



COUNTRY ANNUAL REPORT

1st July 2011 – 30th June 2012

ACROYMNS

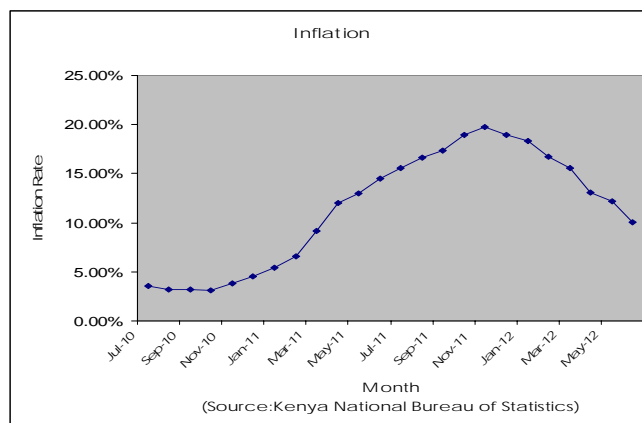
ASP	Area Strategic Plan
AOPB	Annual Operating Plans and Budget
AO	Area Office
CBO	Community Based Organizations
CDF	Constituency Development Fund
CSP	Country Strategic Plan
CVS	Child Verification System
DEV	Deprived, Excluded, Vulnerable
ECCD	Early Childhood Care and Development Centers
ECDP	Eastern Community Development Program
GDP	Gross Domestic Product
HOA	Horn of Africa
IO	International Office
M&E	Monitoring and Evaluation
NO	National Office
NSP	Non Sponsorship Funds
PDD	Program Design Development
SMT	Senior Management Team
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States Dollar
WFP	World Food Program

A. COUNTRY SOCIO-ECONOMIC AND POLITICAL SITUATION

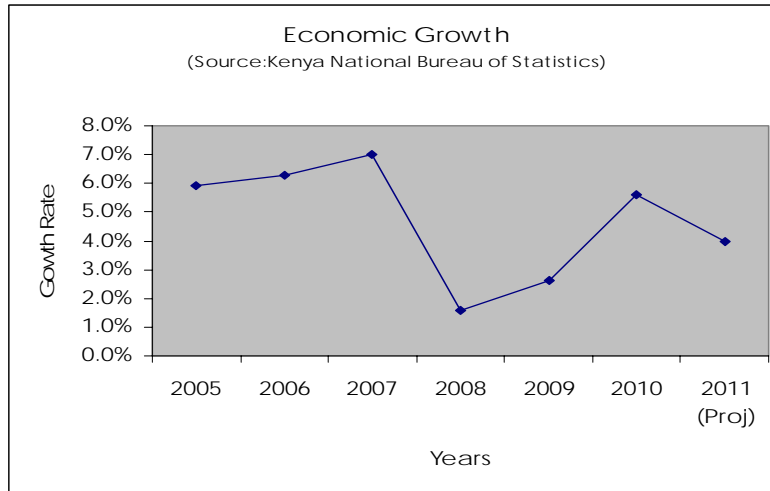
Economic Situation:

The Kenyan economy experienced severe turbulence during the year 2011-2012 due to erratic weather conditions, escalating oil prices, structural weakness and short term shocks culminating into a weaker currency and high inflation. Key risks going forward include deepening of the Eurozone economic crisis that could weaken key export markets and the General Elections ushering in a period of uncertainty. Improved growth is predicated on effective management of the after effects of 2011 crisis, political stability and addressing the security especially Somalia conflict.

The Central Bank of Kenya tightened the monetary policy to stabilize the shilling and reign in rising inflation. The Central Bank Rate was raised from 5.75% to 18% in December 2011 while the Cash Reserve Ratio was raised from 4.25% to 5.25%. The Monetary Policy Committee continued to hold the CBR steady at 18%, citing the need to consolidate the gains of the tightening in 2011. Policy actions by the Central Bank have ensured stable foreign exchange rates and Inflationary pressure continued to ease in the last consecutive six months, from 19.72% in November 2011 to 10.02% in June 2012, as shown below.



According to World Economic Outlook (April 2012) the real GDP growth for year 2011 was 5.4% and is expected to rise to estimate 5.7% in year 2012 shown below:



Economic growth will be supported by better weather, lower inflation and interest rates. In the medium term, heavy infrastructure projects (ports, energy, rail and roads) will remove friction allowing the private sector to contribute more to growth.

Tullow Oil and Oil Africa JV reported in March 2012 that they had hit oil in Ngamia-1 block in Turkana. Turkana is one of ChildFund Kenya's program areas. If the block is proved commercially viable it may both restructure regional geopolitics and markedly improve the economic position of Kenya by strengthening its foreign accounts in the long term and funding much needed infrastructure projects.

Social Economic Indicators at a Glance

Indicator	2010
Population, total (millions)	39.8
Population growth (annual %)	2.6
GDP (current US\$) (billions)	29.4
GDP per capita (current US\$)	759.0
GDP growth (annual %)	2.6
Life expectancy at birth, total (years)	54.9
Poverty level (%)	46.6
Mortality rate, infant (per 1,000 live births)	54.8
Literacy rate, youth female (% of females ages 15-24)	93.6
Prevalence of HIV, total (% of population ages 15-49)	6.3

Source: <http://web.worldbank.org>

Political Situation:

Despite the Independent Election and Boundaries Commission announcing 4th March, 2013 as the election date, the debate still persists. The Grand coalition partners are not in agreement on when the elections should be held. Public pronouncements by the two principals indicate a division in the coalition: Kibaki preferring March 2013 while Ralla preferring December 2012 polls. Politicians' quest for alliances dominated the agenda ahead of the election, as parties positioned themselves for power. Meanwhile, parties are still scrambling to comply with the Political Parties Act as well as nominate presidential candidates. It has been observed that election spending may impose inflationary pressures and impact the economic stability.

Four prominent Kenyans, two of them presidential candidates, were ordered to stand trial at the International Criminal Court at The Hague on charges of crimes against humanity in connection with the bloodshed and waves of violence following the disputed elections in 2007 that pushed the country near to civil war. The pending cases of the four

Kenyans facing trials at The Hague for post elections related violence in 2007/08 continued to cause political tension among the affected communities. Charges against two other Kenyans, Henry Kosgey, a former cabinet minister, and Mohammed Hussein Ali, the former police chief, were dropped for lack of evidence, although prosecutors are expected to provide more. Kenyan officials have fought against any involvement of the international court from the start, insisting it would deal with the organizers of the violence in local trials. A year ago, lawmakers went so far as to demand that Kenya withdraw from the Rome Treaty of 1998 that established the court. Other African leaders have also supported Kenya in its bid to get International Court action deferred.

Security Situation:

During this period of review, the most significant threat to Kenya's security has been from Al Shabaab the militant group based in Somalia. The Kenyan troops were deployed in November 2011 to pursue Al-Shabaab which had threatened economic lifeline of the country by attacking and kidnapping tourists along the coast. The Kenyan troops have since then been fighting and capturing the Al-Shabaab strongholds in Southern Somalia and there has been retaliatory attacks by Al-shabaab in Kenya with grenade and Improvised Explosive Devices on soft targets particularly in Nairobi, Mombasa and most parts of North Eastern Province bordering Somalia. The Al Shabaab security threat to Kenya is expected to continue and likely to affect ChildFund operations particularly limiting the visits by foreign partners due to insecurity advisories currently in force.

Inter ethnic conflicts have also been recorded during the period of review. The most prone areas were areas of Isiolo and Marsabit. The conflict which occurred in Isiolo in the month of October 2011 adversely affected the ChildFund affiliate program areas. Although there were no

sponsored children killed during the conflicts, displacement of their parents to IDP camps affected their schooling. The inter- ethnic conflicts in this areas is expected to escalate as the electioneering period starts. The North Rift Valley during the period continued to experience cattle rustling and conflict over grazing areas between the Turkana and Pokot ethnic groups.

B. CURRENT STATUS OF COUNTRY STRATEGIC PLAN (CSP) 2012 - 2016

The country's strategic plan was finalized and awaiting public launching. This is scheduled to take place in the first quarter of FY13. In the CSP, the organization commits to ensure that children with experiences of DEV (including children with special needs) are supported with a view to reducing cases of childhood illnesses, increasing access to quality ECCD education, receiving appropriate attention on health, nutrition and are protected from abuse from the environment they grow and develop in. The organization further commits to supporting the youth to acquire livelihood skills, access education, job opportunities and create an enabling environment for them to participate in decision-making processes at all levels. This CSP deliberately emphasizes the need to engage and forge effective partnerships at all levels. See appendix A2 – Strategic Plan Matrix showing the accomplishment of major objectives.

C. RESOURCES MOBILIZATION EFFORTS

The country's grants revenue target for FY12 was USD6Million. Total grants and NSPs funded in the course of the year amounted to USD6,389,981.20 (Grants=USD5,336,239.10 and NSPs=USD1,053,742.06) which translated

to106% of the target. The following table shows a breakdown of the grants awarded as at the end of May 2012.

Donor	Project title	Total acquisition YTD (USD)
ChildFund New Zealand	Turkana Emergency Response Project	197,000.00
ChildFund Australia	Kenya Emergency Response	215,487.00
UN WFP	Turkana FFA Project	962,821.80
ChildFund Korea	Kenya Emergency Response	43,345.00
ChildFund Canada	Kenya Emergency Response	10,000.00
ChildFund Germany	Kenya Emergency Response	14,412.00
USAID	APHIA Plus	2,777,967.00
ChildFund Sweden	Kenya Emergency Response	17,585.00
Special New Zealand donor	Mulala Shallow Well Project	8,690.48
ChildFund Australia	Nutrition support project for children aged 0-5 years in Kenya, Horn of Africa	406,000.00
WFP	WFP Busibi	9,955.00
Procter and Gamble	Safe Drinking Water for people using Hand Dug Wells and River water	64,700.00
ChildFund New Zealand	Turkana Recovery Project	93,391.00
ChildFund New Zealand	Emali Water	190,000.00
WFP	Turkana	324,884.82
Total		5,336,239.10

D. NETWORKING EFFORTS

In FY12, ChildFund Kenya participated in various networking efforts to support its goals and strategic objectives. The National Director and other staff participated in various Inter Agency Working Groups forums to discuss among other issues the NGO Bill as well as safety and security information

in regards to the upcoming general elections and the threat of Al-Shabaab in the country. Further, ChildFund Kenya participated in various launches/meetings/workshops with the government including Institute of Economic Affairs Kenya youth scenarios and youth compendium launch.

ChildFund Kenya in partnership with other organizations/institutions signed Partnership/Teaming Agreements to work together towards grants acquisition including Daystar University, Pathfinder International and Girl Child Network.

E. CONTRIBUTIONS TO REGIONAL PROGRAMMING & OTHER INITIATIVES

Global M&E Initiative Survey: This exercise was undertaken at three levels including National, Area and Local Partners levels. The collected data was submitted to the Region for further analysis and as a result global data points were identified. As a National Office, ChildFund Kenya improved its data capturing tools to ensure that data points are captured and reported on appropriately in the course of FY13.

In the course of FY12 the M&E team underwent capacity building on urban programming quality improvement including ASP tools development, data collection methods and procedures, data analysis and project design. The gained skills were utilized in many processes in the country including North Rift ASP data collection and analysis processes, AOPB harmonization workshop, Emergency Reflection Workshop and AphiaPlus DEV training for youth facilitators.

In the 3rd quarter of FY12, the Western Regional Manager visited the ChildFund Mozambique National Office to offer support in their CSP

process. The SR Manager as well visited ChildFund Mozambique to offer expertise to the National Office.

The Program Director and the Grants Manager attended a grants management workshop in Senegal where information learnt was being cascaded down. Further, the Programs Director and the Country M&E coordinator attended Maputo workshop on knowledge management and learning that took place in November 2011.

In quarter 1, The M&E Coordinator and the Assurance Manager visited the ChildFund Mozambique and ChildFund Senegal offices respectively for staff exchanges and to offer their expertise for the said National Offices while the Regional Business Development Manager visited the NO for orientation purposes.

After installing the CVS system as well as data collection and data entry were complete for all sponsored and enrolled children, a control mission took place in the month of June to verify that all procedures of the Child Verification System were followed including verification of physical records. It was reported to the Region that ChildFund Kenya was able to certify that 47,493 enrolled children had been verified by June 4, 2012, representing 88% of 53,969 children enrolled in Kenya.

Due to the Horn of Africa drought, ChildFund Kenya was able to attract various donors/grants from the ChildFund Alliance including New Zealand, Australia, Canada and Sweden in supporting efforts to mitigate the drought. This led to many visits by these agencies to visit the afflicted areas especially Turkana to see the effects of the drought and what ChildFund Kenya through grants effort was able to do.

F. MAJOR DEVELOPMENTS, SUCCESS & SPECIAL EVENTS

Enhanced Programs Effectiveness: During the reporting period 5 areas (Mukuru Integrated Program, Mt. Kenya East, Central Rift, Kiambu Area and Nairobi Integrated Program) ASPs and PDDs were developed to completion. These areas will be implementing the designed programs for a period of three years starting from FY13. It is anticipated that the long term interventions will have greater impact to the targeted beneficiaries. In addition, North Rift Cluster undertook ASP data collection and Analysis by the end of FY12. The cluster will finalize the design process and reporting before December

Drought Emergency Response: By the end of the first half of the year 2011 the food situation in Kenya reached alarming levels owing to the prolonged drought spell that caused mass crop failure. Many parts of the country were affected with the drought translating into acute shortage and exorbitant prices of food commodities.



In response to the situation, ChildFund Kenya through drought emergency response project joined Government and other humanitarian agencies to conduct emergency response actions. The response focused on nine program areas including: Turkana, North Rift, Marsabit, Emali, Migwani ECDP, Lake Region, Mutonga in Mt Kenya, Mukuru and Nairobi Integrated Program.

The Projects' goal was to reduce morbidity and mortality rates of children aged below 5 years affected by drought in the nine ChildFund program

areas. The program objectives included: to improve the health and nutritional status of 50,000 children aged below 5 years and 5,000 pregnant and lactating mothers in 6 months, and to increase access to clean and safe water for 50,000 children below 5 years.

To address nutrition related problems ChildFund Kenya undertook various activities including growth monitoring, deworming, vitamin A administration and supplementary feeding. In total, 47,705 children and 7,564 pregnant and lactating mothers i.e. 95.4% children and 151.3% respectively of the target were reached in the 9 affected areas through 522 ECCD centers.

Further, to address the issue of water scarcity and improve quality and usage levels, the emergency program implemented various water intervention activities in the form of water tracking, provision of safe water vessels and water treatment chemicals, provision of water storage vessels, and capacity building in good hygiene practices and sanitation.

Annual Plan Progress Against Objectives

APPENDIX A2

Key Result Area:

Global Priority	Objective	Indicator	Status of Progress toward achievement of objective
<p>Niched Core Program</p>	<p>To develop and initiate NO & AO level implementation of M&E tools and systems in line with the Global M&E Conceptual Framework</p>	<p>CBO level key M&E focal point persons trained</p>	<p>Training conducted for 27 staff members drawn from all areas. Each area represented by the Area Manager and an M&E focal point person.</p>
		<p>Development of the NO M&E framework finalized</p>	<p>Under Development</p>
		<p>Participate in the assessment of DM&E system and improvement</p>	<p>Programs Director & M&E Coordinator attended the M&E planning meeting in Mozambique. ChildFund Kenya Participated in Global M&E Initiative survey. Also the country participated in information needs assessment</p>
		<p>Test ChildFund Project Design framework in one of the Areas</p>	<p>ChildFund Kenya M&E team participated in QIP training and pilot testing of the design document in Ethiopia. The team to ensure implementation of the Urban ASP tools and Design document in the country</p>

		Development and implementation of Area level M&E plans Rolled Out	First level of training to enhance development of M&E plans conducted. All the program areas developed M&E schedules. This was further strengthened during the AOPB harmonization workshop held in April 2012
		50 Area and CBOs staff develop M&E tools facilitated	M&E team comprising representatives from all departments both at NO and at AO identified and are set to come up with data points and finally M&E tools to be used by all Areas.
	To implement the CSP and develop implementation strategies for the 'nicked' area programs	Final CSP disseminated to staff and stakeholders	The CSP is ready for launching and this is scheduled to take place FY13
		Niched area program pulled out from the CSP and implementation strategy papers for each developed	Work in progress, but also final work on ECCD being completed at the IO

		Facilitate 2 Areas Transition planning and the development of respective ASPs and PDDs	ASP and PDD development for 5 areas were completed in the course of the year including Mukuru Integrated Program, Mt. Kenya East, Central Rift, Kiambu Area and Nairobi Integrated Program. In addition North Rift Cluster undertook ASP data collection and Analysis by the end of FY12. It was anticipated that the cluster will finalize the design process and reporting before December 2012.
Grants Acquisition and Management	Enhance Grants Portfolio growth to generate and achieve a revenue target of \$6M and streamline NO grants management and compliance	Solid relationship built with donors and strategic partners with special focus on USG in Kenya	Effort being made to access USAID funds. Donors have successively been identified and long term grants awarded and others under way i.e. WFP, USAID, UNICEF, TROCAIRE, and MFAT.
		Work with the Regional Business Development Officer to mobilize grants revenue target of \$6M	Total funding of \$6,389,981.20 realized which translated to 106% of the target
		Conduct capacity building on grants positioning, development and management for the NO Grants team	The Program Director and the Grants Manager attended a grants management workshop in Senegal. The team is cascading the learning in the country

		Work with the Regional Grants Compliance and Management Manager to streamline grants management.	Finance staff were trained in Grant Management by Grants Compliance Manager. Designated an Accountant for grants other than Aphia Plus
Enhanced Child/Sponsor Relationships	Streamlining sponsorship for effective and efficient performance	Conduct at least 2 developmental sponsorship activities	Contact teachers have been trained as TOTs in quality letter writing. In turn they are training enrolled children in quality letter writing. There is noticeable improvement in the quality of letters where teachers and children have been trained.
		Develop and implement plans for implementing level 1&2 improvement ideas	All report cards of school-going children have been collected and filed in the children's folders.
		Facilitate Sponsor Relationship Manager participate in the CoP and to submit one article for the sponsorship newsletter	ChildFund Kenya has been participating in monthly CoP discussion.
		Conduct training for the Area SR Coordinators on the implementation of the CVS, share and educate staff on the revised SOP	CVS Implemented in the country successively including the Control mission that was hosted by the Multi Sectoral M&E Task Force

Big Bold Brand	Enhance brand stewardship & increased profile nationally.	Develop and implement a presence and profile strategy and organize profile building events	We have made pamphlets and booklets building ChildFund's profile. Women members of staff held an open day to celebrate the International Women's Day at Kuku Primary School.
		Conduct training & develop a process to gather documents and emergency information at the NO level	We partnered with the Nation Media Group to building the profile of the organization by featured a success story of a girl from Nanningoi to celebrate the International Women's Day. HOA emergency response was well documented and shared on the social media
Other NO Priorities	HR/ SMT leadership and development	Conduct capacity building training on Child Protection Policy for the 50 NO and Area Staff	Done for Lake, Kisumu and Turkana regions.
	Develop NO capacity in post award financial mgt and streamlining reporting and accounting	Roll-out of web-based Business Objects XI at NO level for quality reporting	Training took place on the 19th to 24th March 2012. Three staff members have been trained who will then train the rest of Finance Team
		Upgrade of E-financials for simplified and robust accounting	This has been completed and we now a new look e-financials

EXTERNAL GRANT SUMMARY MATRIX:**APPENDIX D**

List all external grants currently being either cultivated, explored or managed by the National Office – DO NOT INCLUDE NSPs

DONOR SOURCE	GRANT NAME (if approved/ existing)	FUNDING CYCLE ¹		Total LoP Budget (USD)	STATUS ²
	Project Name	Start Date	End Date		
Stavros, Niarchos, Greece	Strengthening the House of Nanny Project (TOD)	May-10	Jan-12	221,408.00	On-going implementation
ChildFund New Zealand	Kajiado-Iloipi Early Childhood Care and Development Project	Jun-10	Jun-12	334,174	On-going implementation
ChildFund New Zealand	Emali OVC, WATSAN, Community Capacity Building Project	Mar-09	Mar-12	310,836.00	At Evaluation
USAID	APHIAplus	Jan-11	Dec-15	5,892,159.00	On-going implementation
ChildFund New Zealand	Turkana Emergency Response	Aug-11	Jan-12	197,000.00	On-going

¹ Proposed/actual commencement date and completion date

² State one of the following: Initial discussions/contact with donor, Submitted, received, 2nd quarter of implementation, completed, cost extension, no cost extension

	Project				implementation
ChildFund Korea	Kenya Emergency Response Project	Oct-11	Feb-11	43,345.00	On-going implementation
Special New Zealand donor	Mulala Shallow Well Project	Jan-12	Jul-12	8,690.48	On-going implementation
ChildFund Australia	Nutrition support project for children aged 0-5 years in Kenya, Horn of Africa	Jan-12	Feb-13	406,000.00	On-going implementation
World Food Program	WFP Busibi	Jan-12	Jun-12	9,955.00	On-going implementation
Procter and Gamble	PURR	Feb-12	Dec-12	64,700	On-going implementation
ChildFund New Zealand	Turkana Recovery Project			93,391.00	On-going implementation
ChildFund New Zealand	Emali Water/ Sanitation Improvement and Economic Empowerment Project			190,000	On-going implementation
Total				7,771,658	

NB: Total funded \$6,389,981.2 which translates to 106% of the target