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A.I.D. Project No. 615-0247  
Dollar Appropriation No.72-112/31014  
Budget Plan Code:GSS2-92-21615-KG13

PROJECT GRANT AGREEMENT

BETWEEN

THE REPUBLIC OF KENYA

AND

THE UNITED STATES OF AMERICA

FOR

CONSERVATION OF BIODIVERSE RESOURCE AREAS

DATED: April 14, 1992

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FOR  
CONSERVATION OF BIODIVERSE RESOURCE AREAS PROJECT

Dated: April 14, 1992

Between

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

and

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

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of various activities designed to increase the socio-economic benefits to communities living adjacent to Kenya's parks and reserves from conservation and sustainable management of wildlife and natural resources.

Annex 1, attached, together with the Illustrative Summary of Project Costs by Expense Category and Source of Funding, amplify the above definition of the Project. Elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.3, without formal amendment of this Agreement.

SECTION 2.2 Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments, up to a maximum of \$7,000,000 U.S. dollars, will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date (PACD) stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed One Million and Five Hundred United States ("U.S.") Dollars (\$1,500,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project will be not less than the equivalent of U.S. \$5,652,000,

including costs borne on an "in-kind" basis. This represents 44 percent of the total project funding anticipated over the life of the Project, subject to Section 2.2(a) above.

SECTION 3.3. Project Assistance Completion Date

(a) The PACD, which is September 30, 1996 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent

SECTION 4.1. Conditions Precedent to First Disbursement.

Except as A.I.D. may otherwise agree in writing, prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Grantee shall furnish or have furnished to A.I.D., in form and substance satisfactory to A.I.D., a written statement setting forth the names and titles of persons holding or acting in the Office of the Grantee and of any additional representatives, and representing that the named person or persons have the authority to act as the representative or representatives of the Grantee, together with a specimen signature of each such person certified as to its authenticity.

SECTION 4.2. Conditions Precedent to Disbursement of Co-Financing Support and Cost-Sharing NGO Grants.

Prior to disbursement of A.I.D. funds for co-financing support of revenue-sharing community development activities, or for cost-sharing grant financing of NGO community development activities, or to the issuance of commitment documentation with respect thereto, the Kenya Wildlife Service will furnish to A.I.D., in form and substance satisfactory to A.I.D.:

4.2.1. Evidence that an inventory of species present in the area has been conducted; and

4.2.2. Evidence that if such inventory shows that any threatened or endangered species or critical habitats are present that an environmental review of impacts consistent with the requirements of A.I.D. Regulation 16, Section 216.5 (endangered species) has been carried out to the satisfaction of A.I.D.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1 and 4.2 have been met, A.I.D. will promptly so notify the Grantee.

SECTION 4.4. Terminal Dates for Initial Condition Precedent.

(a) If all of the conditions specified in Section 4.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

ARTICLE 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. KWS Recurrent Costs. The Grantee agrees to gradually assume full responsibility over the Life of Project for payment of the recurrent salary costs of the five line positions within the Community Wildlife Service Headquarters Unit, i.e., Assistant Director, Training Coordinator, Community Organization Specialist, Wildlife Utilization Specialist, and Field Program Coordinator.

SECTION 5.3. Environmental Reviews. The Grantee agrees to assure that Grant funds to co-finance revenue-sharing community development activities or to finance cost-sharing grants for NGO community development efforts, will only be eligible for those activities which have undergone an environmental review in conformance with A.I.D. Regulation 16 and in accordance with the U.S. Foreign Assistance Act requirements. Based on the results of such reviews, all necessary modifications will be reflected in the implementation plans for subject activities and shared with A.I.D. for approval.

SECTION 5.4. Long-Term Training. The Grantee agrees to take such steps as A.I.D. may reasonably deem necessary to ensure that its employees sent on long-term training will be required to return to Kenya and resume employment with the Grantee in a position commensurate with such training.

#### ARTICLE 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Except as A.I.D. may otherwise agree in writing, disbursements pursuant to Section 7.1 will be used exclusively as follows:

(a) to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services (other than ocean and air transportation) their nationality in the countries included in A.I.D. Geographic Code 935 as in effect at the time orders are placed or contracts entered into for such goods or services. All reasonable efforts will be used to maximize U.S. procurement whenever practicable.

(b) to finance ocean transportation costs under the Grant only on vessels under flag registry of the countries included in A.I.D. Geographic Code 935 subject to the 50/50 shipping requirements under the Cargo Preference Act and the regulations promulgated thereunder.

(c) to finance air travel and transportation to and from the U.S. upon certified U.S. flag carriers.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Republic of Kenya ("Local Currency Costs").

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of the relevant conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agree upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services on Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of the relevant conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b) (2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Republic of Kenya by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of Kenya at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Kenya to any person for any purpose.

ARTICLE 8.1. Miscellaneous

SECTION 8.1 Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address: Permanent Secretary  
Office of the Vice President  
and Ministry of Finance  
P.O. Box 30007  
Nairobi

Alternate address for cables: Finance, Nairobi, Kenya

To A.I.D.:

Mail Address: Director  
USAID Mission to Kenya  
P.O. Box 30261  
Nairobi

Alternate address for cables: USAID/Kenya, Amembassy, Nairobi

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

SECTION 8.3. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of the Permanent Secretary, Office of the Vice President and Ministry of Finance, and A.I.D. will be represented by the individual holding or acting in the Office of the Director, USAID Mission to Kenya, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.4. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

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

UNITED STATES OF AMERICA  
BY: [Signature]  
NAME: John R. Westley  
TITLE: Director, USAID/Kenya

REPUBLIC OF KENYA  
BY: [Signature]  
NAME: Prof. George Saitoti  
TITLE: Vice President  
Office of the Vice President  
and Ministry of Finance

UNITED STATES OF AMERICA  
BY: [Signature]  
NAME: Smith Hempstone  
TITLE: Ambassador

- Attachments: Annex 1: Amplified Project Description  
Illustrative Summary of Project Costs by Expense  
Category and Source of Funding.
- Annex 2: Project Grant Standard Provisions

AMPLIFIED PROJECT DESCRIPTION

I. GENERAL PROJECT DESCRIPTION

The Conservation of Biodiverse Resource Areas (COBRA) Project is an integral part of the GOK Kenya Wildlife Service's Policy Framework and Investment Program (1991-1996). The purpose of the Project is to increase socio-economic benefits to communities living adjacent to Kenya's parks and reserves from sustainable conservation and management of wildlife and natural resources. Specifically, successful implementation of the Project will result in:

- target community and landowner income and employment increases; and
- distribution of no less than \$4.7 million in KWS revenue-sharing in four geographic areas where communities derive socio-economic benefits.

The Project has been designed in the context of a World Bank-led multi-donor investment program for KWS totalling \$140 million. The COBRA Project will cover a period until September 30, 1996 during which time KWS will be expected to firmly establish its partnership efforts with communities (i.e., the Community Wildlife Program).

The Project will finance the following elements:

A. KWS Management Support

During the proposed life of project (LOP), USAID financing will assist KWS to establish a functioning Community Wildlife Service (CWS) Unit with qualified and capable staff at headquarters and in the field to carry out, coordinate, supervise and monitor the community wildlife program (CWP). Recurrent cost salary support will be financed by A.I.D. on a declining basis for positions established as permanent positions at KWS within the CWS Headquarters Unit. These positions are: Assistant Director, Training Coordinator, Community Organization Specialist, Wildlife Utilization Specialist, and Field Program Coordinator. The CWS Headquarter's Unit is responsible for coordinating, implementing and monitoring the CWP. In addition, an A.I.D. technical assistance (TA) contract will provide specialized consultant expertise to the Unit. A.I.D. assistance is expected to result in:

- o An established capacity within the CWS HQ Unit to identify, formulate, and integrate policy issues and concerns into the annual plans and activities of the CWP.
- o An established internal management information system that communicates priorities, strategies, operational guidelines and procedures in a timely fashion from the HQ Unit to the field.
- o A CWS HQ Unit that is able to effectively program and budget the resources made available in support of HQ and field operations.
- o An established capacity to ensure that planning reflects both agency policy and the needs, conditions and perceptions of field personnel.

B. Human Resource Development

Along with the key management staff to be recruited for the CWS Unit, A.I.D. financing will support orientation/training in KWS' new approach to working with communities on wildlife-related issues and developing partnerships with people in developing wildlife management systems. The training will be designed to create a cadre of well-trained personnel to staff and implement the CWS program with an emphasis on community development, including gender awareness extension approaches, leadership training, problem animal control, conflict resolution, basic business management and specialized technical needs.

The bulk of the training will be of relatively short duration, of an in-service nature and in-country. Existing facilities such as the Naivasha Training Institute, Egerton and Moi Universities and NGOs and/or private firms that offer particular experience or expertise relevant to KWS' needs will be used. Limited opportunities for longer-term, advanced academic training at U.S. and third country institutions will also be supported. Any formal degree training that involves field research will assure that such research is carried out in Kenya. The COBRA Project will also support study tours, internships and in-house retreats for program assessments and forward planning.

The COBRA Project will support the establishment of a capability within the CWS Unit to develop training plans and related curriculum, and to identify participants and appropriate training programs and institutions. In the short-term the CWS will need to supplement its capacity with

outside assistance, by using external trainers and courses. It is expected that COBRA-supported technical assistance personnel (long-and short-term) will provide valuable on-the-job guidance and training to CWS Unit staff.

The KWS Training Coordinator will develop the initial detailed training plan. Adjustments to this plan are likely based on the results of the baseline surveys and further assessments of trainees' needs. Some short-term consultant expertise is anticipated. Once the CWS HQ Unit Training Coordinator comes on onboard, the Year One Plan will be refined in collaboration with KWS' Training Coordinator. In future years, the CWS Unit Training Coordinator will take the lead in developing the annual CWP training plan which will be reviewed for A.I.D. concurrence and will be followed by a Project Implementation Letter (PIL) to commit funds for that year. Within the first three months following GOK signature of the COBRA Project Agreement, KWS will develop the draft annual training plan for the CWP.

Training conducted in Kenya will be implemented directly by KWS (the CWS Unit). Outside of Kenya, training will be arranged for and financed under the technical assistance contract in support of KWS.

A.I.D. assistance is expected to result in:

- o Over 500 KWS staff oriented to the CWS strategy and philosophy.
- o By year three of the Project, 36 well-trained Wildlife Extension Officers and 29 Community Wildlife Wardens effectively implementing the CWP in the field.
- o An established capacity within the CWS HQ Unit to define and address training requirements for the CWP.

C. Community and Enterprise Development Fund

Over the Project life, A.I.D. will finance a Community and Enterprise Development (CED) Fund, which will be administered by the CWS Unit under the policy direction of a Steering Committee and in consultation with USAID.

The CWS Unit will be assisted to administer a Community and Enterprise Development (CED) Fund to support technical assistance for communities in organizing to access revenue sharing, in developing wildlife-related enterprise proposals, and in developing community development efforts to be financed

by revenue sharing. Direct support from KWS for NGOs in wildlife management, training and community development activities will be provided. Assistance will be provided to KWS in designing and implementing mechanisms for sharing revenue from gate receipts directly with communities.

As in the case of COBRA Project-financed training, somewhat greater emphasis and investment of CED Fund resources will be directed to the geographic priority areas of Amboseli, Tsavo West, Laikipia/Meru, Nairobi and Machakos, particularly during the first 2-3 years of the Project. The mechanisms for providing the above support to communities under the CED Fund require a certain degree of flexibility and will be refined by the CWS Headquarters unit in cooperation with the field extension officers, and in consultation with A.I.D.

CWS field extension officers, with support from the HQ's Community Organization and T.A. contractor's Enterprise Development Specialist, will play a proactive role in defining and presenting community requirements or interests related to the CED Fund. In Year One, CWS extension officers assigned to the priority areas noted above will undertake baseline surveys utilizing a participatory rural appraisal approach with support from the HQ unit, and as appropriate short-term technical specialists.

The first two area surveys to be completed within six to nine months of COBRA Project initiation will form, among other things, the initial basis for identifying potential community requirements over the next one-two years for CED funding. Participatory methods should then continue through implementation, monitoring and evaluation, to ensure that the communities involved are an integral part to the activities, defining/redefining their direction, deriving benefits and owning the results.

Over the COBRA Project life, KWS estimates it will share approximately US \$8.3 million in receipt revenues with communities. Of that amount, about US \$4.7 million will be shared in the Amboseli, Tsavo West and Nairobi areas. CED funding can be used to co-finance selected revenue-sharing community development activities. However, the percentage of funding for these activities will not be expected to exceed 20% of the total amount available in the Fund over the LOP. This principle will help to obviate any community perception of outside donor support, avoid the use of the Fund to cover shortfalls in KWS' revenue-sharing commitments, and ensure that the COBRA Project maintains its appropriate role as a facilitator to KWS in community conservation and in establishing the direct link of benefits (revenue-sharing or otherwise) between wildlife and communities. It will provide

technical assistance to help communities develop wildlife-related enterprise proposals for commercial loan financing and to assist community wildlife enterprises, including wildlife users/operators assistance in administration and effective management.

Based on the extension work and baseline survey findings, the HQ Unit will determine the nature, extent and financing requirements for CED fund assistance in consultation with the extension officers. The in-country technical assistance to be financed under the CED Fund will be administered by CWS under contract arrangement with NGOs firms and individuals. Technical assistance requiring international expertise will be administered under the A.I.D. technical assistance contract.

In the case of cost-sharing grants to NGOs, financing will be provided consistent with U.S.G. regulations under direct arrangements between KWS and Kenyan NGOs. Direct A.I.D. grants may be considered in cases where U.S. or International NGOs are involved.

A.I.D. financing for CED Fund activities is expected to result in:

- o Organization and implementation of administrative models for revenue-sharing in at least 4 geographic areas where communities are benefiting.
- o Distributing of no less than US \$2 million in KWS revenue-sharing in 4 geographic areas.
- o Establishment and implementation of at least 4 wildlife management units/plans that incorporate community roles/concerns.
- o Enhanced local community expertise in wildlife management and utilization methods being employed in up to 4 locations.
- o Establishment of approximately 2 wildlife users/operators associations.
- o Establishment of at least 24 community development projects and/or enterprises.

NOTE: World Bank resources contributed to the CED will not necessarily be subject to the 20% limitation for community development activities as are AID funds.

#### D. Studies, Research and Policy Analysis

To assist KWS to further define key policy issues in wildlife-related management and utilization, A.I.D. will finance research and studies. Such studies may also form the

basis of an agenda for a possible USAID policy-based, non-project assistance activity in the future. At least initially, and absent the benefit of clear details emanating from community extension work, the areas that represent an illustrative agenda for studies, research and policy related efforts to be financed under the COBRA Project include:

- . Wildlife Utilization Rights;
- . Community and Tourism Initiatives;
- . Revenue-Sharing Mechanisms; and
- . Land-Use Planning.

The agenda and areas of inquiring for studies to be financed by A.I.D. will be developed annually by KWS (CWS HQ Unit) in cooperation with the T.A. contractor and A.I.D. technical assistance will be provided to KWS through the contracting of local, U.S. or third country specialist consultants. A.I.D. support for this element is expected to result in:

- o Land use management plans in COBRA project target areas reflect results of community assessments defining socio-economic and legal systems or concerns.
- o CWS Unit develops draft strategy/plan for collaboration with private sector on CWP initiatives.
- o CWS Unit documents models for revenue sharing and operational guidelines.
- o Preparation and presentation of "white paper" or similar options paper defining additional reforms/changes needed to effectively regulate and promote utilization.

E. Other Support

A.I.D. financing will also provide modest levels of commodity assistance, e.g., vehicles, motorbikes, micro-computers and software, to help support the CWS Headquarter's and field units' capacity to coordinate, implement and monitor the COBRA Project and CWP.

The Project provides funds for two evaluations: one at mid-term and one at Project completion (year 5). Funds for two non-federal audits are also included in the A.I.D. budget.

F. GOK Contribution

The GOK contribution to the Project is valued at U.S. \$5.6 million (44% of the planned Life of Project Funding) which mainly consists of the amount of revenue to be shared by KWS with different communities within the priority areas identified for the Project. In addition, the GOK will finance salary and benefits for the five line position at KWS Headquarters on an increasing basis (starting at 20% in year 2 and increasing to 80% in year 5). Further, GOK (KWS) contributions include in-kind contributions for office space and costs attributed to the time spent by various GOK personnel in project monitoring and administration.

II. RESPONSIBILITIES OF THE PARTICIPANTS

A. GOK/A.I.D.

KWS will be the key implementing agency for the COBRA Project. It will have the principal responsibility for planning, administering, implementing and monitoring the Project. As a parastatal, KWS operates under the authority of the Ministry of Tourism and Wildlife. The Ministry is expected to have a role in the development and/or approval of policies, programs and activities to be undertaken by KWS. Currently, KWS' Board of Trustees includes representation from the Ministry of Tourism and Wildlife.

A key portion of support under the COBRA Project is directed towards establishing and operationalizing the CWS Headquarters Unit. The capacity to manage the CWS will be developed through the recruitment of five line positions in the CWS HQ and the long-term TA contractor. This Unit will also be supported in the varied aspects of project management, e.g., accounting, procurement, training, information systems, and personnel administration, by the existing line offices/units of the KWS organizational structure. The effective operation of the COBRA Project is heavily dependent on support (administrative and technical) from these other Units. It has therefore been concluded that the institutional responsibility for the Project should reside primarily within KWS for management and administration.

KWS will recruit the five specialists to staff the CWS Headquarters Unit. A.I.D. has already reviewed and approved the specific job descriptions. KWS will forward the CVs of preferred candidates to USAID for concurrence prior to final KWS approval of the candidate.

These individuals, serving as the core team for COBRA Project implementation, will be expected to take the lead in

establishing and defining the support requirements to be provided by other Units within KWS. The Assistant Director will be directly responsible for coordinating, supervising and monitoring the CWP and COBRA Project activities. Essential to her/his function will be the preparation and submission of quarterly, semi-annual and annual reports required by USAID per the Project management. Assistance in preparing these reports will be provided by the Chief of Party (TA contractor). This Unit will also be expected to ensure that the progress or problems encountered in CWP and COBRA Project implementation are shared with KWS senior management and A.I.D.

The CWS HQ Unit, with support from KWS' Procurement and Financial Units, will be responsible for developing the specifications for items to be procured. Procurement plans will require the approval of the USAID Project Manager. Assistance will also be provided by the A.I.D.'s Project Manager, REDSO/ESA, Commodity Officer, and the Chief of Party. The bulk of commodity and operating costs for the CWS Unit and field operations will be financed by the World Bank PAWS project.

Regarding training, a plan for the CWP FY 1992 program has been developed, but will be refined during first six months of the Project by the KWS Training Coordinator. A.I.D. and Chief of Party concurrence in annual training plans will be required before implementation. Ad hoc training outside the plan during FY 1992 may be funded to meet specific needs. The training plan will contain the course title, syllabus of the course, where it is to be held, who or what organization is expected to do the teaching, the basis of selection of the teacher and the priority of the course. The CWS HQ Unit will be expected to manage the human resource development activities financed under the COBRA Project. Assistance from the Chief of Party will also be provided. Regarding training to be conducted in Kenya, USAID will reimburse KWS for travel and transportation costs, plus per diem and/or other normal benefits provided to trainees by KWS in conformance with U.S.G. regulations. Contracts to secure individual teachers and/or organizations to perform the work will be handled by KWS as provided in AID Handbook 11, Chapter 1, with procedures will be detailed in Project Implementation Letter Number One. If the teachers are KWS employees per diem payments will be allowed as for trainees. Only pre-approved rental costs of facilities used for training will be reimbursed, should such be required due to possible delays in World Bank-financed rehabilitation of the Naivasha Training Institute.

CWS has a number of relatively easy to describe but difficult tasks that require careful research and short-term technical consultants, including the review of legislation and

regulations particularly related to consumptive utilization of wildlife and land use preliminary survey of wildlife Management Unit areas. A number of these analytical requirements are expected to be met by Kenyans or individuals from neighboring countries. Scopes of work will be defined by CWS and concurred to by USAID. Individuals would be selected using the Handbook 11 procedures.

Because the activities to be financed under the CED Fund will be further detailed on the basis of baseline surveys and field extension results, the procedures or financing mechanisms will be refined by the CWS Headquarters Unit in consultation with USAID/Kenya during Year One of the Project. It is expected that technical assistance procured locally under the CED Fund will be administered by the CWS HQ Unit under contract arrangements with NGOs and individuals. The CWS HQ Unit will be expected to establish an eligibility roster of organizations and individuals with expertise in such areas as marketing legislative and legal research, and wildlife utilization. It is expected that the CWS HQ Unit team with support from the long-term TA contractor will be able to effectively administer and monitor the CED Fund activities. Where contracting is called for, it will be executed in accordance with the A.I.D. Handbook 11 requirements.

In the case of grants to NGOs, it is expected that financing will be provided consistent with U.S.G. regulations (A.I.D. Handbook 13) under direct arrangements for Kenyan NGOs between KWS and the grantees. In the instances where the grantee would be a U.S. NGO and foreign exchange is a requirement of the budget, then direct grants from USAID will be considered. A.I.D.'s approval of all grants will be required.

The CWS HQ Unit will be expected to provide A.I.D. with copies of all reports, studies and assessments financed under the CED Fund. It will also closely track the use of resources under the Fund to ensure that activities being financed are appropriate, and that funds are properly utilized and accounted for. Special assistance will be provided to the HQ Unit by the USAID to ensure that KWS is familiar with all applicable A.I.D. and GOK rules and regulations.

A Project-financed Personal Services Contractor (PSC) to serve as Project Manager over the five year Project period will be recruited by A.I.D. to provide implementation oversight and coordination for the technical assistance support to be financed under the Project. The PSC is expected to be a Kenyan with experience in managing government or donor-financed development assistance activities.

The long-term TA Contractor will assist the CWS Unit in implementation. While A.I.D. will directly contract for this procurement, KWS will participate and approve selection of the implementing organization and the two long-term advisors to be hired under the contract, i.e., the Chief of Party (5 years) and the Enterprise Development Specialist (2 years) to be based at the CWS HQ Unit.

The TA contract will include financing of a portion of the Project budget for short-term technical assistance that is expected to be used for specialized needs of the CWS Unit, requiring international expertise, and for financing of short-term international expertise to be used under the CEDF. Financing for one vehicle will also be part of the TA contract budget. It is expected that approximately fifty (50) percent of the Project budget for short-term TA will be Kenyan consultants while the CWS Unit will directly contract for these service, the Chief of Party's approval will be required on scopes of work and candidates selected.

The long-term TA contractor with support from the PSC will also be expected to assist the CWS Unit and KWS Financial Department in administering and managing the grant agreement and financing arrangements defined therein, including grant support to NGOs, contracts with institutions and individuals, and procurement of required supplies and equipment. While the TA contractor budget will include funds for external training programs but not local training efforts, the Chief of Party will be expected to assist the CWS Unit, particularly the CWS Training Coordinator in the development of annual training plans and in defining training requirements.

USAID plans to meet monthly or more frequently if required with the long-term TA contractor and KWS counterparts to discuss problems and progress in the Project. Monthly or more frequent meetings/visits with the CWS Unit to include the Agriculture Office's Monitoring and Evaluation Officer and the COBRA Project PSC, would also be arranged.

The Chief of Party is expected to play a major role in the day-to-day operations of CWP implementation under the COBRA Project. It is intended that this individual, along with the Enterprise Development Specialist, be housed within the CWS HQ Unit to maximize their participation as members of the CWS Unit team.

It is anticipated that on a semi-annual basis the USAID technical officer responsible for the Project, the USAID Project Manager, the Assistant Director CWS Unit, and the Chief of Party will meet to review the status of the Project. On an annual basis, it is expected that this same group will meet

with the Senior Deputy Director for Wildlife Services and the KWS Strategic Policy Advisor in advance of the annual World Bank-coordinated donor meetings to review the progress of the CWP. Such sessions may include the participation of other donors who are financing related aspects or elements of the CWP, thereby obviating duplication and promoting coordinated reporting of progress results and constraints.

### III. ILLUSTRATIVE FINANCIAL PLAN

The Illustrative Summary of Project Costs by Expense Category and Source of Funding ("Illustrative Financial Plan") attached hereto is illustrative and changes of not more than 15% of any line item may be made to the plan by representatives of the parties named in the text of the Agreement without formal amendment to the Agreement if such changes do not cause (1) A.I.D.'s contribution to exceed the amount specified in the text of the Agreement, (2) the Grantee contribution to be less than the amount specified in the text of the Agreement, or (3) a reduction in the amounts allocated to Technical Assistance or Evaluation and Audit. Additionally, future A.I.D. obligations are subject to the availability of funds and mutual agreement of the parties to proceed.

### IV. EVALUATION

The COBRA Project is a complex and multi-faceted project which involves numerous components and actors. In addition, it is a community-based project actively including client communities in the identification, design, implementation and evaluation of various project activities. As such, the process of monitoring and evaluating project inputs, outputs and impacts will need to be flexible and adaptive.

There is a close relationship between the very specific and clearly defined monitoring functions required to meet A.I.D. impact monitoring and contribute to project success, and the overall effort to strengthen the CWS' ability to conduct a monitoring, information and evaluation program. Specific project monitoring functions will necessarily be put in place soon after the Project begins and carried out systematically throughout the project period. The training and technical assistance program will be conducted in such a manner as to capitalize fully on the demonstration and teaching value of the project monitoring activities and therein greatly strengthen CWS' capability.

In order to successfully realize both of these objectives, it will be essential that during the initial period of project implementation the TA contractor and USAID/Kenya provide (through short-term TA) substantial support to the monitoring

and evaluation effort. Beginning in the second year and no later than 18 months into the TA-supported phase of the project, the CWS and contractor personnel will initiate monitoring and evaluation sessions to bring together relevant staff and appropriate external expertise to examine systems in place, relevance of such efforts and future needs.

The monitoring and evaluation team will consist of a mix of individuals from KWS/CWS, the technical assistance team (both long-and short-term) and USAID/Kenya staff. Over time the KWS/CWS staff will take primary responsibility, but in the initial stages considerable input will be provided by technical assistance staff and USAID personnel.

Due to the participatory nature of identifying project sub-activities (i.e., target community involvement in the assessment of needs and subsequent activity design), indicators specific to these sub-activities will be defined as the project sub-activities are designed. In the process of gathering baseline information/data certain essential material will be collected which relates specifically to A.I.D.'s special requirements in impact reporting on women. Data/information on the following areas will be gathered and used as a basis for monitoring women in development activities:

- 1) Sex-disaggregated data in all references to participants and beneficiaries;
- 2) Constraints to women's participation in project activities;
- 3) Strategies to overcome these constraints or to make use of these opportunities; and
- 4) Opportunities for enhancing women's participation.

Project components will be monitored on a continuous basis by the CWS Unit with assistance from the TA contractor. Information will be collected and reviewed on a quarterly, semi-annual or annual basis dependent on the indicators and related Project objectives. In general, input indicators will be reviewed on a quarterly basis, output indicators on a semi-annual basis and impact indicators on an annual basis.

Evaluation of the Project will follow standard A.I.D. procedures, conducted in complete collaboration with KWS. The evaluation plan consists of two principal external evaluations: a mid-term evaluation, to be completed near the 24th month of implementation, and a final evaluation to be completed at the conclusion of the Project. The framework for the evaluations and the primary issue areas to be addressed will be jointly determined by KWS and USAID preceding the initiation of the evaluation field work.

ILLUSTRATIVE SUMMARY OF PROJECT COSTS BY EXPENSE CATEGORY  
AND SOURCE OF FUNDING<sup>1/</sup>  
(In 000's)

<u>EXPENSE CATEGORY</u>	<u>This Obligation</u>		<u>Life of Project Funding</u>	
	<u>A.I.D.</u> (in \$)	<u>GOK</u> (in L/C)	<u>A.I.D.</u> <sup>2/</sup> (in \$)	<u>GOK</u> <sup>3/</sup> (in L/C)
Technical Assistance	600	3	2,590	283
Revenue Sharing/Co-fi	100	285	725	4,805
Training	300	0	1,247	0
Equipment & Supplies	200	10	578	50
Other Direct Costs	200	0	404	0
Evaluation & Audit	0	0	300	0
Overhead Costs	100	0	572	0
Inflation & Contingency	<u>0</u>	<u>30</u>	<u>584</u>	<u>514</u>
Grand Total	<u>1,500</u>	<u>328</u>	<u>7,000</u>	<u>5,652</u>

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- 1/ Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15% per line item, provided, however, that (i) the total obligated amount as shown in the budget is not exceeded, (ii) the Grantee's contribution is not reduced, and (iii) amounts allocated to Evaluation and Audit, and to Technical Assistance, are not reduced.
  
  - 2/ Subject to the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the parties to proceed at the time of each subsequent increment.
  
  - 3/ Subject, on a proportional basis, to the provision by A.I.D. of LOP grant amount set forth herein.

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