

VIHIGA: SPECIAL RURAL DEVELOPMENT PROGRAM

18p.

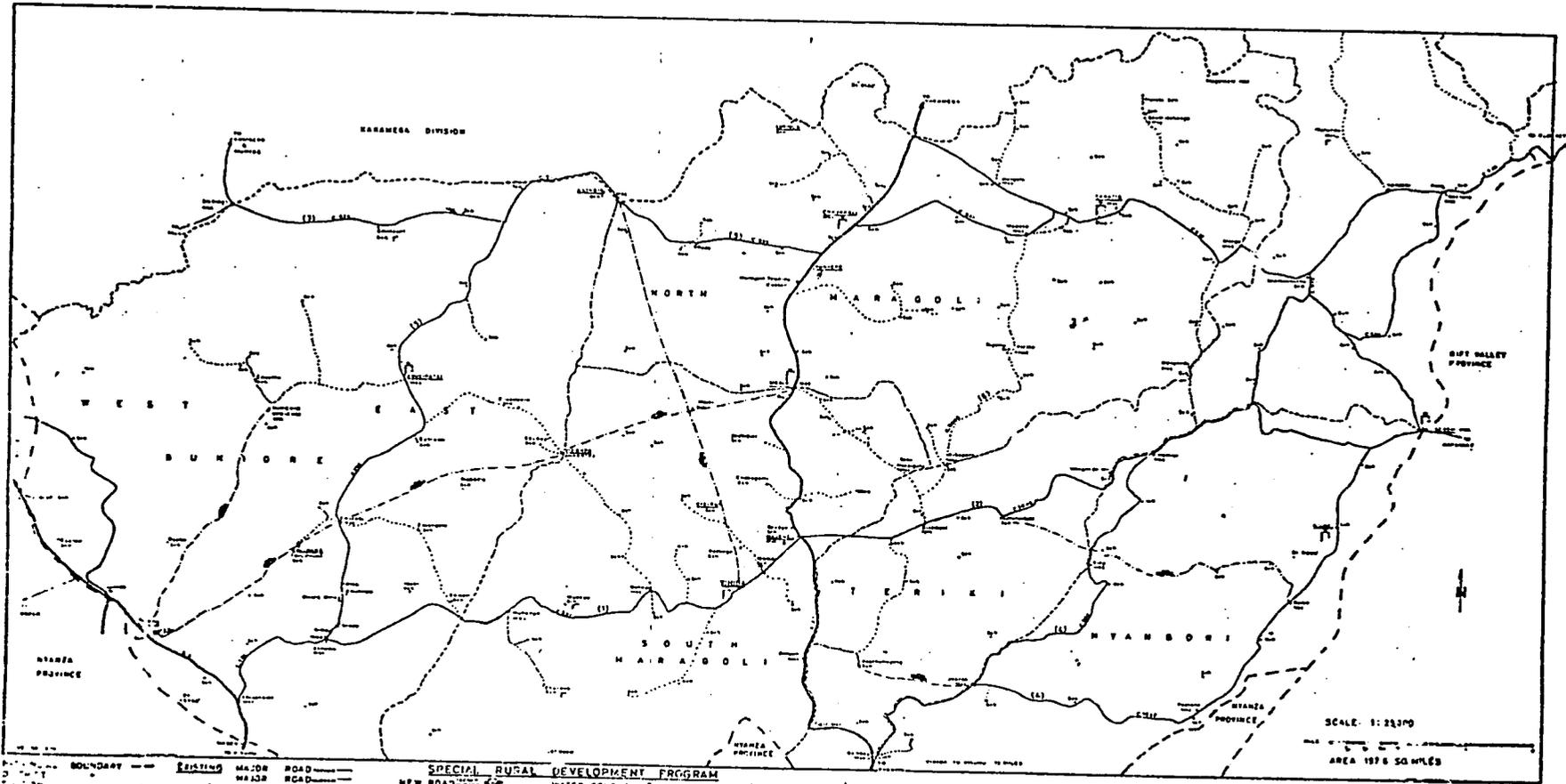
I. DEVELOPMENT OF THE PLAN: CONCEPT, GOALS, PREMISES

In Kenya's Development Plan 1970-1974, the concept of rural development becomes, for the first time, the core of the government's entire development strategy. The Special Rural Development Program (SRDP) represents the major thrust of that strategy. It involves several pilot areas in an effort to raise farmer-income, improve governmental support and performance, and increase the number and range of job opportunities in the rural sector.

The SRDP scheme grew out of the Kericho Conference held in September of 1966. That conference of government, academics, and concerned persons put before the Kenya Government a number of major proposals dealing with governmental efforts in education, employment, and rural development. These proposals led to further task forces, studies, and recommendations, resulting in the decision of government to mount an accelerated effort to bring about rural change and improvement.

The Government of Kenya (GOK) informally approached friendly governments for assistance. Initially fourteen rural areas--Divisions representing a cross-section of different development situations--were selected, and donors asked to supply inputs of technical and capital assistance into a resource pool on a sectoral or functional basis (water, roads, livestock, etc.) to support the scheme. This approach

VIHIGA DIVISION
 KAKAMEGA DISTRICT
 WESTERN PROVINCE



BOUNDARY		EXISTING		MAJOR ROAD		MINOR ROAD		NEW ROAD		IMPROVE EXISTING		ROAD		WATER SCHEME		MAJOR		MILK CENTER		MEDICAL SERVICES	
BOUNDARY	---	EXISTING	---	MAJOR ROAD	---	MINOR ROAD	---	NEW ROAD	---	IMPROVE EXISTING	---	ROAD	---	WATER SCHEME	---	MAJOR	---	MILK CENTER	---	MEDICAL SERVICES	---
LOCATION	•	DISPENSARY	---	HOSPITAL	---	SCHOOL	---	NEW ROAD	---	IMPROVE EXISTING	---	ROAD	---	WATER SCHEME	---	MAJOR	---	MILK CENTER	---	MEDICAL SERVICES	---
ROADWAY	---	DISPENSARY	---	HOSPITAL	---	SCHOOL	---	NEW ROAD	---	IMPROVE EXISTING	---	ROAD	---	WATER SCHEME	---	MAJOR	---	MILK CENTER	---	MEDICAL SERVICES	---

SCALE: 1:25,000
 AREA: 1976 SQ MILES

did not receive much donor support for a variety of reasons--it was novel, the plans were not clearly developed, donors preferred a greater measure of identification and project specificity, and the difficulties of coordination of all inputs appeared frightening.

In due time the GOK returned with a different approach: six (now five) areas - the other areas to be brought in a year later - were chosen, and individual donors approached to give all necessary assistance--technical assistance, capital and operations costs--to develop one specific area. While a given rural area would receive additional, accelerated inputs, the new approach would focus upon coordinated, comprehensive, and experimental efforts.

The current SRDP scheme is based upon the premise that a comprehensive mix of functional programs whose input is coordinated both at field operation and at upper management levels, combined with improved methods of operation, will help Kenya solve its rural development problems. The program is to be fully integrated into the Kenya Government machinery and is to be carried out cooperatively by government officers of all departments. While both the GOK and the donor may provide special resources in modest amounts on an experimental basis, the program is to be conducted on a scale and with methods that can be repeated elsewhere in the country. Adroit coordination and implementation of available

programs are more important than access to special resources. Thus, the major emphasis must be on the effective functioning of local government.

Operationally, coordination, innovation, and evaluation are the bywords. Both the inputs into a given pilot area and the transfer of ideas, methods, and resources from one pilot area to another are to be systematically coordinated. New, innovative methods of operation and types of program inputs are to be introduced. Pilot areas are to have permanent on-site evaluators from the University of Nairobi's Institute for Development Studies. In addition, GOK and donor representatives are to meet periodically to discuss and evaluate problems and progress.

AID assistance has been requested to support this intensive campaign in one of the several pilot areas: Vihiga, an administrative division in Kenya's Western Province.^{1/} (Britain, Norway, Sweden, Denmark, Canada, West Germany, Yugoslavia, the Netherlands, and member institutions of United Nations family have also received requests for assistance in the pilot areas.) USAID has agreed to provide contract advisors to coordinate USAID inputs, provide operations advice and assistance to the GOK coordinator in the Vihiga Division, and short term specialists to carry out special studies. All USAID inputs at the national level are to be made directly by Mission personnel.

^{1/} See maps attached.

II. BACKGROUND--AREAS OF CONCERN--PROBLEMS

1. Unemployment

The SRDP is to improve rural life by helping overcome widespread underemployment in rural Vihiga and slowing down large scale migration to urban areas, which continues because of higher wages and urban amenities and in spite of the high (15%) unemployment rates there. At present Vihiga's farms are too small and crowded to provide opportunities for Vihiga's youth. A combination of factors has prevented widespread introduction of labor-intensive cash crops like vegetables. Employment opportunities in subsidiary activities related to agriculture have been meager. Many youth who have completed either primary or secondary school cannot find employment. As cash crops, subsidiary activities related to agriculture, and other commercial activities are introduced, Vihiga's education system must be revised to prepare her youth for employment in these new activities.

2. Population

The official government policy supporting family planning and the large number of donors to family planning programs have many obstacles to overcome. They include (1) intertribal rivalry, (2) a general belief that Kenya's land surface is sufficient to sustain a population which promises to double in eighteen years, and (3) the reluctance of most Kenya males to restrict the size of their families.

3. Government Performance

One of the main objectives of the program will be to strengthen the operations of government at the local level. The Kenyans are aware of local government shortcomings and have indicated a willingness to make changes to

improve the delivery of services. Specific problems include:

- a. the operational concept that the people are to serve the government, instead of the reverse.
- b. one way flow of information and orders from top downward.
- c. superiors inspect and enforce rather than supervise with advice and support.
- d. lack of orderly progression up through the ranks which has developed a hierarchy in which superiors understand neither their subordinates' positions nor the practical application of their programs.
- e. officials who rarely seek training or education as a means of helping them to be efficient, effective, and significant but rather as a means to qualify for the next higher position.
- f. a communications block between the government and its people, which prevents either one from understanding the other.
- g. a traditional lack of coordination or cooperation among component government functions and units at given levels in a given enterprise.

Specific problems encountered in introducing the SRDP to Vihiga include the following:

- a. frequent personnel transfers prevent continuity from planning, through execution, to review and evaluation.
- b. funds allocated for vehicle fuel and maintenance are inadequate for governmental units at Division and District levels.

c. centralization of petrol allocation points means that many government officials use up much of their fuel in obtaining it.

d. hardship living conditions in Vihiga make it difficult to keep officials there.

e. many program decisions are neither timely nor applicable to local conditions.

f. the development plans are often not accurate and not used in actual operations.

Consequently, the Vihiga program will have to deal with these problems to achieve project objectives and develop the necessary local support.

4. Agricultural Productivity

A multitude of factors contributes to low agricultural productivity. Despite the great population density and shortages of maize, the basic food crop, surprisingly large amounts of land go uncultivated. Modern varieties of maize have been accepted throughout Vihiga, although not to the extent needed for self sufficiency. Grade cattle have been introduced, but many farms are too small to support them. The prevalence of Newcastle disease and a limited market limit poultry production. There is no surplus corn to foster large-scale hog and poultry production.

5. Agriculture Extension

Efforts by the Agriculture Extension Service are plagued by a large number of obstacles. Many extension agents lack technical knowledge, or an understanding of effective communications techniques. The service

has had to play the role of enforcing government pricing controls which prevents it from playing an effective advisory role. There is no effective device for rewarding good performance, and consequently, their efforts are lethargic. Those efforts have been focused largely on well educated, technically competent farmers who seek out the agents to gain government services, not advice.

6. Marketing

The marketing of agricultural produce in Kenya is characterized by a proliferation of agencies that control almost every aspect of production and distribution. These seem to be principally involved with factors affecting large farmers, consumers, or the national economy. There is apparently little consideration for the effect of these regulations on the small farmer with whom SRDP is concerned. Even the Ministry of Agriculture seems to be motivated more by national priorities than farm priorities.

There has been a substantial amount of research on agriculture marketing, but this has been directed mainly toward national targets. There is a need to relate this planning to the Vihiga conditions and potential in order to develop concrete recommendations on specific crops and cattle. Future studies will also have to relate Vihiga production potential to national marketing and pricing policies.

7. Credit

The current concern is to educate small farmers to the nature, uses, and requirements of production credit. Ways of making production credit available to small farmers must be found. The IDA credit now available is limited to the larger farmers, requires they have title deeds to their land, and requires that the land be offered as security.

8. Education

Education represents the only hope of those young people who are forced off the land. While the present education system is fairly extensive, many of its courses are of limited practical use. That traditionally farming has been women's work limits the appeal of courses in vocational agriculture. Questions of prestige handicap the introduction of manual training, especially in the secondary schools. Both governmental and private institutions are beginning to seek ways to better relate education to employment opportunities in commercial enterprises.

9. Community Development

The role of community development, as outlined in the original Vihiga SRDP proposals, is to explain the program to the people in order to gain their support for it, to organize self-help activities, and to participate in training programs. Popular participation in past self-help activities often has been limited to contributions of cash and commodities. It is

hoped that the popular role in any community development activities related to the SRDP will include participation in planning and managing self-help projects.

10. Roads

Vihiga already has a road system more extensive than comparable areas. The density of her population may warrant this. The goal of any new road construction is to contribute to economic expansion. To this end efforts are to be concentrated on feeder roads that make markets more accessible to farmers. Road construction is to be characterized by low-cost, labor-intensive methods where possible.

III. PROGRESS TO DATE

1. Establishment of the Organization

The basic organizational structure to manage the SRDP has been established by the Government of Kenya. It consists of several coordinating mechanisms. The SRDP authority, at the highest level, stems from the Office of the President. There, the Permanent Secretaries from the Office of the President and the Ministry of Finance, Economic Planning and Development monitor and coordinate SRDP operations with the various technical ministries. At the provincial level the Provincial Commissioner, working through a specially appointed Area Coordinator, is used to assure that all of the ministry representatives execute their portions of the Program plan on schedule, and that they coordinate when doing this.

During the early planning stage of the Program, the Ministry of Economic Planning and Development (MEPD) did much of the work with I.D.S. in developing plans and procedures. Following these procedures, the Provincial and District Development Planning Committees prepared the Vihiga SRDP plans with participation by the ministries. Each ministry is responsible for executing its own program within the overall plan.

2. Addressing Key Problems

A recently concluded Project Agreement contains special provisions to provide for improved governmental performance in carrying out the Vihiga Project:

a. Continuity of Staff

Both the Government of Kenya and AID recognize that rapid turnover of staff assigned to activities directly related to SRDP-Vihiga is often counter-productive and potentially damaging to the effectiveness of the project. AID agrees that full-time U.S. technicians assigned to this project will be assigned for a minimum of two years. The Government of Kenya has agreed to bend every effort to keep staff turnover (i.e. lateral transfers) at an absolute minimum during the 5-year life-time of the SRDP project.

b. Delegation of Authority to Field Officers

In view of the joint recognition of this problem, both parties agree on the desirability of assigning as much decision-making authority as possible to their respective team leaders on site in Vihiga. Toward this end both the GOK and USAID agree to meet within three months of the signing of this ProAg (signed 20 January 1971) in order to specify with as much detail as possible the amount and types of decision-making authority which field officers of both parties will be granted.

c. Evaluation

A permanent on-site evaluator from the staff of the Institute for Development Studies will have primary responsibility for on-going evaluation. In addition, the GOK representatives and representatives from AID will meet periodically to evaluate progress and problems on this project. The first of these meetings will take place no later than June 1, 1971.

3. FY 1971 Activities

a. For 1971, it has been decided to concentrate on improving maize production methods. To this end an all-out effort to increase maize production on up to 600 randomly selected farms in Vihiga Division is to commence with the planting season in February 1971. As of 1 February 1971, it appears that the necessary ground work has been laid and that the program will go ahead as scheduled.

b. Concerned agencies are laying the groundwork for future development of industry in rural areas. The Western Province Planning Officer, the Vihiga Evaluation Officer, and a USAID representative are forming a steering committee to focus and coordinate these efforts. A small, informal advisory group composed of Western Province businessmen is being formed to assist the steering committee. Ministerial representatives, the Industrial Development Corporation of Kenya (IDCK), and third country and private donors have agreed to cooperate. Studies concerning the possibilities for rural industrial development are underway, and it is hoped that by June 1971 specific recommendations concerning investment opportunities will have been made.

c. Other courses of action include developing detailed marketing recommendations on crops which should be produced in Vihiga, forming recommendations for non-formal education, and carrying out small community development projects.

4. USAID Contributions

Throughout calendar year 1970 USAID cooperated with the Government of Kenya at the National level to redesign the initial phases of the SRDP in Vihiga in order to separate proposed activities into two groups: (1) those which all parties agreed were of high priority and should go ahead as soon as possible, and (2) those for which additional data were required before deciding whether or not they should be included in the overall program.

During this period USAID also determined the nature and extent of the technical, financial and material support it could extend to the program. Mr. Edward Harmon lived in Vihiga under AID contract to survey the program and review Kenya's plans, resources, needs, and capabilities in terms of initiating the program. His work was of vital importance in shaping the initial plans. In October, Harold Dusenberry went out on contract to carry on Harmon's work and assist in the 600 farmer program. Finally, two short-term USAID consultants are presently in Vihiga surveying opportunities and requirements for the establishment of small-scale industry.

IV. NEXT STEPS

In addition to the above technical support, USAID has agreed to assign a (1) Donor Representative/Rural Development Specialist, (2) an Agriculture Extension/Farm Management Specialist, and (3) an Agriculture Economist/Marketing Analyst to the Program. Recruitment of these three persons is currently underway. The duties of the planned full-time technicians are as follows:

1. Donor Representatives/Rural Development Specialist

a. Duties:

- (1) To supervise and coordinate A.I.D. inputs into the project.
- (2) To advise in the development of the detailed, comprehensive work plan for SRDP-Vihiga.
- (3) To serve as part-time advisor to the Area Coordinator.
- (4) To serve as team leader for U.S. provided technicians.
- (5) To serve as general advisor on matters concerning Rural Development as a whole.

2. Agriculture Extension/Farm Management Specialist

a. Duties:

- (1) To assist GOK personnel in Vihiga to develop a simple yet effective system of farm management.
- (2) To assist in improving the calibre of the extension service in Vihiga.

(3) To advise GOK personnel in Vihiga on matters relating to agricultural production and diversification.

3. Agriculture Economist/Marketing Analyst

a. Duties:

(1) To study all aspect of the current marketing of agricultural products raised in Vihiga.

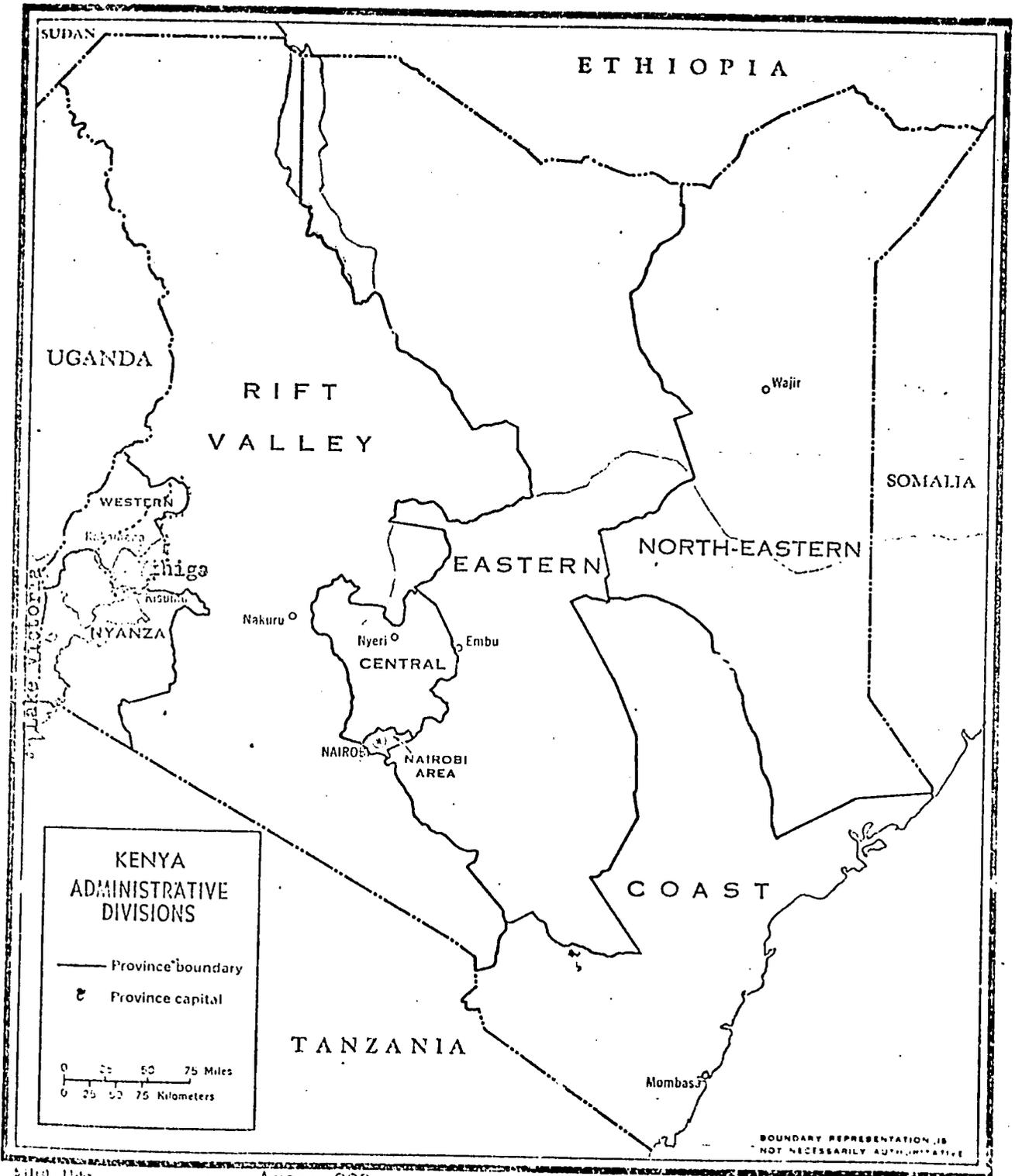
(2) To prepare a program designed to optimize the marketing of Vihiga's agricultural production.

(3) To study potential markets and prices for a wide variety of agricultural goods capable of being produced in Vihiga, or of having current production levels increased.

(4) To prepare a detailed report of his findings on potential markets and price structures which will, in turn, serve as data upon which to base decisions regarding crop diversification and/or expansion.

USAID has also agreed to provide short-term consultants as needed to undertake surveys in areas such as rural water, poultry, non-formal education and community development. The duties of these consultants will be determined jointly by the GOK and USAID/Kenya.

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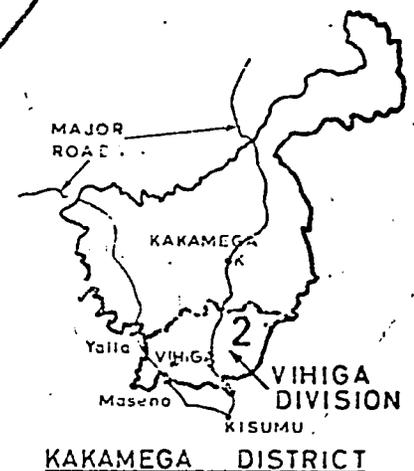
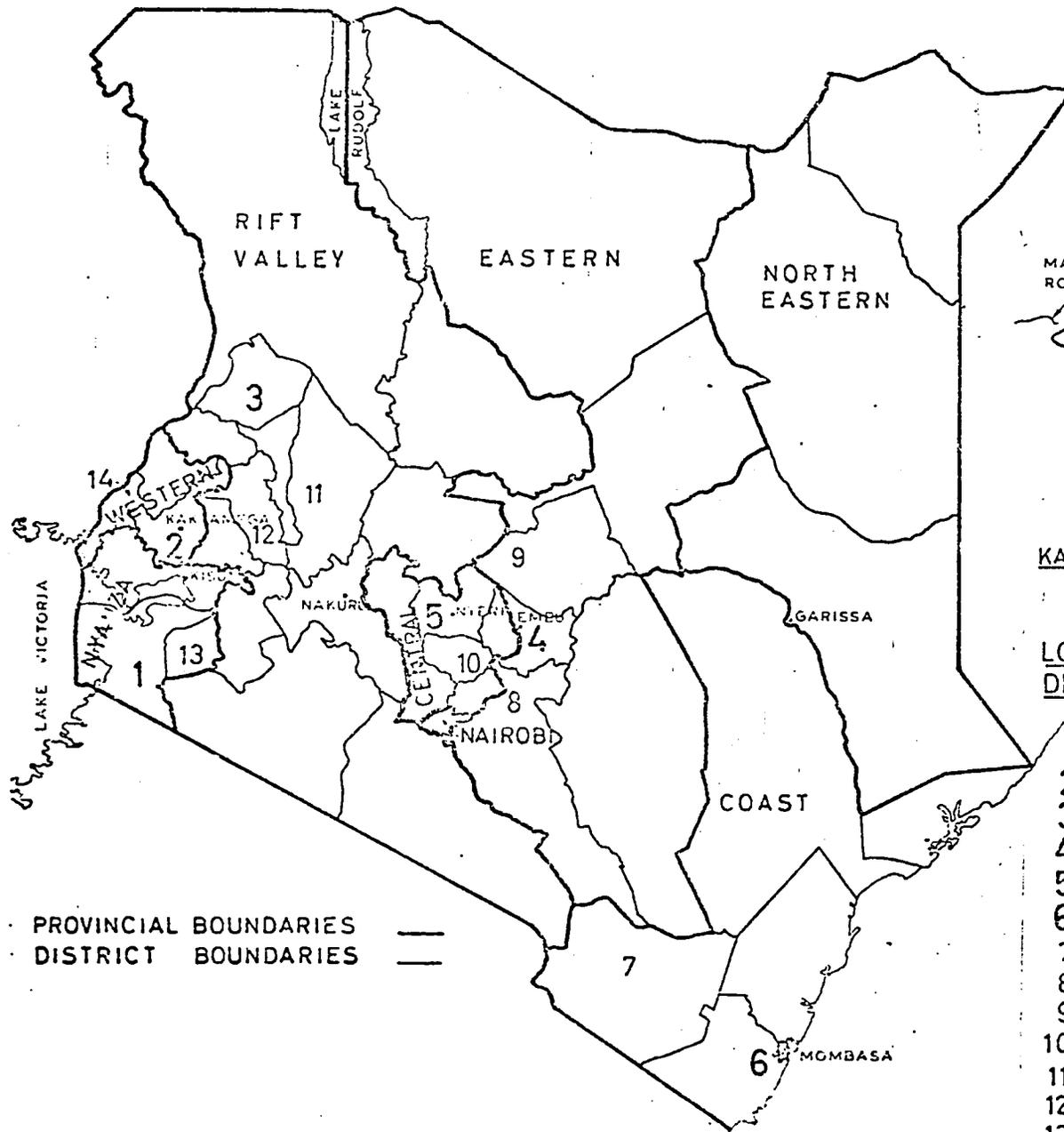


Vihiga Division Area: 200 square miles
 Population: 300,000 (1,515/sq. mile)
 Kakamega District Rainfall: 60-70 inches per year
 Western Province Elevation: 5,000 to 5,600 feet
 Kenya

Principal food crops - corn and bananas
 Grade Cattle: 450 head
 Swine : 120 head

Schools - Six Government Secondary
 - Fourteen Self Help Secondary
 - 175 Primary Schools/43,000 Students
 83% of those eligible attend primary school

KENYA



LOCATIONS OF RURAL DEVELOPMENT PROGRAM

LOCATION	DISTRICT
1 Migori	South Nyanza
2 Vihiga	Kakamega
3 Kapenguria	West Pokot
4 Mbere	Embu
5 North Tetu	Nyeri
6 Kwale	Kwale
7 Wundanyi	Taita
8 Yatta	Machakos
9 South Imenti	Meru
10 Kiharu	Murang'a
11 North Baringo	Baringo
12 North Nandi	Nandi
13 Irianyi	Kisii
14 Central Busia	Busia

PROVINCIAL BOUNDARIES ———
 DISTRICT BOUNDARIES = = =

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

PRO AG

AN AGENCY OF THE GOVERNMENT OF KENYA

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

1. PROJECT/ACTIVITY NO. 615-11-810-147 PAGE 1 OF 12 PAC
2. AGREEMENT NO. 147-1-207 3. ORIGINAL OR REVISION NO.

PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX SPECIAL LOAN PROVISIONS ANNEX

4. PROJECT/ACTIVITY TITLE
RURAL DEVELOPMENT - VIHIGA

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

US/UK GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE 7/13/51, as amended
US/UK ECONOMIC COOPERATION AGREEMENT DATE 7/6/48, as amended
Extensions of above (other) agreements by GOK notes & letter DATE 2/4/64, 2/9/65, 6/7/68

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-112-1004 7. AID ALLOTMENT SYMBOL 254-50-615-00-69-21

8. AID FINANCING		PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLARS	<input type="checkbox"/> LOCAL CURRENCY				
(a) Total			129,000		129,000
(b) Contract Services					
(c) Commodities					
(d) Other Costs					
9. COOPERATING AGENCY FINANCING, DOLLAR EQUIVALENT					
21.00 = K.Sh. 7.1					
(a) Total			44,000		44,000
(b) Technical and other Services					
(c) Commodities					
(d) Other Costs					

Proj. Off.
C.F.D.

Prog.
RR

Cont.
M

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This agreement, consisting of twelve pages, including the Standard Provisions (Annex B), is deemed signed on each page by each of the signatories.

11. DATE OF ORIGINAL AGREEMENT Feb. 22, 1972 12. DATE OF THIS REVISION 13. ESTIMATED FINAL CONTRIBUTION DATE June 30, 1975
14. FOR THE COOPERATING GOVERNMENT OR AGENCY SIGNATURE: M. Ranga DATE: 22-2-72 TITLE: PermSec, MinFinance & Planning
15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE: Dept. Vally DATE: 22/2/72 TITLE: Director, USAID/Kenya

**PROJECT AGREEMENT
BETWEEN AID & ID**

1. Project/Activity No.
615-11-810-147

2. Agreement No.
147-1-207

3. Original or

Revision No. _____

3. Project/Activity Title

RURAL DEVELOPMENT - VIHIGA

AN AGENCY OF THE GOVERNMENT OF
KENYA

PROAG
EXTENSION
UNIT
AMEN A

DETAILS OF U.S. and GOK CONTRIBUTIONS

Cost Component

<u>Method of Implementation</u>	<u>Previous Total</u>	<u>This Revision</u>		<u>Total to Date</u>
		<u>Increase</u>	<u>Decrease</u>	
<u>AID Financing: U.S. Dollars</u>				
<u>Personnel Services</u>				
PASA Contract		40,000		40,000
Reimbursement to GOK		12,000		12,000
<u>Participants</u>				
Direct AID Contract				
<u>Commodities</u>				
Direct AID Contract				
<u>Other Costs</u>				
Direct AID Contract		77,000		77,000
<u>TOTAL</u>		129,000		129,000
<u>GOK Financing: U.S. \$ Equivalent</u>				
<u>Personnel Services</u>		25,000		25,000
<u>Commodities</u>		4,000		4,000
<u>Other Costs</u>		15,000		15,000
<u>TOTAL</u>		44,000		44,000

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT

BETWEEN AID AND

1. Project/Activity No.
615-11-810-147

2. Agreement No.
147-1-207

3. Original or
Revision No.

3. Project/Activity Title

RURAL DEVELOPMENT - VIHIGA

PROJECT
CONTINUATION
SHEET

AN AGENCY OF THE GOVERNMENT OF
KENYA

ANNEX A

I. Budget for FY 1972

U.S. Government Contribution

A. Technicians Services

1. Direct-Hire Project Officer

(Note: Costs associated with the services of the AID project officer are obligated automatically on a month-by-month basis and are not obligated under terms of this Project Agreement.) For informational purposes only, these costs are as follows:

Salary and benefits (6 mos.)	\$18,500
Education Allowance	1,500
Home Leave & Transfer (Doggett)	8,000
Post Assignment (Kriegel)	<u>10,000</u>
(non-add) Total	38,000

2. Contribution to salaries of four Kenyan counterparts: 12,000

3. Contract Technicians:

a. Florida A&M University

(Note: Funding already available from 1971 FY is deemed adequate to carry the contract team throughout FY 1972.)

b. TransCentury Corporation

One operational technician to serve in the Economic Planning Division of the Ministry of Agriculture. (24 man-months funding.) 40,000

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROAG
CONTRIBUTION
SHEET

ANNEX A

PROJECT AGREEMENT

BETWEEN AND AND

AN AGENCY OF THE GOVERNMENT OF
KENYA

1. Project/Activity No.
615-11-810-147

2. Agreement No.
147-1-207

3. Project/Activity Title
RURAL DEVELOPMENT - VIHIGA

3. Original or

Revision No.

B. Participants

(Note: No funding is included at this time for participant training. Short study trips to neighboring African countries will be by invitational travel orders and funded from "Other Costs.")

C. Commodities

(Note: Commodities intended for use in the labor-intensive road construction aspect of this project will be included in a subsequent revision to this Project Agreement.)

D. Other Costs

- | | |
|---|--------|
| 1. Contribution to experimental farmer loan scheme | 15,000 |
| 2. Support for small-scale industrial development (grant made directly to Partnership for Productivity, a private development organization) | 40,000 |
| 3. Contribution for partial reimbursement for local training costs | 6,000 |
| 4. Local purchase of oil & petrol | 4,000 |
| 5. Miscellaneous local costs | 2,000 |
| 6. Support for local costs of the Direct-Hire Project Officer | 6,000 |
| 7. Support for construction of self-help cattle dips | 4,000 |
| 8. (Note: Local costs associated with the labor-intensive road construction will be included in a subsequent revision to this Project Agreement.) | |

Total Other Costs \$77,000

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

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TITLE: _____

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1. Project/Activity No.
615-11-810-147

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147-1-207

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Revision No. _____

PROAG
CONTINUATION
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AN AGENCY OF THE GOVERNMENT OF
KENYA

3. Project/Activity Title
RURAL DEVELOPMENT - VIHIGA

ANNEX A

Government of Kenya Contribution (\$ Equivalent)

E. Technicians Services 25,000

- 6 Agricultural Assistants
- 5 Home Economics Assistants
- 1 Senior Animal Health Assistant
- 2 Animal Health Assistants
- 1 Area Coordinator
- 1 Clerical Officer
- 1 Assistant Community Development Officer
- 1 Division of Adult Education Supervisor
- 2 Copy Typists
- 3 Drivers

F. Commodities

- 1 Five-ton Lorry 4,000

G. Other Costs 15,000

Vehicle maintenance, office operating expenses, local transport, housing allowance, local travel, etc., for TransCentury contract technician.

II. Description of Project and Purposes

A. Full Description: See Noncapital Project Paper, dated October 29, 1971.

B. Brief Description

The Government of Kenya has designed a Special Rural Development Program (SRDP) to operate in selected areas of Kenya during the five-year period of the Development Plan 1970-1974. The purpose of the SRDP is to increase job opportunities and raise the level of income in the selected areas through 1) better use of existing resources, human as well as natural; 2) attempts to identify and close gaps/existing economic and social development efforts in these areas; and 3) experimental programs, using selected mixes of inputs provided by the GOK and other donors to determine optimal inputs necessary for achieving broad-spectrum development

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

PROAG CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AND AND	1. Project/Activity No. 615-11-810-147	PAGE 6 OF 12 PAGES
		2. Agreement No. 147-1-207	3. Original or Revision No.
	AN AGENCY OF THE GOVERNMENT OF KENYA	4. Project/Activity Title RURAL DEVELOPMENT - VIHIGA	

goals. The key to the success of the SRDP in each of the selected areas is its capability of being reproducible in other, similar areas in Kenya.

The SRDP program in Vihiga was prepared, in its initial form, by the GOK; and was submitted to USAID/Kenya as a proposal for American assistance in January, 1970.

Throughout calendar year 1970, several ministries of the Government of Kenya and the USAID Mission cooperated in redesigning the initial phases of the SRD Program in Vihiga in order to separate proposed activities into two groups: 1) Those which all parties agreed were of high priority and should go ahead as soon as possible; and 2) those for which additional data were required before deciding whether or not they should be included in the overall program.

Thus the calendar year 1971 program was concentrated upon a maize production campaign which successfully involved some 63 smallholders who utilized designated inputs of hybrid seed, fertilizer, insecticides extension and credit. Initial reports indicate that loan repayments are already approximately 70% and average yields per acre will be about 21 bags of shelled maize. In addition, a cattle-dip program based upon self-help inputs by farmers was successful in raising over one-half the funds needed to commence construction of 11 cattle dips. Basic planning for including support for small-scale rural industrial development has been completed.

The gathering of data continued throughout the period, with significant inputs by IDS personnel. The GOK and USAID worked closely during the year to further develop a comprehensive plan, covering SRDP activities during FY 1972.

III. Relationship of Project Activities to Long-Term Goals and Objectives

The Agency for International Development agrees with the basic objectives of Kenya's overall rural development plans, and with the role of the Special Rural Development Program in those plans. The vast majority of the peoples of Kenya are resident in the rural areas and will remain so for the foreseeable future. If economic and social development is to reach the people of Kenya, it must occur in the rural areas and be addressed to the problems of people in the rural areas. Thus, the overall goal of Kenya's Development Plan - 1970-1974 is "... to direct an increasing share of the resources available to the nation towards the

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

1. Project/Activity No.
615-11-210-147
2. Agreement No.
147-1-207
3. Project/Activity Title

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AN AGENCY OF THE GOVERNMENT OF
KENYA

rural development - vihiga

ANNEX A

rural areas . . . " in order to achieve " . . . an equitable distribution of the benefits of prosperity."

The role of SRDP within the total rural development strategy is to develop, in pilot schemes involving the GOK and external donors, pragmatic, workable solutions, and alternate solutions, to the persistent and pervasive problems of improving the lot and livelihood of large numbers of rural people. The potential solutions are not only to be proposed, but to be tested, using the existing machinery of local government. Further, to be found truly successful, the proposed solutions must be capable of being replicated in other similar areas in Kenya, with little, if any, further assistance by external donors. The SRDP activities in the selected, representative areas are, thus, experiments, and, as in all experiments, successes are not guaranteed. In the long run, however, the results of SRDP, as a whole, are expected to yield a large number of workable, tested, rural development programs capable of being extended throughout Kenya within a few years' timespan.

IV. Description of U.S. Inputs

A. Personnel Services

1. Direct-Hire Project Officer

This officer works directly for the USAID Mission. His primary responsibility is to coordinate AID's activities in the Special Rural Development Program with the Government of Kenya. He is responsible, within AID, for planning, implementation, and evaluation of AID assistance to the project. His tour of assignment commenced in January, 1972. This position will be filled, it is anticipated, for the lifetime of the project.

2. Contract Personnel

a. A contract between AID and Florida A&M University was signed in FY 1971, calling for the latter institution to provide the services of three full-time technicians, and occasional short-term technicians (as approved by the GOK), for the life of the project. The first of the full-time technicians arrived in December, 1971, and the remaining two are expected to arrive early in calendar year 1972.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
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TITLE: _____

PROJECT AGREEMENT

BETWEEN AID AND

AN AGENCY OF THE GOVERNMENT OF
KENYA

1. Project/Activity No.
615-11-810-147

2. Agreement No.
147-1-207

3. Project/Activity Title
RURAL DEVELOPMENT - VIHIGA

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3. Original or

Revision No.

b. Under a proposed Task Order to be negotiated with TransCentury Corporation, AID will provide the services of an agriculture economist to work in the Economic Planning Division of the Ministry of Agriculture, for two years. It is anticipated that this technician will be ready to begin his assignment in February or March, 1972.

3. Reimbursement will be made by AID to the Government of Kenya for the salary costs in FY 1972 for four Kenya personnel designated as counterparts who are working closely with the Contract Team in the SRDP effort in Vihiga. (See section, "Special Provisions," below, for reimbursement procedures.)

B. Other Costs

1. AID will reimburse the Government of Kenya up to the amount stipulated in Section I.D.1. of this Project Agreement for costs associated with the experimental small-farmer credit scheme in Vihiga Division. These costs may include reimbursements for actual loans made to farmers, and administrative costs incurred in managing the loan program.

2. AID will assist the development of small-scale rural industries in the Vihiga area by granting directly to the Partnership for Productivity an amount not to exceed the amount stipulated in Section I.D.2. of this project agreement, and in accordance with the budget appearing in Appendix A of the Grant Agreement between AID and PFP.

3. AID will reimburse the Government of Kenya for training costs up to the amount stipulated in Section I.D.3. of this Project Agreement. This training will be carried out in the Vihiga area and will be intended to upgrade the capabilities of local government staff to better implement SRDP-related initiatives.

4. AID will reimburse the Government of Kenya for the purchase of oil and petrol for use by GOK field personnel in conjunction with SRDP-related activities. In no case shall the amount exceed that stipulated in Section I.D.4 of this Project Agreement.

5. AID will provide an amount not to exceed that stipulated

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

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TITLE: _____

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ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND

1. Project/Activity No.
615-11-810-147

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2. Agreement No.
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AN AGENCY OF THE GOVERNMENT OF
KENYA

3. Project/Activity Title

RURAL DEVELOPMENT - VIHIGA

in Section I.D.5. of this Project Agreement to cover miscellaneous local costs. These costs will include rental paid for temporary office space for the AID contract technicians pending construction of additional government office space in Vihiga. Such construction is to commence in FY 1973.

6. AID will provide an amount not to exceed that stipulated in Section I.D.6. of this Project Agreement to cover the local costs associated with the Direct Hire Project Officer. These costs include: Local travel, rents and utilities, guard services, miscellaneous services and supplies.

V. Description of Government of Kenya Inputs

A. Personnel Services

The government of Kenya is providing the services of 23 GOK personnel working primarily on SRDP-Vihiga activities in the field. In addition, there are approximately 60 extension agents in the Division who spend a large portion of their time working with farmers in the maize credit scheme. There are also local staffs of the Ministries of Health, Cooperatives and Social Services, and Finance & Planning working part time on SRDP-Vihiga activities.

B. Commodities

From FY 1972 funds, the Government of Kenya will provide a five-ton lorry to be used in conjunction with the vegetable marketing scheme, a part of the SRDP-Vihiga activities, and for other purposes.

C. Other Costs

1. The Government of Kenya's contribution to support costs associated with SRDP-Vihiga is estimated in Section I.G. of this Project Agreement. These costs are clearly and distinctly related to SRDP activities. However, it should be noted for the record that other support costs which bear indirectly on SRDP-Vihiga, such as those associated with Nairobi-based GOK personnel working on the SRDP program, have not been included because of the difficulty of dividing these general costs into specific components. The net effect is to make the actual Government of Kenya contribution to this component of the project larger than is indicated in the budget section

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

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ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND

AN AGENCY OF THE GOVERNMENT OF
KENYA

1. Project/Activity No.
615-11-810-147

2. Agreement No.
147-1-207

3. Project/Activity Title

3. Original or
Revision No.

RURAL DEVELOPMENT - VIHIGA

of this Project Agreement.

2. The Government of Kenya will provide full support, including housing or a housing allowance, local travel costs, and normal GOK leave benefits to the TransCentury contract technician working in the Economic Planning Division of the Ministry of Agriculture.

3. Upon completion of construction of additional government office space in Vihiga, the Government of Kenya will provide office space to the Florida A&M contract technicians working full time on the Vihiga SRDP project.

VI. Standard Provisions

See Annex B.

VII. Special Provisions

A. Section I(2) of the Standard Provisions is hereby modified to permit initial duty-free entry of personal or household goods and privately owned automobile to be brought into Kenya for the personal use of the U.S. contract technicians serving under this project and their families (not including such personal or household goods as may be sold by any such personnel while in Kenya) within three months from the initial arrival of each technician.

B. Clearance of duty-free goods as per the above paragraph will be the responsibility of the Government of Kenya and not the responsibility of any agency of the U.S. Government.

C. Each contract technician working full time under this project will be required to have a valid Government of Kenya work permit. The Ministry of the GOK in charge of the activity of this project in which a particular technician is working will be responsible for obtaining the work permit prior to the arrival of the technician in Kenya.

D. Evaluation

A joint Government of Kenya-AID evaluation of this project will be undertaken annually.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

1. Project/Activity No.
615-11-310-147
2. Agreement No.
147-1-201
3. Project/Activity Title

3. Original or
Revision No.

**PROAC
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**AN AGENCY OF THE GOVERNMENT OF
KENYA**

RURAL DEVELOPMENT - VIHIGA

SHEET A

E. Reimbursement Procedures

All claims prepared by the Government of Kenya for reimbursement by AID under provisions of the Project Agreement shall be presented to the Controller, USAID/Kenya, on U.S. Government Voucher Form SF-1034 (original) and SF-1034A (copies), or other acceptable form of U.S. Government voucher, as agreed, in three copies, properly executed.

Such claims for reimbursement shall include the following certification, signed by an authorized official of the Ministry of Finance & Planning:

"The undersigned hereby certifies:

"(a) that payment of the sum claimed on the voucher is proper under the terms of Project Agreement 147-1-207, and

"(b) that such detail supporting information as AID may require will be furnished by the Ministry of Finance promptly to AID upon request."

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

AID 1330-1 (8-65) PROAG STANDARD PROVISIONS ANNEX B	PROJECT AGREEMENT BETWEEN: AID AND	1. Project/Activity No. 615-11-810-147
	AN AGENCY OF THE GOVERNMENT OF	2. Agreement No. 147-1-207
	KENYA	3. <input checked="" type="checkbox"/> Original or Revision No. _____

A. As used herein, the term "AID" refers to the Agency for International Development, any component agency, or any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. (1) AID will make available the amounts specified in Block 8 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may be further described in Annex A, as required by Block 5 hereof. In addition, as may be further specified in Annex A, AID will, subject to the availability of funds and (where required by AID procedures) as provided for in Project Implementation Orders (PIOs) issued by AID in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project, (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

(2) The Cooperating Government Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Annex A. The Cooperating Government Agency will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Annex A, or as may subsequently be agreed upon by the two parties.

C. AID and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. AID shall not be required to make any contribution after the expiration of six months following the estimated final contribution date (Block 13 of the Project Agreement form AID 1330-1) or any amended final contribution date specified herein. Except as otherwise specified herein or subsequently agreed

by the parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before said estimated termination date, or amended date. A contribution of goods or services shall be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken, only pursuant to PIOs issued by AID in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities financed with the AID contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of AID Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 8(c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c).

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement shall, unless otherwise agreed by the party which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United

States Government employees, or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and AID, and shall be under the general direction of the Director of the Mission to the cooperating country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by AID pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this Project Agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating country, the Cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds, in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by AID and the Cooperating Agency; provided, that such portion of the funds in the Special Account as may be designated by AID shall be made available to AID to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds intro-

duced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

M. AID shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of AID and the Cooperating Agency, and submitted to AID and the Cooperating Agency. The Completion Report shall include a summary of the actual contributions by both AID and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. AID and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property shall remain in force after such termination.