts undertaken by other donors and will focus on teachers within the geographical areas of the Northeastern and Coast Provinces. The in-service training will focus on developing lesson plans, in-class management, and the creation of an improved learning environment within the selected provinces. Principal grantees: to be determined but are expected to be Kenyan institutions with supplementary U.S. assistance as determined by institutional assessments. Principal contractors and grantees: Academies for International Research (prime), Aga Khan Foundation (sub).

FY 2006 Program: Improve the Quality of Basic Education (\$1,250,000 DA). USAID intends to expand the campaign to mobilize communities and schools to raise issues and foster dialogue regarding the value of education, improved school management, and improved educational attainment in marginalized areas, with a view to strengthening the local community's responsibility for influencing, implementing and achieving educational quality. Activities will increase both the demand for quality education and the capacity of the education system to meet that demand. The bilateral program is complemented by the Ambassador's Girls' Scholarship Program, which is funded by USAID's Africa Education Initiative and focuses on providing additional resources to girls residing in marginalized areas. It also complements the U.S. Department of Agriculture-funded School Feeding Program, which is implemented by the World Food Program and the GOK in targeted schools within the marginalized areas.

This complements the efforts undertaken in policy areas by the World Bank and the British DFID. The focus will be on making adjustments to the MOEST's policy and investment framework to ensure that outreach mechanisms are maximized and responsive to the needs of Kenyans, especially those living in marginalized areas. It is expected that technical assistance will assist the government in implementing policies and programs which are inclusive in nature as well as using technology (interactive radio and internet technologies) to increase educational access.

Principal contractors and grantees: to be determined.

Teacher Practices/Competencies Improved (\$250,000 DA). This program complements the efforts undertaken by other donors and will focus on teachers within the geographical areas of the Northeastern and Coast Provinces. The in-service training will focus on developing lesson plans, in-class management, and the creation of an improved learning environment within the selected provinces. Principal contractors and grantees: to be determined but are expected to be Kenyan institutions with supplementary U.S. assistance as determined by institutional assessments.

Performance and Results: USAID funded the basic education program in the last quarter of FY 2004, and the Performance Monitoring Plan will be finalized in early CY 2005. Currently, the principal outcomes to be expected at the end of this program include an increase in the number of children in marginalized areas attending school by 9.4%, from 45.6% to 55.0% with girls' attendance increasing from 39.8 % to 48.0%. School retention rates for children residing in marginalized areas are expected to increase from 76.0% to 85.0%, with girls' retention rate increasing from 67.8% to 75.0%. The percentage of children in marginalized areas passing examinations and continuing to the next level of education are expected to increase from 65.0% to 70.0%, with the percentage for girls in this category increasing from 55.0% to 62.0%. In addition, it is expected that the number of school management committees created will increase from 53 to 125. The number of teachers who receive in-service training will be 5,650, and the number of teachers trained in interactive radio instruction will be 350.

US Financing in Thousands of Dollars

Kenya

615-008 Basic Education	DA
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	3,224
Expenditures	80
Through September 30, 2004	
Obligations	3,224
Expenditures	80
Unliquidated	3,144
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	2,814
Total Planned Fiscal Year 2005	
Obligations	2,814
Proposed Fiscal Year 2006 NOA	
Obligations	1,500
Future Obligations	8,000
Est. Total Cost	15,538