

PD-ARM-281

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE
FOR EAST AND SOUTHERN AFRICA (REDSO /ESA)

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SEP 29 1995

Murtaza Jaffer
Chief Executive Officer
The National Council of NGOs
P.O. Box 48278
Nairobi, Kenya

Subject: Grant No. 623-0267-G-00-5146-00

Dear Mr. Jaffer:

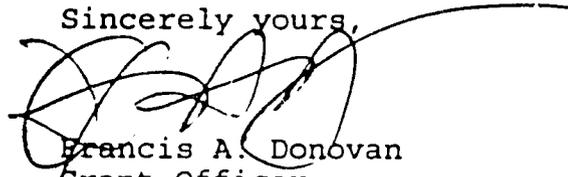
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the National Council of NGOs (hereinafter referred to as "NCNGO" or "Grantee") the sum of \$335,200 to provide support for a program in Institutional Support, as more fully described in Attachment 1 of this Grant entitled "Schedule" and Attachment 2 entitled "Program Description."

This Grant is effective and obligation of the amount of \$250,000 is made as of September 30, 1995 and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending September 29, 1998. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount. Additional funds up to the total amount of \$335,200 may be obligated by USAID subject to the availability of funds, and the attached Standard Provision, "Revision of Grant Budget".

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", and Attachment 3 entitled "Standard Provisions", which together constitute the complete Grant document.

Please sign the original and each copy of this letter to acknowledge your acceptance of this Grant, retain one copy for your records, and return the original and all but one copy to the undersigned.

Sincerely yours,



Francis A. Donovan
Grant Officer
Chief, REDSO/ESA/PROC

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Standard Form 1034, Public Voucher for Purchases and Services other than Personal
5. Sample Expenditure Report
6. Standard Form 269, Financial Status Report
7. Standards for USAID-Funded Publications
8. Standards for USAID-Funded Video Productions
9. Cash Advance Guidance
10. Sample, Certified Cash Needs
11. Standard Form 270, Request for Advance or Reimbursement

ACKNOWLEDGED:

The National Council of NGOs

The NGOs Council of Kenya

P. O. Box 7483 NAIROBI TEL. 750998

BY: _____

TYPED NAME: _____

MURTAZA JAFFER

TITLE: _____

Chief Executive Officer

DATE: _____

October 16, 1995.

FISCAL DATA

A. General

- A.1. Total Estimated USAID Amount: \$335,200
- A.2. Total Obligated USAID Amount: \$250,000
- A.3. Project No.: 615-0267
- A.4. U.S.A.I.D. Project Office: Kenya/PRJ

B. Specific

- B.1. (a) PIO/T No.: 615-0267-3-50027
- B.1. (b) Appropriation: 725/61014
- B.1. (c) RCN: K250074
- B.1. (d) BPC: GSS5-95-21615-KG13
- B.1. (e) Amount: \$250,000

10/5
Funds Available
CONT/KENYA
Initials *JK*
Date *09/29/95*
amb

Funding Source: USAID/Kenya

ATTACHMENT 1

SCHEDULE

1A. PURPOSE OF GRANT

The purpose of this Grant is to provide Institutional Support, as more fully described in Attachment 2 of this Grant entitled "Program Description".

1B. PERIOD OF GRANT

1B.1 The effective date of this Grant is September 30, 1995. The estimated completion date of this Agreement is September 29, 1998.

1B.2 Funds obligated hereunder are available for program expenditures for the estimated period September 30, 1995 to July 31, 1996.

1C. AMOUNT OF GRANT AND PAYMENT

1C.1. The total estimated amount of this Award for the period shown in B.1 above is \$335,200.

1C.2. U.S.A.I.D. hereby obligates the amount of \$250,000 for program expenditures during the period set forth in B.2. above.

1C.3. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Cost Reimbursement", as shown in Attachment 3.

1C.4. USAID shall advance cash to the recipient to cover its estimated needs for an initial period generally geared to the recipient's disbursing cycle, normally 30 days. Thereinafter, USAID shall reimburse the recipient for its actual cash disbursements.

1C.5. Additional funds up to the total amount of the grant shown C.1 above may be obligated by USAID subject to the availability of funds, and attached Standard Provision, "Revision of Grant Budget".

1D. GRANT BUDGET

1D.1. The following is the Budget for this Grant, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget", as shown in Attachment 3.

1D.2. Budget

<u>Cost Element</u>	<u>Amount</u>
Salaries	\$ 152,480
Direct Operating costs	115,540
Commodities/Equipment	17,820
Evaluation/Audit	39,000
Rent and Utilities	<u>10,360</u>
TOTAL	\$ 335,200

1E. REPORTING AND EVALUATION

1E.1. Financial Reporting

1E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Cost Reimbursement", as shown in Attachment 3.

1E.1.(b) The recipient shall send an original and three copies to USAID/Controller, P.O. Box 30261, Nairobi. In addition, one copy of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Grant.

1E.1.(c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Grant referred to in Section 1E.1.(a) above.

1E.1.(d) In addition to the financial requirements of the Standard Provision applicable to the Grant with regard to payment, the Grantee will submit directly to the Office of the Controller, USAID/Kenya, a copy of its "Financial Status Report" (SF-269) along with a copy of a comprehensive financial report on a quarterly basis. Also, in order to comply with USAID/W "Buy America" policy and the reporting requirements with regard to the source and origin of procurements, the Grantee will also provide Office of the Controller, USAID/Kenya with a breakdown by both source and origin of expenditures contained within each of their financial statements.

Source and origin data will be expressed as one of the USAID Geographic Codes.

1E.1.(e) Two annual audits will be conducted during the life of this Project in accordance with the standard provisions of OMB Circular A-133 for grants or cooperative agreements. Under new audit requirements all non-U.S. and non-governmental grantees and subgrantees/contractors receiving \$100,000 per year or more of USAID funds in any one calendar year under a Grant, are required to have an independent audit performed of the Grant in order to determine whether the receipt and expenditure of the funds provided under the Grant are presented in accordance with generally accepted accounting principles and whether the grantee has complied with the terms of the Grant. The independent auditor must be selected in accordance with the "guidelines for financial audits contracted by foreign recipients" issued by the USAID Inspector General and the audit must be performed in accordance with the "guidelines." Copies of guidelines have been sent to local CPA firms and will be sent to all participating subgrantees/contractors. Local firms will be identified by USAID and certified by RIG/A in Nairobi. It is expected that the Grantee will conduct these audits, encompassing subgrants/contractors funded, in compliance with this requirement. Office of the Controller, USAID/Kenya will coordinate the audit activities for USAID.

1E.2. Program Reporting

1E.2.(a) Quarterly Reports

The Grantee shall submit three copies of quarterly program performance reports, which coincide with the financial reporting periods described in Section E.1. above, to the Program/Projects Office, USAID/Kenya. These reports shall be submitted within 30 days following the end of the reporting period, and shall briefly present the following information: project progress and on problems encountered to date in achievement of Grant objectives, a brief status report on each of the sub-projects and the indicators of outputs achieved to date; a brief summary of actions planned for the next period; and description of all goods and services (including amount and source and origin) whose source and origin are not Kenya or the United States. These reports will contain both quantitative and qualitative information to the extent possible.

1E.2.(b) Final Report

The Grantee shall submit a final progress and financial report to USAID/Kenya, PRJ, N. Gitau that includes a comprehensive review and discussion of project activities and achievements. A copy of the final progress report shall be submitted to USAID, CDIE/DI, Washington, D.C. 20523-1802. Both reports will be due within 90 days after the estimated expiration date of the Grant.

1E.2.(c) Special Notifications

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform USAID as soon as the following types of conditions become known:

a. Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any USAID assistance needed to resolve the situation.

b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget", the Grantee shall submit a request for budget revision to the Grant Officer and the Program/Projects Office, USAID/Kenya.

The Grantee agrees to consult with the Program/Projects Office, USAID/Kenya concerning further details for submitting financial reports and estimates.

1.F. SPECIAL PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Standard Provisions denoted by an "X", which are attached hereto and made a part of this Grant:

Mandatory Standard Provisions For Non-U.S., Nongovernmental Grantees

- (X) Allowable Costs (June 1993)
- (X) Accounting, Audit, and Records (May 1994)
- (X) Refunds (June 1993)
- (X) Revision of Grant Budget (June 1993)
- (X) Termination and Suspension (June 1993)
- (X) Disputes (June 1993)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)
- (X) Metric system of Measurement (August 1992)

Required as Applicable Standard Provisions For Non-U.S., Nongovernmental Grantees

- () Payment - Periodic Advance (June 1993)
- (X) Payment - Cost Reimbursement (May 1986)
- (X) Air Travel and Transportation (June 1993)
- (X) Ocean Shipment of Goods (June 1993)
- (X) Procurement of Goods and Services (June 1993)
- (X) AID Eligibility Rules for Goods and Services (June 1993)
- (X) Subagreements (June 1993)
- (X) Local Cost Financing (June 1993)
- (X) Patent Rights (June 1993)
- (X) Publications and Media Releases (June 1993)
- (X) Nondiscrimination in Federally Assisted Programs (May 1986)
- (X) Regulations Governing Employees (June 1993)
- () Participant Training (June 1993)
- () Voluntary Population Planning (June 1993)
- () Protection of the Individual as a Research Subject (June 1993)

- () Negotiated Indirect Cost Rates - Provisional (June 1993)
- (X) Title To and Use of Property (Grantee Title) (May 1986)
- () Title To and Care of Property (U.S. Government Title) (May 1986)
- () Title To and Care of Property (Cooperating Country Title) (November 1984)
- (X) Cost Sharing (Matching) (June 1993)
- (X) Public Notices (June 1993)
- (X) Communications Products (October 1994)

1.G. INDIRECT COST RATES

No indirect costs will be charged to this Grant. The Grantee understands and agrees that indirect costs attributable to this Grant will not be reimbursed under this Grant.

1.H. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Grantee. The Standard Provision of this Grant entitled "Title to and Use of Property (Grantee)" applies. Use, accountability, and disposition of property acquired hereunder shall be in accordance with said Standard Provision.

1.I. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this grant is 935, Special Free World (Any area or country in the Free World, including the cooperating country itself).

1.J. COST SHARING

The Recipient Agrees to expend an amount not less than 25% of the total Federal contribution.

ATTACHMENT 2

PROGRAM DESCRIPTION

The Grantee's proposal entitled, Strengthening the NGO Sector in Kenya: A Capacity Building Porposal, dated August 20, 1995, as revised during discussion, is hereby attached and made part of this Agreement.

STRENGTHENING

THE NGO SECTOR IN KENYA:

A CAPACITY BUILDING

PROPOSAL BY

THE NATIONAL COUNCIL OF NGOS OF KENYA

	<u>PROGRAMME DESCRIPTION</u>
PROJECT NO.:	NGOC/ 2/95-99
GEOGRAPHICAL AREA:	KENYA
PROGRAMME NAME:	Capacity Building for Social Change
IMPLEMENTING ORGANIZATION:	The National Council of Non-Governmental Organizations - Kenya
TYPE OF ORGANIZATION:	National umbrella organization for all registered non-governmental organizations in the country. The Council is a statutory body that includes a large networking component with other NGOs, community based organizations and religious institutions.
PROGRAMME DURATION:	Sept. 1995 - Sept. 1998 (3 years)
CONTACT PERSON:	MURTAZA JAFFER Chief Executive Officer
OWN CONTRIBUTION:	KSHS. (US\$170,558.21
USAID CONTRIBUTION:	KSHS. (US\$329,907.48

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EXECUTIVE SUMMARY

The National Council of NGOs is self-regulating network of NGOs in Kenya. Its registration status is that of a statutory body under the provisions of the Non-Governmental Organizations (Co-ordination) Act of 1990. Its current membership stands at 437 NGOs registered under the NGO Coordination Act. All NGO registered under the NGO Act are automatic members of the Council. The NGO Council, through its various networks also cooperates with a further 200 NGOs, CBOs and religious organizations. The Council's direct membership under the NGO Act is expected to rise to 1,000 by the end of 1997.

This three year proposal attempts to address key concerns facing the NGO and voluntary sector in the context of a changing Kenya. It seeks to develop capacity within the National Council of NGOs to adopt a needs driven and strategic programmatic approach. Guided by an overall strategy and operational principles, the Council secretariat will facilitate the organizational and institutional capacity building needs of the NGO Council membership.

The proposal details the aims, strategies and beneficiaries of three programme initiatives namely; NGO Support, Policy & Advocacy, Information & Media. In addition, it proposes a Strategic Response Facility as a pilot project.

The proposal rests on the understanding that effective NGO leadership can only be nurtured and sustained by a Council equipped and responsive to NGOs needs. In turn, the Council will be reinforced by a broad membership base that is well organized to articulate needs, implement programmes and evaluate itself objectively.

CIVIL SOCIETY, EMPOWERMENT AND JUSTICE: THE CONTEXT

The central concern of the development debate has to be with the question of social justice. For this goal to be achieved, people must themselves be involved in their development. National governments are no longer seen as the sole official sponsors of development. There is a potential role of civil society in promoting sustainable development that is being increasingly recognized. Consequently, the twin issues of civic empowerment and social justice can no longer be seen as being mutually exclusive.

The widening opportunities for civic action also bring on board additional agendas and methodologies. These on the one hand professionalizes (and therefore de-personify) development work and on the other hand provide impetus for new opportunities in nationalizes social action agendas and enhancing traditional values at the cultural level. NGOs are beginning to seriously address the central issue of social justice.

The rise of a collective and socially aware NGO sector is an opportunity for heightened cooperation with the state and other actors within civil society. This emergence broadens the scope for clearer vision and greater impact through collective action and reflection.

Tremendous support for the formation of the NGO Council came from within the development sector, the media, and at times the government. This is a clear indication for the need to cooperate to drive a development agenda based upon values that the NGO Council's members consider to be important. These core values contained in the NGO Council's *Code of Conduct* include the central themes of Self-Regulation, Justice, Probity, Service, Cooperation, Prudence and Respect.

The important lessons learnt by the NGO Council during the formative years (1990-1995) is the necessity for the Council to provide initial leadership. This is necessary in guiding discussion and debate towards a development agenda that would be holistic and takes account of the various actors and the national historical situation. It would also enhance the internal capacity of organizations to meet the needs of the people served by NGOs.

THE CHALLENGE BEFORE THE NGO COUNCIL

The emergence of the National Council of NGOs in 1993 was preceded by three years of networking, shared risk and cooperation under the auspices of The *NGONetwork*. This experience has ensured that membership involvement remains the central pillar of the Council's activities to date. Despite external pressures on the Council to comply with the restrictive provisions of the NGO Co-ordination Act, the Council has successfully maintained a participatory approach in the development of Council Rules and Regulations and the Code of Conduct.

The momentum of the *NGONetwork* gave rise to the need for a secretariat prior to the inauguration of the Council. Following the enactment of the Act, NGOs were generally unhappy with the lack of a more enabling legal regime. The sector's vision was clearly beyond the limited scope of the legal requirements in the NGO Coordination Act. It was therefore necessary to establish a secretariat that would articulate, reflect and promote this wider vision.

The *NGONetwork* secretariat forms the institutional basis upon which the Council's secretariat has been developed. It therefore combines five years of institutional history. The composition of the secretariat itself, however, has experience spanning more than 18 years in policy, information, financial administration, management and legal issues.

Direct membership involvement in the development of a broad Council vision was central to The Strategic Plan Framework (1994-99). Combined with the Rules and Regulations and the Code of Conduct, these documents set the framework for self-regulation and internal self-governance within the Council's registered membership. Membership support and liaison is therefore proposed as a key ongoing programme of the Council.

During the emergency Special General Assembly following the de-registration of CLARION (a member NGO), the membership acknowledged their insufficient appreciation of the need for policy engagement. Consequently, there was and continues to be an increasing demand on the Council by both member and non-member organizations for support to engage on policy issues. Through its diverse membership, the Council is uniquely placed to facilitate dialogue on policy related issues at different levels and help to provide a link between local, national and international concerns.

The Council's effectiveness depends both on its institutional stability and capacity to manage the evolution of innovative ideas, and new strategies of engagement and policy influence. To do this, the Policy and Advocacy programme of the Council needs to be expanded and focused for a long term perspective.

The Information and Media programme of the Council developed in a context where NGOs are increasingly being accepted by the government, the donors, and the public as useful instruments for enhancing development, particularly at the local level. The rationale for the programme centered around the lack of consensus on their efficiency, effectiveness and impact.

Despite this credibility gap, many NGOs have neglected or are not in a position to invest time and resources to improve their image. Most self-evaluation by NGOs has been done through specialized reports for limited audiences. These reports are in most cases inaccessible to the public. Recent discussions with The NGO Coordination Bureau suggest that the Government is concerned about the lack of transparency within the sector. Most reports prepared by NGOs about themselves lack the intensity and seriousness that should be reflected by them about their work. To respond to the poor corporate profile of NGOs in the media and within the sector itself and weak NGO communication and media skills, the Council plans to continue the information and media programme.

The three milestones of the Council, namely, joint lobbying around the amendments to the NGO Co-ordination Act (1990); the subsequent inauguration of the National Council of NGOs of Kenya in 1993 and the growing maturity in response to external influences, characterized mostly by events in 1995, have influenced the development of a networking culture at the NGO Council.

This experience reinforces the current need to reduce service duplication by NGOs, for maximizing joint funding and sharing risks, mostly related to interaction within the political economy of the country. More pro-active is the further need to propagate a common vision for development based on similar needs and aspirations. The unresponsiveness of the national registration process combines to provide the third rationale for maintaining the Council's support to networks.

The Council's effectiveness depends both on its institutional stability and capacity to manage the evolution of innovative ideas, and new strategies of engagement. Increasingly too, the Council has had to service demands for support from the indigenous NGO community for basic services such as policy and internal governance development, information and representation. One characteristic of all these demands is that, more often than not, they require timely and strategic responses. Based on the experience of the last six months, the Secretariat in conjunction with the Executive Committee have articulated a new initiative entitled The Strategic Response Fund as a pilot project.

The proposal for tri-annual funding for Council services and programmes rests on the assessment that the Council is now facing unprecedented challenges. These challenges are a result of several factors:

- Growth in number and diversity of members;
- Increased demand for input into policy development;
- Weak and possibly disenfranchised civic society;
- Increased demand for professional and legal advice; and
- Greater demand for information (by members, the Government of Kenya, donor agencies, research institutions, and regional and international NGO networks).

The experience of the last five years indicates the potential of the Council to be able to generate internal resources to partially run the Council's agenda. It is intended that this mobilization continues. However, it is clear that the current capacity of the Council secretariat and membership is unable to handle the above challenges alone. Consequently, the Council turns to funding partners to support an ongoing process.

Critical for the Council to achieve the vision of the Strategic Plan, the values enshrined in the Code of Conduct and the democratic discipline of the Rules and Regulations, shall be the extent to which the Secretariat has the capacity to respond to indigenous NGO networks and coalitions, their information needs and general policy, NGO management and governance needs. It is envisaged that this will facilitate greater collaboration among NGOs in the context of a vibrant civil society.

A PROFILE OF THE NATIONAL COUNCIL OF NGOs

Goals

The National Council of NGOs (generally known as the NGO Council) is a self regulating, non-partisan body made up of all the registered NGOs operating in Kenya. It is governed by the principle of equal and shared ownership. It has no direct government involvement even though it is a statutory body. It emerged as a result of the NGO networking process that sought amendments within the NGO Coordination Act of 1990 within which its creation is enacted. It was inaugurated in April 22, 1993. Summarized, its goals are to:

- Promote and support an enabling environment for development sector activity
- Encourage NGO self-regulation and increase conceptual and organizational capacities within the sector
- Champion rights of the sector
- Set-up and maintain links between government, donors and NGOs at the international, national and local levels.

SERVICES

Since its creation, the Council has provided several services to its membership. These have included legal advice on institutional issues, notification of legislative and policy changes, advocacy and representation (including litigation) and access to training materials and workshops. The NGO Council provides training to interns and volunteers who then go out and work in other NGOs. It constantly advises NGOs on where to find consultants, trainers, donors, other members in the sector, etc. The activities that the Council has been engaged have included convening and hosting several workshops on:

- information and communication
- peace and reconciliation and legislative change,
- media relations,
- national policy engagement,
- peace action,
- engaging in social action at the international level,
- local fundraising techniques,
- setting up of formal networks and,
- other informal mechanisms for training and support around specific issue-based concerns.

As a result of these workshops, several specialized and strategic inter-organizational networks and committees currently operate under the umbrella of the Council. Among the networks are The 'Citizens' Lobby on Land' (CLOL), a sixteen NGO coalition working towards mobilizing public involvement in land reform issues; The Ethnic Clashes Network, a thirty strong cluster of NGOs and religious organizations working on the effects of social and state violence; The Participatory Methodologies Forum of Kenya (PAMFOK); The Street Children's NGOs Network, a coalition of NGOs influencing Government policy and legislation; The Legal and Human Rights NGOs Network (LHRNET), The Kenya Pastoralists Forum (KPF) and The Gender and Development Forum.

In addition, The Council hosts a number of committees on diverse range of membership interests. This includes The constitutional Review Committee which will channel NGO concerns in the on-going debate for constitutional

change in Kenya, the NGO Focal Point Towards Habitat II and Beijing as well as The standing Committee for the annual Eastern Africa Domestic Fundraising Workshop series.

MEMBERSHIP

Membership has grown steadily in numbers over three years, from 250 NGOs in 1993 to more than 425 by mid-1995. This membership can be divided into three categories: local community organizations, national organizations and networks, and international development and relief agencies.

Within and across these categories, a diversity of needs, visions and methodologies currently exist. All categories expect leadership on social and development matters from the Council. They all equally expect the Council to be in the forefront in providing innovative solutions, practical information, organizational support and sometimes and institutional umbrella as well.

General Assembly of Members

All NGOs registered under the NGO Coordination Act automatically become members of the NGO Council. Fully paid up members vote on policies and elect officials during Annual General Assembly (GAss). These are held at least once each year. It is the most powerful organ of the NGO council. The GAss usually lasts for one day. Apart from deliberating on basic organizational policy matters, it also serves as a valuable forum for direct interaction, experience sharing, and the creation of linkages among member groups. The Council also uses the GAss as an opportunity to deliberate on major national policy matters by inviting Kenya government officials to address and interact with the members. Council GAss meetings have an average attendance of between 150 to 250 member organizations. A further 30-50 non-member NGOs attend as invitees of the Council because of their participation in the various Council networks. Apart from the annual GAss, the Council has held more than eight special General Assemblies over the last couple of years.

Organization and Management

Organizational Structure: The National Council is a statutory body that operates as a national network of NGOs. It operates from Nairobi, but spans all the eight provinces of Kenya.

Policy and Decision Making: There is an Executive Committee with 15 members who are elected by the General Assembly. Officials for the posts of chair, vice-chair, treasurer, vice-treasurer and the chairs of its sub-committees are elected from 15 members of the Executive Committee. The Executive Committee is responsible for directing all the advocacy and program activities of the Council and other matters as articulated by the General Assembly. The Council's Chief Executive Officer sits on the Executive Committee as an ex-officio member and secretary.

The Regulatory Committee has seven members elected by the General Assembly. One of the members has to be a qualified lawyer with more than 10 years' experience appointed by the Law Society of Kenya. The Regulatory Committee promotes and maintains adherence to the NGO Code of Conduct and the Rules and Regulations. It is also charged with reviewing the Code periodically and proposing amendments to the General Assembly. This Committee defines and reviews the criteria for support by the Council of applications by its members regarding work permits, duties and tariffs. Any person (including a citizen unconnected with NGO activity) may bring an application, complaint or matter before the Regulatory Committee for determination under the Code of Conduct, the Rules and Regulations, or the Act itself.

The Board of Trustees has five members elected by the General Assembly out of a list of more than five persons nominated by the Executive Committee.

There are two sub-committees of the Council (the Networking sub-committee and the Finance and Administration sub-committee) mandated by the General Assembly. The Networking sub-committee is open to

members drawn from outside the Executive Committee through a process of co-optation. It is envisaged that representatives from the six networks shall sit in this sub-committee.

Staff: The programs and activities are performed by a total staff of 14; only 8 are paid staff while the rest are all volunteers. The NGO Council Secretariat is headed by the Chief Executive Officer. It is responsible for the ongoing work of the Council and for implementing program initiatives as decided by the General Assembly.

Funding: The Council has in the past operated on a budget of approximately KShs 4.0 million per annum. This has been funded mostly by contributions from the membership. Besides membership subscriptions, staff secondments and voluntarism, the Council has received grants from Oxfam (UK & Ireland), ActionAid-Kenya, DANIDA, UNDP MS-Kenya (DVS), Catholic Relief Services and the Commonwealth Foundation; among others.

PROGRAMME PRINCIPLES AND LINKAGES

There are five principles that will run throughout the proposed programme initiatives. They are intended as guidelines for linking the programme areas and the pilot project. In this respect they also represent indicators for monitoring and evaluation of the process behind the expected outputs for each area. They are;

- The primary thrust of Secretariat intervention is to facilitate direct membership involvement in the implementation of Council programmes.
- In line with the Code of Conduct, the management, implementation and evaluation of programmes will continue to uphold gender and social equity and balanced representation and involvement.
- Intervention based on an emphasis of support for inter-organizational collective action.
- Programme initiatives will contain a component of training and capacity-building for members
- Special emphasis will be placed on developing the organizational and leadership capacity of smaller and indigenous NGOs.

PROGRAMME 1: NGO SUPPORT PROGRAMME

AIMS

1. Strengthening the capacity of the Council's Secretariat to quickly and effectively respond to the increasing variety of demands from members and non-members alike;
2. Developing support capacity for strengthening the internal governance, organizational capacity and management across the sector, particularly, within indigenous NGOs and CBOs.
3. Developing a participatory National NGO Strategic Plan for Development in conjunction with the membership, government departments, donor community, the broader voluntary sector and communities that work with NGOs.

OBJECTIVE 1: ENHANCED COLLECTIVE NGO SECTOR ACTION

The Council seeks to deepen the bridges that have been built within the NGO community through the establishment of a membership controlled NGO Council. Key to this will be the convening of the various structures of the Council namely; The General Assembly, Executive Committee and its sub-committees, Regulatory Committee.

The vibrancy and sustainability of the sector is dependent on its capacity to initiate learning exchanges, skills exchange and provocative discussions on issues within the sector. Policy analysts, Government planners, community development practitioners, researchers and members of the public will be called upon to stimulate debate at a bi-monthly seminar series. Entitled The Kumbu Kumbu series from the Kiswahili word "kumbuka" or remembrances, the first in the series will include discussion on impact evaluation indicators, linkages between rights and development among other themes.

OBJECTIVE 2: DEVELOPMENT OF STRATEGIC PLAN

The Strategic Plan Framework forms the outline for the proposed strategic plan. Embedded in the framework was the philosophy that a strategic plan requires active and participatory involvement from the membership of the Council. The Council therefore proposes that the Secretariat undertakes a consultative process into the direction and appropriate structures required for responsive and sustainable NGO cooperation. This would be derived from discussions and close contact with the Council's constituency through fora such as the General Assembly; discussions with NGOs working in the different regions of the country, government and interaction with community based organizations.

OBJECTIVE 3: RESPONSIVE LEGAL AND ORGANISATIONAL ADVICE

Since the Council's formation, the secretariat has provided professional advice to members on issues such as constitutional development and reform, internal governance structures, conflict resolution, VAT and tax exemption matters, registration and de-registration procedures. This process is time consuming and occupies the majority of the Chief Executive Officer's time. It is a service that the Council is well placed to provide as a result of the Council's involvement in The NGO Coordination Board and the range of legal, training, policy and information expertise within the Secretariat and the Executive Committee.

INVOLVEMENT/BENEFICIARIES: Executive Committee/General Assembly of members/potential members.

INPUTS

Human resources: Chief Executive Officer,

Recurrent costs:

Workshops/symposia/General Assemblies

Recurrent Administrative costs: Transport/communications/rent/

OUTPUTS

- Consistent support service for NGOs in general and indigenous NGOs in particular.
- Reinforced NGO membership with sustainable visions, leadership and resource-base.
- Enhanced professionalism and experience of Council staff to facilitate membership action.
- Collective NGO voice and fora for self-regulation and the promotion of services driven by professional ethics.
- Increased sensitivity of the Secretariat to membership needs and existing capacity.
- Kenyan NGO focal point for funding agencies, Government of Kenya and international and regional NGO networks.

PROGRAMME 2: POLICY AND ADVOCACY

PROGRAMME AIMS

The four main aims of this programme are to:

1. Effectively link NGOs with the government and donors;
2. Influence policy that affect both the NGOs and their work; and
3. Strengthening the institutional capacity of NGOs in Kenya to engage in policy work.

OBJECTIVE 1: CAPACITY AND IMPACT ANALYSIS OF NGO SECTOR

Through a series of consultations and pioneering research the Policy and Advocacy programme will facilitate a comprehensive analysis of the contribution of the NGOs to the Kenyan economy and the provision of social services. Other parameters to be considered shall include, among others: existing and potential collaboration, defined skill areas, socio-economic impacts, role in community empowerment and duplicity.

It is envisaged that one product of this process shall be a reviewing of experiences and needs, with the aim to define an initial set of procedures, guidelines, analytical tools and modules. Workshops, questionnaires, review by resource persons and of literature shall be conducted.

The Council would, under this objective, produce policy documents outlining Council working policy(ies) on important issues. These documents would include strategies for obtaining the necessary financial and human resources needed to respond effectively to these issues. These would be supported by the development of issue papers for briefing and discussion. Field excursions, training workshops and seminars would also be used for rapid appraisal and study of emerging issues and examination of alternative perspectives.

OBJECTIVE 2: NGO PARTICIPATION AND VOICE IN INTERNATIONAL AND NATIONAL PROCESSES

The programme will guide and support members to identify channels open for dialogue with the state and other sectors. The Council currently coordinates a strong NGO voice on several multi-lateral committees including NGO Coordination Board, the National Committee on the follow-up of the WSSD, the National Council for Displaced Persons (NCDP) and the National Council for Population and Development (NCPD). It is intended for this influence to extend to crucial mechanisms such as the District Development Committees, Presidential initiative on social dimensions of development, the National Environment Action Plan process, the Treasury Committee on the national development plan and the Kenyan Parliament.

OBJECTIVE 3: TRAINING FOR POLICY ANALYSIS

As a result of a recent consultation of thirty policy oriented NGOs, it is acknowledged that the skills for analysis and influencing policy formulation are poorly developed. The vast experience within the sector is inadequately documented or packaged to facilitate skills transfer. Consequently, The Council will convene six training workshops (20 pax).

INVOLVEMENT/BENEFICIARIES: NGOs/Government of Kenya/research institutions/funding agencies/corporate sector

INPUTS

Human resource requirements: Programme Officer - Policy and Advocacy, Assistant Programme Officer - Policy and Advocacy

Recurrent Expenditure: Rent, transport, communications.

Preparatory Research

Documentation and Publications

Workshops, seminars and symposia

OUTPUTS

- Mobilization of at least 20 key NGOs in programme formulation and implementation.
- NGO personnel trained on policy analysis and influencing
- One Policy Symposium with Government planners, NGOs, corporate sector and key actors within civil society.
- Monitoring and effective NGO engagement in national and international policy and decision making processes.
- Publication outlining the impact of NGOs on the national economy and civil society.

PROGRAMME 3: INFORMATION AND MEDIA

AIMS

There are three aims guiding the information and media programme. They are:

1. To enhance the sharing and documentation of experiences and new ideas among members through publications and training;
2. Develop membership capacity to effectively use communication and media opportunities for public education around development issues;
3. Initiate and maintain mechanisms for information flows between NGOs, Government of Kenya, research institutions.

OBJECTIVE 1: ENHANCED MEDIA LITERACY AMONG NGOS

Following the success of the media literacy workshop for NGOs working on social and political violence in January 1995, there have been demands for a more comprehensive treatment of the issues surrounding effective NGO engagement with the media. New and relatively inexpensive technology for desktop publishing brings sophisticated layout and design techniques into the reach of small indigenous NGOs. Yet, the skills and expertise base for both media and information management is underdeveloped at present. Through six training workshops skills and experiences will be shared between NGOs, media and information specialists.

OBJECTIVE 2: STREAMLINED INFORMATION SYSTEM

The expense of conventional correspondence and communication systems makes the establishment of E-mail and electronic facsimile at the Secretariat a priority. Currently, notices for network meetings are composed of thirty letters or faxes within Nairobi and elsewhere. For General Assemblies, the total number of invitees is over 400. A low cost system which is compatible with the technological base of Council members will greatly reduce communication costs and streamline information flows between the Secretariat, its members and society as a whole.

INVOLVEMENT/BENEFICIARIES: Members/selected civil society institutions/funding agencies/media institutions/

INPUTS

Human resources: Information and Media Programme Officer, Assistant Programme Officer, Consultants, volunteers.

Recurrent Costs: Rent, communications, travel

Research and documentation

Publications

Workshops/symposia

OUTPUTS

- Publication of key Council documents including Members packs, brochures, Code of Conduct and Rules and Regulations.

- Establishment of E-Mail facility and Bulletin Board service
- Training workshops on aspects of media and information management by NGOs
- Production and dissemination of 12 issues of the Council Bulletin
- Production and dissemination of 3 Annual Reports and 3 Annual Guides to the NGO sector
- Acquisitions policy, systems framework and operational NGO resource center.

PILOT PROJECT: STRATEGIC RESPONSE FUND (SRF)

Given the nature of the NGO sector and its hitherto weak capacity to network and address social issues, the establishment of the council has provided the first necessary impetus for the articulation of social concerns and collective action. Over the past 15 months, the NGO Council has responded to a number of strategically important initiatives. These initiatives, all of which have emanated from the Council's membership, have required quick and urgent response from the Council. They have required that the Council provide leadership, facilitation, a forum for joint action and a legal umbrella for collective action and security. These issues fall into three main categories:

Legal issues concerning the status and institutional security of civil society organizations. Under this category issues such as the deregistration of CLARION, the bombing of Kituo cha Sheria and the non-registration of CBOs and NGOs on the grounds of national security concerns form the core focus. Collective action such as that demonstrated by 17 Nairobi NGOs when they mobilized action against the Government Lands Amendment (1994) Bill under the umbrella of CLOL, the Citizens Lobby on Land.

The foregoing experience clearly suggests that the Council shall have to continue playing a leadership role to the constituency in responding to emerging concerns. It shall also have to fire-fight unforeseen issues affecting the constituency quickly and as they arise. The Council therefore needs to institute a small pool of funds to be used by Council staff to enable the staff respond flexibly and quickly to such critical emerging issues and problems.

Activities to be supported within the SRF framework include:

- (a) Consultation sessions by experts on particular emerging human rights, governance, development and environmental issues or problems.
- (b) Short term studies (1 - 3 months) of a particular situation to elucidate facts necessary for quick decision making or policy influence.
- (c) Urgent seminars with policy makers on important national issues.

The Strategic Responses Fund (SRF) would, in the first three years be run on a pilot basis and be managed by the Council's Executive Committee. The Executive Committee would be responsible for decision making on applications to the SRF. The applications would outline the problem to be addressed, how the problem relates to the Council's mandate and the welfare of its membership, what specific activities would be carried out, its costs and the expected outcomes. Each drawing from the SRF would be accompanied by a report at the end of the activity.

An evaluation of the SRF at the end of each year with a final evaluation at the end of the third year would provide future direction on continuity and size of a future strategic resource base.

A.I.D. Program No. 615-0245
Dollar Appropriation No. 72-1191014
Budget Plan Code: GSSA-89-31615-KG39
Program Agreement No. 615-T-608B

THIRD AMENDMENT

TO

PROGRAM GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF KENYA

AND THE

UNITED STATES OF AMERICA

FOR

KENYA HEALTH CARE FINANCING PROGRAM

DATED: November 7, 1995

A.I.D. Program No. 615-0245
Dollar Appropriation No. 72-1191014
Budget Plan Code: GSSA-89-31615-KG39
Program Agreement No. 615-T-608B

THIRD AMENDMENT TO PROGRAM GRANT AGREEMENT

FOR

KENYA HEALTH CARE FINANCING PROGRAM

Dated:

Between

The Republic of Kenya (hereinafter referred to as the "Grantee")

and

The United States of America, acting through the Agency for International Development ("USAID").

The original Program Grant Agreement (the "Agreement") provided terms regarding deposit of local currency generated from U.S. Dollar tranche disbursements into a separate, non-comingled local currency account created by the Grantee pursuant to Condition Precedent Section 2.1.3. The purpose of this Amendment is to revise Article 4 of the Agreement in order to expedite the deposit of the local currency equivalent of Subtranche Three to Kenyatta National Hospital and the first half of Subtranche Two to the Ministry of Health.

Article 1: Modification of Deposit Requirements for the Special Local Currency Account.

Section 4.1 of the above Agreement is hereby deleted and the following substituted in its stead:

"Section 4.1 Deposit Requirements for the Special Local Currency Account.

The Grantee shall deposit in said Special Local Currency Account, local currencies of the Republic of Kenya equivalent to the dollars disbursed to the Grantee under this Agreement. The amount of local currency required to be deposited in the Special Local Currency

Account shall be calculated at the highest exchange rate per U.S. dollar which is not unlawful for any person for any purpose in Kenya. The deposits shall be made within no more than thirty (30) days of the date of disbursement of the corresponding dollar amount by A.I.D."

Article 2: Other Terms and Conditions

All other terms and conditions of the Program Grant Agreement shall remain in full force and effect.

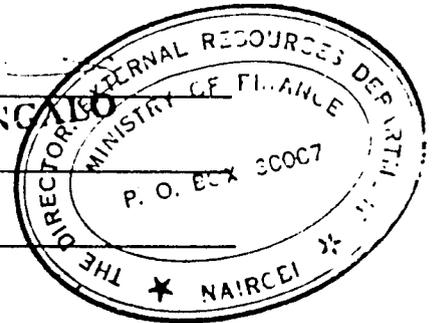
IN WITNESS WHEREOF, the Grantee and the United States of American, each acting through its duly authorized representative, have caused this Third Amendatory Amendment to be signed in their names and delivered as of the day and year first above written.

FOR REPUBLIC OF KENYA

BY: *[Signature]*

NAME: O. R. ONG'ORO

TITLE: _____



FOR UNITED STATES OF AMERICA

BY: *[Signature]*

NAME: Kiertisak Toh

TITLE: Acting Director