

KENYA



Kenya The United States has long had a strong and highly valued partnership with Kenya. U.S. main interests in Kenya include promoting democracy and good governance; supporting Kenya's economic development; maintaining its role as a stable partner and contributor to regional peace and security; and mobilizing effective regional counterterrorism efforts. U.S. assistance in FY 2009 was focused on responding to the post-election crisis and addressing humanitarian needs, the urgent need for conflict resolution and reconciliation at the grassroots level, and the need to implement the reform agenda agreed to by the coalition government. Important modifications to the core foreign assistance program have been made to assist Kenya in addressing the underlying causes of the current crisis. If essential reforms are implemented, Kenya will become more transparent, less corrupt, and have a more participatory democracy, which can improve living standards and the quality of life for all Kenyans. If the reforms fail, violence is likely to recur and the coalition government may not survive until the next regularly scheduled elections in late 2012. Kenya was economically devastated by the post-election violence, and recovery remains slow due to the ongoing impact of the global economic crisis. Given the potential for violent inter-ethnic conflict in multiple regions of Kenya and the challenging security situation in neighboring Somalia, U.S. peace and security-related activities, including counter-terrorism, are integral to preserving regional stability. The U.S. played a decisive role in helping resolve the post-election crisis. Sustained U.S. engagement will help ensure that fundamental reforms are carried out, in order to help Kenya stay on its democratic path.

FOREIGN RELATIONS: Despite internal tensions in Sudan and Ethiopia, Kenya has maintained good relations with its northern neighbors. Recent relations with Uganda and Tanzania are strengthening as the three countries work for mutual economic benefit.

Kenya has hosted and played an active role in the negotiations to resolve the civil war in Sudan and to reinstate a central government authority in Somalia. On January 9, 2005 a Sudan North-South Comprehensive Peace Accord was signed in Nairobi. Negotiations in the Somali National Reconciliation Conference resulted at the end of 2004 in the establishing of Somali Transitional Federal Institutions (Assembly, President, Prime Minister, and Government). Until early 2005, Kenya served as a major host both for these institutions. Between May and June 2005, members of the Somalia Transitional Federal Institutions relocated to Somalia. Kenya is host to more than 300,000 refugees, of which 288,000,000 are from Somalia and the remainder primarily from Sudan and Ethiopia.

Kenya maintains a moderate profile in Third World politics. Kenya's relations with Western countries are generally friendly, although current political and economic instabilities are sometimes blamed on Western pressures.

U.S.-KENYAN RELATIONS: The United States and Kenya have enjoyed cordial relations since Kenya's independence. Relations became even closer after Kenya's democratic transition of 2002 and subsequent improvements in civil liberties.

More than 9,000 U.S. citizens are registered with the U.S. Embassy as residents of Kenya. In 2007 about 116,800 Americans visited Kenya, up 18% from 2006, but the number dipped to 89,400 in 2008. About two-thirds of resident Americans are missionaries and their families. U.S. business investment is estimated to be more than \$285 million, primarily in commerce, light manufacturing, and the tourism

industry.

Al Qaeda terrorists bombed the U.S. Embassy in Nairobi on August 7, 1998, taking hundreds of lives and maiming thousands more. Since that event, the Kenyan and U.S. Governments have intensified cooperation to address all forms of insecurity in Kenya, including terrorism. The United States provides equipment and training to Kenyan security forces, both civilian and military. In its dialog with the Kenyan Government, the United States urges effective action against corruption and insecurity as the two greatest impediments to Kenya achieving sustained, rapid economic growth.

U.S. assistance to Kenya is substantial. It promotes broad-based economic development as the basis for continued progress in political, social, and related areas of national life. The U.S. assistance strategy is built around five broad objectives: Fighting disease and improving healthcare; fighting poverty and promoting private sector-led prosperity; advancing shared democratic values, human rights, and good governance; cooperating to fight insecurity and terrorism; and collaborating to foster peace and stability in East Africa. The Peace Corps, which usually has about 150 volunteers in Kenya, is integral to the overall U.S. assistance strategy in Kenya. Peace Corps volunteers were withdrawn from Kenya due to instability and civil unrest in early 2008, but the program resumed Kenya operations within a few months.

Peace and Security: Post-election violence, ongoing chronic insecurity in several regions, significant refugee flows from Somalia, and the increased demand on national security resources have adversely affected Kenya's ability to focus on counter-terrorism initiatives, which remain an important goal in the regional context. The U.S. continues to approach counter-terrorism capacity building in the larger context of national security, directing increased resources towards building security capacity to contribute broadly to improving Kenya's overall security. Issues such as coastal, port, aviation and border security, cyber crime prevention and detection, professionalization of police and military units, improved immigration controls, refugee and internally displaced person security, domestic terrorism, and violent crime are approached from an integrated, multi-USG agency perspective. In the Kenyan context, training of security forces incorporates sensitization on human rights, international humanitarian law, gender-based violence, and civilian-police and civilian-military relations. Funding requested for conflict mitigation and reconciliation activities will support this essential prerequisite for national peace and stability. Department of State-funded programs will also enhance the forensic investigation, community-based policing, and crowd control skills of the civilian police.

Governing Justly and Democratically: The recent political crisis provides hard evidence that Kenya needs to improve its system of checks and balances, reduce executive discretion, and ensure meaningful political inclusion for all. Failure to address these issues will prevent Kenya from consolidating its democracy and may result in erosion of those gains realized over the past decade. Consequently, programs focusing on governing justly and democratically continue to be a top U.S. policy priority. USAID funding will support reforms that address Kenya's political and social divisions, including revisions to the constitution, electoral laws, land policy, and the development of a framework for decentralization, as well as efforts to promote increased transparency and effectiveness of governance institutions. Where relevant, interventions have an emphasis on gender equity and youth empowerment. This reform agenda is advanced by supporting the Kenyan National Assembly, the Prime Minister's Office, and if restructured, assistance will be extended to a newly constituted electoral commission. USAID funding also supports the development of more internally-democratic political parties. Complementary funding is provided to strengthen the organizational and technical capacity of civil society organizations and the media to serve as effective watchdogs and advocates for the reform agenda.

Investing in People: The majority of the programs under this objective include combating HIV/AIDS and malaria, as well as providing for maternal and child health, and family planning. U.S. assistance for family planning and reproductive health will expand access to high-quality, voluntary family planning services and information and reproductive health care on a sustainable basis in all eight provinces of

Kenya through USAID programs. It will enhance the ability of couples to decide the number and spacing of births, the timing of first birth, and make substantial contributions to reducing abortion. Assistance programs will reduce maternal and child mortality and morbidity and mitigate the adverse effects of population dynamics on natural resources, economic growth and state stability. Given Kenya's high population growth rate, family planning is essential to ensure that poverty rates do not escalate. Increased maternal and child health funds will be used to improve maternal, neonatal, and child health outcomes by supporting the scale-up of high-impact interventions, strengthening health systems, and building human resource capacity. In addition, FY 2010 funds will include USAID activities with a direct focus on hygiene, sanitation promotion, and water quality interventions, as well as linkages to improvements in drinking water supply and sanitation. Linkages with the President's Emergency Plan for AIDS Relief (PEPFAR): Kenya will receive significant support to build partnerships to provide integrated prevention, care and treatment programs throughout the country and support orphans and vulnerable children. U.S. Assistance under the President's Malaria Initiative (PMI) will expand efforts to scale up proven preventive and treatment interventions to achieve 85 percent coverage among vulnerable groups in order to reach the PMI goal of reducing malaria-related mortality by 50 percent. U.S. assistance will also focus on the delivery of quality basic education for marginalized communities, especially girls and children in North Eastern and coastal regions of Kenya. USAID support for pre-primary and primary education include policy, professional and institutional capacity development; capacity development in Information Communication Technology, education administration, and interactive radio instruction for the marginalized. In addition, U.S. funds will train teachers and administrators; mentor and strengthen parent-teacher associations; develop and distribute learning and teaching materials; improve access to learning for marginalized communities; provide educational outreach services to out-of-school youth; and conduct HIV/AIDS awareness and mitigation activities among school age populations.

Focus on Performance: Both the Maritime Security and the Anti-terrorism Police Training Initiatives gained momentum and enjoyed some moderate successes. The Office of Anti-terrorism Assistance training facility at Manda Bay Naval Base in northern Kenya was successfully completed and opened in late February. Forty participants graduated from two iterations of 11-week Comprehensive Maritime Security training. In addition to the Port of Mombasa patrols, Maritime Police Unit officers began patrolling the coastal waters in and around Lamu, Pate and Manda Islands. Anti-terrorism Police Unit Officers who attended ATA training participated in an operation to track down and interdict Fazul and other suspected Al Qaeda operatives. ATA cyber forensics training and equipment is being put to use in this endeavor. A series of cyber forensics courses was delivered paving the way for the early 2009 delivery and installation of the cyber forensics lab. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well. The U.S. is working to enhance the advocacy and policy skills of local Civil Society Organizations (CSO) to promote positive changes in Kenya governance. This involves improving the financial and organizational sustainability, and nurturing new leadership, particularly by developing coalitions that include more "grassroots" level organizations targeting youth and women. Over the coming fiscal year, an increase of approximately 25 percent in the total number of CSO partners supported under the program is expected. FY 2010 funds will support programs in the areas of electoral administration and constitutional reform as well as policy reform, particularly monitoring GOK performance in the area of procurement reform. Additional resources will permit expansion of the range of activities with each NGO to encompass more vigorous civil society attention engagement on the National Coalition's reform agenda. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well. Additional resources will be utilized to expand coverage and double the procurement of Long Lasting Insecticide Treated Nets (LLINs) under the President's Malaria Initiative (PMI). A smaller portion of the additional funding will expand efforts to scale up other prevention interventions like residual spraying that is environmentally safe, as well as treatment interventions. The goal is to the move towards universal coverage in Kenya - that is, two persons under each LLINs. Additional funding is directly linked to being

able to purchase and distribute additional bed nets based on the increase of funding available. The 103 percent increase in funding will allow an additional 810,000 bed nets to be purchased. Kenyan tourism is essentially nature-based and it trades on charismatic wildlife, wilderness amenities and pristine coastal and marine environments. FY 2010 funds will be used to consolidate and deepen activities that foster improved biodiversity and environmental conservation. Targets appear to be lower in 2010 due to the fact that FY2008 targets are based on a one-off public private partnership that was able to leverage additional funds for tree planting activities. The new funds will target more fragile environmental areas while new partnership arrangements are sought. The funds may be used to achieve the targets of other indicators, as well. The agricultural sector is central to Kenya's broad-based economic growth and poverty reduction. Agriculture also accounts for about 60 percent of export earnings. Additional resources are required in order to have a significant impact on agricultural development as a means to address food insecurity and poverty alleviation and help spur economic growth. The FY 2010 request will support Kenya's participation as a target country under the U.S.'s Global Food Security Response (GFSR) to expand access to improved agricultural technology and services, strengthen capacity of farmer/pastoral groups to participate in expanding markets, address issues of product quality, food safety and other emerging market standards, and improve policies and regulatory capacity. Additional resources will permit expansion of activities to a critical mass of productive smallholder farmers and pastoralists and begin to reduce dependence on emergency food aid while helping to address critical issues such as sustainable and equitable utilization of natural resources. Not all of the funding in this Program Area will be used to achieve the targets outlined above. The funds may be used to achieve the targets of other indicators, as well.

Economic Growth: Kenya's economy depends heavily on agriculture and tourism, both of which rely on the conservation and sustainable management of the country's rich diversity of natural resources— soil, water, forests, wildlife and marine environments. The majority of economic growth funds will enhance the productivity and competitiveness of key agricultural commodities. There will be complementary investments in agricultural policy, expanding access to financial services, improving the enabling environment for private sector development, promoting trade, increasing opportunities for small and microenterprises, and enhancing the sustainable use of renewable natural resources. USAID programs will also seek to provide much-needed assistance to enhance resiliency and reduce vulnerability of rural household livelihoods in drought-prone arid and semi-arid lands of Kenya, where conflict over scarce natural resources contributes to instability. Agriculture remains the backbone of the Kenyan economy, contributing 25 percent of GDP, and over 50 percent, if agriculture-based manufacturing is included. The sector is central to broad-based economic growth and poverty reduction in Kenya. Overall, 80 percent of Kenya's population of 35 million derives at least part of its livelihood from agriculture, including livestock and pastoral activities. Agriculture also accounts for about 60 percent of export earnings. Over 75 percent of agricultural output is from small-scale, rain-fed farming or livestock production, and is highly susceptible to both annual and season rainfall variability. For Kenya to accelerate its economic growth and reduce poverty, it must take concerted measures to increase agricultural productivity and market competitiveness, linking the rural poor to growing markets while further strengthening its agricultural regulatory environment. Kenya's post-election crisis, coupled with escalating agricultural input prices and recurrent drought, combined to exacerbate greatly the country's food insecurity. With larger and more concentrated investments in agriculture to address the structural imbalance in supply and demand of food supplies, a sub-regional approach is being taken in Africa to increase the production and marketing of food staples, reduce food prices, and increase incomes and revenue needed to buy food. As part of the U.S. Global Food Security Response, USAID will work with African and international private companies, along with local and international non-governmental organizations, foundations, farmer organizations, national and regional agricultural research and trade organizations to increase agricultural productivity and production through deployment of technologies and management practices. Regional trade in food staples will be increased through improvements to food staple market structures and the operation of key trade and transport corridors. Sound market-based principles will be promoted to ensure

that staple food systems are working effectively. FY 2010 funds will be used to further expand and deepen programs that advance the competitiveness of key agricultural sub-sectors, including maize, dairy, horticulture and livestock, through comprehensive market-driven value chain programs and support to sector reform, thereby catalyzing sector growth while helping to increase incomes for rural households. These expanded programs will further bolster USAID's participation in the Initiative to End Hunger in Africa, as well as the African Global Competitiveness Initiative. If the post-election economic downturn and other recent factors adversely affecting agricultural production can be reversed and positive trends resumed, agricultural sector growth should accelerate over the next five years, accompanied by significantly higher Government of Kenya and private investment, and ultimately increased rural household incomes. However, in the near term, Kenya's food security and overall agricultural sector production have been severely affected, significantly reducing prospects for agricultural and economic growth in 2008. U.S. assistance will be essential to help re-establish private sector-led growth in the targeted value chains and advance policy and institutional reforms to create an enabling environment for greater growth in the coming years. A key building block of Kenya's tourism sector is biodiversity. U.S. assistance will contribute to the growth of tourism through investments in conservation and protection of Kenya's rich biodiversity; improving the condition of natural ecosystems; and reforms in environmental policy, law and regulation that will enable the private sector, communities, and the Government of Kenya to sustainably manage natural resources. Biodiversity and agricultural and livestock productivity are also dependent on sound soil and water management on farmlands and in the arid and semi-arid lands. Other crucial U.S. investments will assist rural communities and individual households in adapting to the impacts of climate change; advance policy and legal frameworks in support of environmental monitoring and compliance; encourage equitable access to, and tenure over, land and natural resources; and expand investments in sustainable, nature-based enterprises.

Humanitarian Assistance: U.S. assistance will support the continuation of the Famine Early Warning System.

Linkages with the Millennium Challenge Corporation

Kenya's Millennium Challenge Corporation (MCC) threshold program began implementing activities in October 2007. The two-year, \$12.7 million program addresses public sector procurement reform, with a particular emphasis on the healthcare sector. Under the threshold program, Kenyan civil society organizations will serve as "watchdogs," monitoring Kenya's progress in reforming its public procurement and health care delivery systems. In 2008, comprehensive reviews of the procurement practices of Kenya's highest spending public entities were completed and made public. The threshold program addresses the issue of corruption directly, and complements ongoing USAID programs in Governing Justly and Democratically, Investing in People, and Economic Growth. The current threshold program is scheduled to conclude on September 30, 2009