

# ANNUAL REPORT



International Federation of Red Cross and Red Crescent Societies  
Fédération internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge  
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja  
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

## **KENYA**

*May, 2001*

*This Annual Report is intended for reporting on the Federation's Annual Appeals only.*

*Appeal No. 01.46/2000*

*Appeal Target: CHF 1,431,000*

### ***The Context***

The year was marked by dramatic events within the Kenya Red Cross Society (KRCS), the impact of which continued to be felt right up to the close of the year. Some of these included the premature termination of the US Agency for International Development-funded Bomb Blast programme, the change in the leadership and the termination of the society's secretary general.

In relative terms, Kenya continued to enjoy political stability, however, the perennial student and civic demonstrations continued throughout the year. In some cases, these were provoked by the failure of a university bursar to effect student allowances on time while in other cases, they were regarding political decisions which the public perceived as further alienating the masses. Of the latter, the issue of the constitutional review process in which the executive made a decision to appoint a special group for the purpose rather than involve the masses is an example of such cases. The tribal clashes in the north-western parts of the country also continued periodically and, in the majority of cases, these were provoked by disputes over animal grazing land, water sources as well as alleged incidences of cattle rustling between the various tribal groups.

Throughout the year, quarterly reports issued by the World Bank stated that the economy of Kenya was unstable at best and deteriorating at worst. This was also evident in the value of the national currency, the Kenyan Shilling, which started the year at an average of KES 73.0 to the US dollar. It fluctuated greatly throughout the year and at the close of the year averaged KES 78.5 to the US dollar.

Local economists and other civic groups argued that this was the result of "gross" mismanagement and corruption resulting in loss of foreign investor and donor confidence and, inevitably, a decline in foreign investment. However, despite these sentiments, during the third quarter, the International Monetary Fund (IMF) made a decision to resume aid to Kenya to the value of some USD 198 million for rehabilitation of the highway road network.

Although such rehabilitation work is definitely needed, in the absence of a serious economic recovery programme, the vulnerable remain at risk. It remains to be seen whether or not, the savings made from the cutting down of the civil service at the end of the year (a condition for the resumption of aid imposed by the IMF) will benefit vulnerable groups.

## ***Objectives, Achievements and Constraints***

### ***Disaster Response***

**Objective:** While the International Federation does not plan to support specific programmes in this area, efforts will be made to increase the effectiveness of services and assistance delivered to the most vulnerable.

#### **Achievements**

Through its Machakos branch, the Kenya Red Cross Society started implementing a drought relief programme involving food and seed distributions as well as supplementary feeding of children under the age of five at the beginning of July.

The Federation is providing technical support to the branch in the food distribution component through a field team recruited for this purpose. It is also responsible for the general co-ordination of other components which are being implemented in bilateral arrangements with the German Red Cross (supplementary feeding) and the American Red Cross (seed distribution). The programme will be running until July 2001, beyond which the food security situation will determine the way forward. The food distribution component is being funded by the World Food Programme. At the end of the year, there were plans to bring in a field assessment co-ordination team (FACT) to carry out an independent assessment of the situation as well as to examine possibilities for the rehabilitation phase.

### ***Disaster Preparedness***

**Objective:** With the increasing susceptibility of Kenya to both manmade and natural disasters, the KRCS will continue to strengthen its disaster preparedness capacity through the disaster management training programme at the district level.

#### **Achievements and Constraints**

A number of training workshops in disaster preparedness were held during the course of the year. However, in the absence of any meaningful follow-up, there is scanty if any information at all on the impact of such training.

There is also a component of such activities under the integrated development programme. However, there was not much activity under this programme due to delays in the transfer of funds which resulted as the national society was not complying with the terms of the Pledge Management Note. On his own admission, the then secretary general had not “clearly understood” that there were conditions for the transfer of funds when signing the document.

### ***Health and Care***

**Objectives:** to expand the national society’s home based care and counselling activities in the regions most affected by HIV/AIDS and intensify its health education activities through increasing the number of trained Red Cross community health workers.

#### **Achievements and Constraints**

The mainline Primary Health Care programme closed down in June following the withdrawal of funding by the Norwegian Red Cross.

#### ***HIV/AIDS***

Following negotiations, the Norwegian Red Cross resumed support for the Kisumu HIV/AIDS project in November but on a small scale and in an arrangement in which they transfer funds directly to the

project and not through the headquarters. In addition, a finance officer of the participating national society makes monthly visits to the project for monitoring purposes.

The community counselling centre closed down at the end of June due to lack of funding.

#### ***Blood Donor Promotion and Recruitment***

As part of support for the national blood transfusion services of Kenya, Family Health International subcontracted the KRCS for the donor promotion and recruitment component in the two pilot areas (Nairobi and Kisumu). The national society was a natural choice because of its network of branches throughout the country. The project started in October and will be running for eighteen months; it has since been going well.

#### ***First Aid***

The community based first aid (CBFA) project continued on a modest scale mainly targeting the public services (military, police and prisons) with a few Training of Trainers courses run for the branches. Unfortunately, because of the instability and the generally poor communication between the headquarters and branches, activities of the branches are not well documented. The branches do not submit reports regularly and there is no established system of follow up.

As mentioned in the foregoing, the commercial first aid programme has yet to make a visible contribution to the local resource base of the national society. However, a number of training workshops for the branches were conducted and a curriculum was developed. Again, there is little information on the activities of the branches around the country in this respect as a result of poor communication between the various levels of the national society.

### ***Institutional and Resource Development***

#### **Objectives:**

- revision of the national society's constitution and implementation of the revised statutes;
- strengthening of management through clarification and distinction between management and governance functions;
- strengthening financial management systems;
- strengthening the national society's local resource base;
- streamlining and decentralizing activities to facilitate efficient and effective programme management; and,
- strengthening weak branches.

#### **Achievements and Constraints**

The organizational change process of the KRCS, which began in 1999, continued in 2000. However, due to the dramatic changes which took place during the course of the year, the national society was not in a position to faithfully follow its work plan as elaborated in its strategic plan for 1999-2001. Notwithstanding the fact that the work plan could not be strictly followed, some progress was made in respect to achieving some of the goals outlined above.

#### ***Constitutional review***

Following the production of a final draft to which both the Federation and the International Committee of the Red Cross (ICRC) made contributions, a revised constitution was finally agreed on at an extraordinary session of the national society's general assembly in February. It was adopted and came into force at the regular annual General Assembly held at the end of May. It immediately ushered in a new leadership.

#### ***Strengthening of the management***

This was an area in which the national society did not make the progress that it had planned. In the main, this was due to the fact that for about six months, the KRCS did not have a substantive chief executive as the then incumbent was relieved of duties for misconduct by the new Executive Committee as soon as it came into office.

About the same time, for various reasons, the administration manager, the accountant and the internal auditor also left. All were members of the management team. That left only two members of the original management team; the director of programmes (who by this time was the acting secretary general) and the development programme officer (by this time, the acting director of programmes).

Understandably, under the circumstances, there was little scope for strengthening the top management even though the Kenya operations team continued to encourage the interim management team (including an acting accountant) to continue with the initiatives that were started towards the achievement of this goal.

#### ***Strengthening financial management***

In this critical area, the year did not start well. However, the programme co-ordinator reported that with technical support from the Federation's finance development delegate, the acting accountant proved to be more diligent with respect to observing financial regulations than the predecessor was. If the standard that the acting accountant set with respect to observing professional ethics is maintained, then the national society is well on its way to achieving this goal.

#### ***Strengthening the national society's resource base***

The voluntary resignation of a board member who had been more or less the sole fund-raiser for the national society had a negative impact as the secretariat itself does little if any local fund-raising at all. Thus, the annual charity golf tournament, a significant fund-raising event, did not take place and, while the resigned board member offered her services to support the fund-raising officer to organize another annual event (an international fair) this did not raise as much as it used to. She also continued to assist with the sale of Christmas cards however, again, this did not raise the same level of returns as in previous years. The new board has since appointed a fund-raising committee however, as of the end of the year, it had yet to establish itself and become active.

The impact of having a commercial first aid officer on the local resource base has yet to be felt nearly two years after she was engaged.

None of the income generating projects supported by the Swedish Red Cross and the ICRC made any meaningful contribution towards strengthening the resource base at the branch level. On the contrary, some of them were plagued by accountability problems while the performance of others could not be verified as a result of the management crisis at the headquarters.

In general, therefore, the national society did not improve its local resource base. The issue of local fund-raising needs to be addressed seriously as the KRCS reported a debt of approximately KES 19 million (or CHF 395,833) at the close of the year.

#### ***Improving efficiency through decentralization***

The planned piloting of the decentralization process occurred during the course of the year as three regional offices were established and the corresponding regional officers were appointed. However, there was little follow up of these officers because of the instability at the headquarters. Under the circumstances, while the offices were established and staffed, the process of decentralization in the operational sense (delegation of responsibility, authority to act and accountability), was not completed.

#### ***Improving efficiency through the rationalization and integration of programmes***

This goal was not possible to achieve firstly because of the instability at the headquarters and secondly, because the new leadership was reluctant to carry out the inevitable revisions which would result from the exercise. Unfortunately, as the core activities had little if any funding at all, the KRCS found itself in a situation in which a number of programme co-ordinators continued to be on the pay roll but with no activities to co-ordinate. This had a negative impact on the resource base of the national society at a time when there appeared to be no easy solution to its debt situation.

### ***Strengthening weak branches***

A positive development in this respect was the enthusiasm displayed by the new leadership to enter into dialogue with branches. Although there were no notable activities to this effect, the new leadership took advantage of every available opportunity to meet and exchange dialogue with the branches. Hopefully, this will lead to more concrete activities in 2001.

## ***Conclusions***

The period under review was very challenging at best and stressful at worst. All the same and as mentioned before, the team's attitude was not despondent. On the contrary, there is optimism that with a substantive chief executive in place, the initiatives scaled down last year will be resuscitated with vigour. The Kenya operations team was supported by the regional delegation and logistics centre, the Secretariat in Geneva and implementing partners. The new leadership and interim management of the Kenya Red Cross Society facilitated the delegation's work despite its own difficulties.

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*All International Federation Operations seek to adhere to the Code of Conduct and are committed to the Humanitarian Charter and Minimum Standards in Disaster Response (SPHERE Project) in delivering assistance to the most vulnerable.*

*For further information concerning Federation operations in this or other countries, please access the Federation website at <http://www.ifrc.org>.*

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## *Annual Financial Reports 2000*

### *- Explanatory Note -*

#### **1. Consolidated Response to the Appeal**

- This report provides a global picture on the funding situation of a specific appeal at a specific time.
- The cash column indicates all cash contributions channelled through the Federation, together with the balance carried forward from the previous year. Financial statements in support of the reported income are available upon request.
- The in-kind contributions (goods and services provided in response to the appeal objectives) are registered in a stand-alone system, based on the information provided by the respective donor. The values of these donations are based on information received from donors, and will be reported as such in the income and expenditure part of the consolidated report.
- Direct cash or in kind contributions made to Operating National Societies or in kind donations made to the Federation Delegations in response to the appeal are recorded as in-kind contributions in the report.

#### **2. Balance of Funds - Cash Only**

This report is a summary cash statement, providing the information on the balance carried forward from the previous year, cash income (including reallocations), cash expenditure (including reallocations - ref. part III of the consolidated report), and the closing balance at the end of the year.

#### **3. Budget Analysis / Breakdown of Expenditures**

This section of the report provides a comparative analysis of the total expenditures (cash and in-kind) versus the last approved budget of the appeal.

- The cash column reports on all expenditures booked against the Federation projects and cost centres . It relates only to the use of cash contributions received by the Secretariat for the specific appeal. Financial statements in support of the reported expenditure are available upon request.
- The in-kind columns (goods/services and personnel) report on the in-kind contributions donated in response to appeals, as per the information received from donors. This information is shown both as contribution and as expenditure against the specific appeal, and is consolidated, together with the cash expenses, against the appeal budget. As financial information is not always available from PNS, and for consistency reasons, a flat rate is applied for the calculation of personnel costs.
- The consumption rate represents the level of total expenditures (cash and in-kind) compared to the total income available (opening balance, cash and in-kind contributions),

#### **4. Pledges vs. Contributions**

Attached to this financial report is the list of pledges against the respective appeal.

- The comparative analysis of the list of pledges and the list of actual contributions provides a clear insight into any outstanding pledges in response to the appeal.
- Any differences in values between the two reports are due to fluctuations in exchange rates at the time of booking and the time of reception of the contribution.

INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES					
				Interim report	
				Annual report	
				Final report	
Appeal No & title: 01.46/2000 Kenya					
Period: year 2000					
Project(s): PKE001, 004, 006, 520					
Currency: CHF					
<b>I - CONSOLIDATED RESPONSE TO APPEAL</b>					
FUNDING	CASH		KIND & SERVICES		TOTAL
	Contributions	Reallocations	Goods/Services	Personnel	INCOME
Appeal budget	1'431'210				
less					
Cash brought forward	179'065				
TOTAL ASSISTANCE SOUGHT	1'252'145				
Contributions from Donors					
Other income	40'313				40'313
Cyprus RC (DNCY)	55				55
Netherlands RC (DNNL)	30'000				30'000
Swedish Govt. via RC (DGN)	103'320				103'320
Swedish Govt. via RC (DGN)	42'240				42'240
Swedish Govt. via RC (DGN)	5'283				5'283
Swedish Govt. via RC (DGN)	13'307				13'307
Swedish Govt. via RC (DGNSE)		-40'080			-40'080
Finland				43'367	43'367
<b>TOTAL</b>	<b>234'518</b>	<b>-40'080</b>		<b>43'367</b>	<b>237'805</b>
<b>Coverage</b>	<b>18.7%</b>	<b>-3.2%</b>		<b>3.5%</b>	<b>19.0%</b>
<b>II - Balance of funds</b>					
				Opening balance	179'065
				CASH INCOME Rcv'd	194'438
				CASH EXPENDITURE	-361'079
					-----
				CASH BALANCE	12'424

<b>Appeal No &amp; title: 01.46/2000 Kenya</b>						
<b>Period: year 2000</b>						
<b>Project(s): PKE001, 004, 006, 520</b>						
<b>Currency: CHF</b>						
<b>III - Budget analysis / Breakdown of expenditures</b>						
Description	Appeal Budget	CASH Expenditures	KIND & SERVICES		TOTAL	Variance
			Goods/services	Personnel	Expenditures	
<b>SUPPLIES</b>						
Shelter & Construction	19'000					19'000
Clothing & Textiles						
Food/Seeds						
Water						
Medical & First Aid						
Teaching materials						
Utensils & Tools						
Other relief supplies	8'000	26			26	7'974
<b>Sub-Total</b>	<b>27'000</b>	<b>26</b>			<b>26</b>	<b>26'974</b>
<b>CAPITAL EXPENSES</b>						
Land & Buildings	76'308					76'308
Vehicles						
Computers & Telecom equip.	85'520	6'648			6'648	78'872
Medical equipment	10'000					10'000
Other capital expenditures	116'300					116'300
<b>Sub-Total</b>	<b>288'128</b>	<b>6'648</b>			<b>6'648</b>	<b>281'480</b>
<b>TRANSPORT &amp; STORAGE</b>						
	68'588	36'513			36'513	32'075
<b>Sub-Total</b>	<b>68'588</b>	<b>36'513</b>			<b>36'513</b>	<b>32'075</b>
<b>PERSONNEL</b>						
Personnel (delegates)	193'730	164'048		43'367	207'415	-13'685
Personnel (local staff)	408'569	6'462			6'462	402'107
Training						
<b>Sub-Total</b>	<b>602'299</b>	<b>170'510</b>		<b>43'367</b>	<b>213'877</b>	<b>388'422</b>
<b>GENERAL &amp; ADMINISTRATION</b>						
Assessment/Monitoring/experts						
Travel & related expenses	24'820	3'207			3'207	21'613
Information expenses	145'080	104			104	144'976
Administrative expenses	117'862	8'967			8'967	108'895
External workshops & Seminars						
<b>Sub-Total</b>	<b>287'762</b>	<b>12'278</b>			<b>12'278</b>	<b>275'484</b>
<b>PROGRAMME SUPPORT</b>						
	157'433	33'826			33'826	123'607
<b>OPERATIONAL PROVISIONS</b>						
Transfer to National Societies		101'278			101'278	-101'278
<b>TOTAL BUDGET</b>	<b>1'431'210</b>	<b>361'079</b>		<b>43'367</b>	<b>404'446</b>	<b>1'026'764</b>
<b>Consumption rate:</b>						
	Expenditures versus income		170%			
	Expenditures versus budget		28%			

<b>Kenya</b>						ANNEX 1
<b>APPEAL No. 01.46/2000</b>		<b>PLEDGES RECEIVED</b>			22.05.2001	
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
<b>CASH</b>						
REQUESTED IN APPEAL CHF ----->				<b>1'431'000</b>		<b>TOTAL COVERAGE 27.5%</b>
Balance carried forward from 1999				<b>179'064</b>		
CYPRUS - RC				55	13.01.2000	
SWEDEN GOVT/RC		100'000	SEK	18'960	30.05.00	COORDINATION & MANAGEMENT
SWEDEN GOVT/RC		800'000	SEK	151'680	30.05.00	BRANCH DEVELOPMENT
<b>SUB/TOTAL RECEIVED IN CASH</b>				<b>349'759</b>	<b>CHF</b>	<b>24.4%</b>
<b>KIND AND SERVICES (INCLUDING PERSONNEL)</b>						
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
Finland	Delegate(s)			43'367		
<b>SUB/TOTAL RECEIVED IN KIND/SERVICES</b>				<b>43'367</b>	<b>CHF</b>	<b>3.0%</b>
<b>ADDITIONAL TO APPEAL BUDGET</b>						
DONOR	CATEGORY	QUANTITY	UNIT	VALUE CHF	DATE	COMMENT
<b>SUB/TOTAL RECEIVED</b>				<b>0</b>	<b>CHF</b>	
<b>THE FOLLOWING PROJECTS ARE LINKED TO THIS APPEAL:</b>						
PKE001, PKE004, PKE006, PKE520.						