
COUNTERPART INTERNATIONAL

NGO EXPAND FOR TAJIKISTAN

QUARTERLY REPORT

December 16, 1999 – March 16, 2000

Submitted to USAID/CAR

COUNTERPART International, Inc.

**1200 18th St., NW, Ste. 1100
Washington, D.C. 20036
Tel: 202-296-9676
Fax: 202-296-9679**

**100 Shevchenko St.
Almaty, Kazakhstan
Tel: 7-3272-62-50-09
Fax: 7-3272-60-86-06**

A. PROJECT PURPOSE

Under USAID Strategic Objective 2.1, the purpose of the project is to **expand the capacity of Tajikistan NGO's to deliver services that reduce human suffering.**

B. PROJECT IMPACTS

N/A

C. ACTIVITY OVERVIEW

OBJECTIVE #1: Provide training and technical assistance to Tajik NGOs to build their capacity to deliver services that reduce human suffering.

Counterpart Consortium staff met with 30 NGOs from the previously drafted list of NGOs that provide social services. As a result of the interviews and consultations the list of target NGOs was finalized. It consists of 22 NGOs that meet the criteria for selection. A complete list can be found in Attachment 1.

TTAPs were conducted with the following five target organizations:

- "Biosphere"- works with disabled people
- "Odamiyat"- works with the elderly
- "Nilufar" - focuses on rural/agricultural issues
- "Parastor" - focuses on rural issues
- "Medservice"- works with the disabled/indigent and elderly

As a result of the workshops, plans for training and technical assistance for each NGO were developed. These were 1st Stage TTAPs, during which Counterpart met with each NGO, explained the purpose and help them do initial diagnostics in collaboration with their staff and membership. CHAP staff also participated in these first stage TTAPs.

A second stage TTAP will be implemented later. This involves conducting training for needs identified in diagnosis, reviewing the NGO's work on other items identified, reviewing with the NGO progress they have made and establishing follow-up activities.

Meetings with other target NGOs were held to identify their interest for training and technical assistance, as well as their interest and capacity for humanitarian assistance distribution.

From the list of 22 eligible NGOs, six were selected by CHAP for priority attention based on their constituencies and geographic distribution. Two of them: CHAP has selected "Avesto" and "Fidokor" as partners for the Dushanbe and Kurgan-teppa areas, respectively. The others are under review.

Information about these shipments will be submitted to the Almaty Regional CHAP office by CHAP staff in Tajikistan to be entered into the Washington D.C.-based CHAP database. This will include such information as: the consignee, other recipients, number of beneficiaries, value of the shipment, date of arrival, date of customs clearance, inventory, discrepancy reports, dates of distribution, and in-kind contributions by local partners.

Contract Trainers and Counterpart staff participated in the final validation of the new "Governance" training module. This is a high level training that will help already established NGOs improve their governance structures and practices.

OBJECTIVE #2: Foster the development of sector – specific coalitions and partnerships between targeted Tajik NGOs and with U.S. and other foreign donors.

In accordance with program goals, Counterpart Consortium identified its Association Building training module for further development and adaptation for assisting coalitions as well as for helping professional groups form.

Counterpart has identified strong potential for the formation of coalition among some of the vulnerable groups identified for further follow-up, including:

- “Women Against Violence”
- “Youth Issues”
- “Assistance to the Vulnerable (elderly & disabled)”

Grant guidelines have been adjusted to include a special focus on development of coalitions. (See Attachment #2.)

OBJECTIVE #3: Assist Tajik NGOs in accessing the necessary resources to deliver services and commodities that reduce human suffering.

As indicated above, Grant Guidelines for the NGO Expand Program have been developed and are included as Attachment 2 of this report. The Grant Guidelines will be sent with an official letter from Counterpart and the Project Description to the 30 social service NGOs identified—22 from the list of selected NGOs and an additional 8. A timetable will be set for receiving and reviewing grant proposals from NGOs.

After an initial slow start, the CHAP program has been very active during the quarter and is now well ahead of schedule for all planned activities. Local-hire Program Officer Oisha Gafurova and Program Assistant Bakhtiyor Bahodurov were hired during the quarter. Expatriate Program Officer Jimmy Wong was hired April 1. As of the date of preparation of this report in early April, all three staff have undergone a week of on-the-job training at the CHAP regional headquarters in Almaty, Kazakhstan. Mr. Bahodurov has also undergone several days of on-the-job training in the Bishkek office.

Three shipments are currently in transit. The first of these is expected to arrive in Tajikistan in late May. These will have a total value of at least \$350,000. The first shipment (clothing and medical supplies) is going to Avesto in Dushanbe. The second shipment (winter clothing) is being sent to the Union of Afghan War Veterans in Khojand. The third shipment (humanitarian daily rations—HDRs) is also going to Avesto in Dushanbe.

Prior to receipt of these shipments, CHAP will execute a Memorandum of Agreement with each local NGO. After shipments are received and inventories, the NGO will sign a Commodity Delivery Agreement. Samples of these documents are included as Attachments #3 and #4.

OBJECTIVE #4: Facilitate constructive interaction between NGOs and all levels of government to deliver sustainable services that reduce human suffering.

Target NGOs “Avesto” has identified the Health Department of Dushanbe City as its government partner.

The NGO “Fidokor” will be working in partnership with the Ministry of Labor to improve services for refugee/IDP returnees and reintegration issues in Khatlon Oblast.

D. NGO TARGET OVERVIEW

A complete list of target NGOs can be found in Attachment 1.

E. COORDINATION AND COOPERATION

Counterpart continued conducting meetings with other humanitarian assistance organizations to assess the possibilities for co-programming, including: CARE international, Mercy Corps, FOCUS, Global Partners and UNDP. TASIF was identified as a potential partner for cooperation to complement efforts in supplying essential services to vulnerable women and children in Dushanbe, through TASIF's Micro-Projects to be used to improve facilities for Family Health Clinics.

During the quarter, CHAP Regional Director James Gershin visited Tajikistan. He met with government officials, the Counterpart Consortium local lawyer, and various international NGOs. Initial steps were taken toward concluding a Country Program Agreement for Counterpart with the Government of Tajikistan. We hope to execute the agreement during the next quarter.

F. LEVERAGING

N/A

G. PROBLEMS AND ISSUES

This quarter we were not able to accomplish some of the activities that we had planned for this period as most government structures were suspended because of the Parliamentary Elections. These affected most of January, all February and the first half of March.

Attachments:

1. List of Target NGOs
2. NGO Expand Workplan: March 15, 2000 – September 15, 2000
3. NGO Expand Performance Plan: September 15, 1999 – April 30, 2001
4. NGO Expand Grant Guidelines
5. Sample Commodity Delivery Agreement with CHAP
6. Sample Memorandum of Agreement with CHAP

ATTACHMENT #1: List of Target NGOs

1. List of Targeted NGOs

	Name of the NGO	Sector	Area of Activity
1	NGO Renewal	Children/Youth Disabled/Indigent Elderly	Gorno-Badakhshan
2	Volunteer Association	Children/Youth	Gorno-Badakhshan
3	NGO "Umed"	Children/Youth Disabled	Khatlon
4	"Avicenna" International Center for Rehabilitation	Children/Disabled	Chkalovsk City Leninabad Oblast
5	"Avesto" Charity Foundation	Disabled/Indigent Elderly	Dushanbe
6	NGO "Madina"	Women	Khorog Gorno-Badakhshan
7	"Chashma" Women Center	Rural/Agricultural	Shahrityus Khatlon
8	Union of Women Entrepreneurs	Women, Disabled/Indigent Elderly	Khojand
9	NGO "Parastor"	Rural	Dushanbe Khatlon
10	NGO "Biosphere"	Disabled/Indigent Elderly	Tajikistan
11	Medservice	Disabled/Indigent Elderly	Tajikistan
12	Charity Foundation of Assistance to Medical Establishments	Disabled/Indigent Elderly	Tajikistan
13	"Odamiyat" Association	Disabled/Indigent Elderly	Tajikistan
14	NGO "Fidokor"	Returnees	Tajikistan
15	NGO "Murod"	Returnees	Khatlon
16	NGO "Adabsaro"	Children/Youth	Dushanbe
17	NGO "Umed"	Returnees	Dushanbe
18	Union of Afghan War Veterans	Disabled	Leninabad Oblast
19	Association "Women for Progress"	Women	Leninabad Oblast
20	NGO "Nilufar"	Rural Areas/ Agriculture	Varzob District
21	Dushanbe Society of Blinds	Disabled	Dushanbe
22	Invalid Society of Chkalovsk	Disabled/Indigent Elderly	Chkalovsk City Leninabad Oblast

**ATTACHMENT #2: NGO Expand Workplan
March 15, 2000 – September 15, 2000**

Ob	Tasks & Activities	March 00	Apr 00	May 00'	June 00	July 00	Aug 00	Sept 00
1	Training at least 15 NGOs in component Skills							
1	Conduct training workshops for 5 Humanitarian Assistance Distribution NGOs							
1	Conduct 1-st Stage TTAP with all selected NGOs							
1	Conduct 2-d Stage TTAP with all selected NGOs							
2	Provide technical assistance in support of Coalitions							
2	At least 4 coalition grants are approved							
3	All grants awarded							
3	Data system to track progress, including #s of beneficiaries and NGO performance is set up							
3	Further finalizing Data Base and track Progress system							
4	Train selected NGOs on Social Partnership							
4	Train Government officials on Social Partnership							
4	NGOs are delivering social services in coordination with Government							

ATTACHMENT #3: NGO Expand Performance Plan
September 15, 1999 – April 30, 2001

<u>Obj</u>	<u>Indicator</u>	Mar 00 Planned	Mar 00 Actual	Sept 00 Planned	Sept 00 Actual	Apr 01 Planned	Apr 01 Actual
1	Approximately 15 Tajik Social Service NGOs have demonstrated capacity in governance, financial management, fundraising, planning, specified social service delivery, and government relations (RI 1.1)			10 NGOs ; 3 areas		15 NGOs; all listed areas	
1	Approximately 5 Tajik Social Service NGOs have demonstrated capacity in delivery of humanitarian assistance (RI 1.2)			2 NGOs		5 NGOs	
2	Sector specific coalitions formed in at least 3 of the following 5 areas: agriculture, returnees, children/youth, disabled/indigent elderly, women (RI 2.1)	1 coalition formed	1 coalition formed	2 coalition formed		3 coalition formed	
2	4 partnerships formed (RI 2.2)	1 partner ship formed		2 partner ships formed		4 partner ships formed	
3	Targeted NGOs deliver services that benefit 25,000 citizens of Tajikistan (RI 3.1)			10,000 citizens benefit		25,000 citizens benefit	
3	5 targeted NGOs receive support from other local or international donors (RI 3.2)	1 NGO		3 NGOs		5 NGOs	
4	8 targeted NGOs are delivering social services in coordination with government (RI 4.1)			2 NGOs		5 NGOs	
4	12 government counterparts of targeted NGOs have attended social partnership training (RI 4.2)	1 attends training		6 attend training		12 attend training	

ATTACHMENT 4: Grant Program Guidelines

The overall purpose of the grant program is two-fold. First, it will give selected NGOs the resources they require in order to deliver specific services to their respective targeted populations. Second, it will strengthen their capacities to be more effective service providers on a more sustainable basis in the future.

As a part of each grant proposal, the NGO will develop a plan for gathering baseline data on their proposed beneficiary population and a strategy for monitoring programs and assessing impact afterwards. The grant program will complement and reinforce skills developed in training and technical assistance.

This set of Guidelines is incorporated into the Counterpart Grants Management Manual and will be administered in the same manner approved by USAID for the NGO Support Initiative.

Each of the targeted organizations will receive one or more grants from Counterpart, except in cases where they have already received adequate resources from other sources. However, grants will not be automatic. Each organization must develop and submit a viable proposal, meeting the NGO EXPAND Program Grant Selection Criteria (see below). Counterpart program staff will work closely with the selected NGOs in order to help them develop and refine their service programs.

Grants will generally be for 12 months and will typically be about \$10,000. In general, all grants will be awarded by June 15, 2000 to ensure adequate time for program implementation and monitoring.

NGOs may participate and receive Coalition Grants specifically to support NGOs working together on joint projects with other local NGOs. Coalition Grants are a unique and cost-effective vehicle for helping local NGOs develop cooperative and collaborative relationships with their peers – a key factor in NGO maturity and sustainability. Coalition Grant funds will be managed by the coalition-designated lead NGO. Portions of the budget may be used to support coalition member training, consultants and other direct project costs. Coalition grants may also cover costs related to the establishment of an association.

Proposals will be solicited from selected social service NGOs, who will be invited to vet their project ideas and plans with Counterpart Program Staff in advance of proposal preparation. Proposals will be reviewed and approved in a two-step process. The first step is an in-country screening, where feedback is provided to the submitting NGO. The second stage is a final in-country review board at which Counterpart's Tajikistan program staff and a Counterpart Regional staff member will meet and select those proposals that best meet the criteria. The USAID Tajikistan Representative will also be invited to the second stage in-country review sessions.

Once an NGO is awarded a grant—or anytime there are significant modifications in its programs—the NGO's TTAP will be reviewed to identify additional areas where skills may need to be strengthened. In addition to regular monitoring of grant implementation, grantees are encouraged to view the Counterpart Program staff as a resource for advice and moral support at any time they need it. Thus, the training and technical assistance program for each organization will be individually tailored and flexible, based on needs that arise in the process of grant implementation.

Proposals will be invited from qualified NGOs with experience in delivery of social services through issuance of a Request for Proposal. New and less experienced NGOs are encouraged to join coalitions with those more experienced NGOs and work together to develop social service coalition projects.

Requests for Proposals will be sent out in April and May 2000, with review and approval of qualified proposals in late April and May.

Institutional Eligibility Criteria

To be eligible for participation in Counterpart's NGO Expand Grant program, each organization should meet all of the following criteria:

- a clearly defined non-profit organization, registered to operate in Tajikistan;
- a well-defined governance structure that provides for and encourages democratic leadership and membership participation principles;
- demonstrated understanding of the role of the non-profit sector in advocating for the interests of their constituents;
- a well-defined constituency or beneficiary base within one of the five target groups (Women, Children/Youth, Disabled/Indigent Elderly, Refugees/IDPS and Rural/Agricultural); and
- demonstrated transparency or openness to participate with other service providers (Government or NGOs) in joint efforts to assist vulnerable groups.

In the interest of broad impact, special consideration will be given to local NGO coalitions, associations and networks.

Project Goal & Objectives

Goal: Expand Tajik NGO capacity to deliver services that reduce human suffering.

Under the above Goal, any funded projects should achieve at least one of the following objectives:

- Provide training and technical assistance to Tajik NGOs to build their capacity to deliver services that reduce human suffering.
- Foster the development of group- or sector-specific coalitions among Tajik NGOs.
- Assist Tajik NGOs in accessing resources to deliver improved services (may include commodities) that reduce human suffering.
- Facilitate constructive interaction between NGOs and all levels of government to deliver sustainable services that reduce human suffering.

Proposal Review Criteria

In considering proposals, Counterpart will use the following criteria:

Organization

1. Is the organization institutionally qualified for a grant, as defined by the above institutional criteria?
2. Is the project relevant to the NGO's own organizational mission? Does the organization have an institutional commitment to this issue?
3. Does the organization or its staff have adequate expertise and/or experience to carry out the proposed project?
4. Is there a plan for institutional financial sustainability after the grant is closed?

Problem Statement

1. Are the target group, problem and the purpose of the project clearly defined in the proposal?
2. How realistic is the solution to the problem? Does it have a good chance of succeeding?

Program

1. Is the project appropriate for funding, as defined by the above List of Program Objectives?
2. Does the project target one or more of the vulnerable groups (Women, Children/Youth, Disabled/Indigent Elderly, Refugees/IDPs or Rural/Agricultural)?
3. Is the project reflective of needs expressed by the potential beneficiaries?

4. Does the project target a significantly large number of beneficiaries?
5. Does the proposal specify significant participatory involvement of the beneficiaries in project planning and implementation?
6. Is the project clearly and understandably presented in the proposal?
7. Is the workplan clear, detailed and achievable within the timeframe of the project (not to exceed 12 months)?
8. Does the proposal specify what impacts are expected as a result of the project (that is, the effects that will begin or continue beyond the timeframe of the project)?

Monitoring

1. Is there a realistic plan for regular monitoring of the project activities to ensure that they are carried out according to the Workplan?
2. Evaluation?
3. Is there a plan for assessing the project's immediate impact(s)?
4. Does the plan include the gathering of baseline data?

Budget

1. Is the budget within the general limits (US\$10,000 or less of total project cost)?
2. Is the category for salaries 15% or less of the total budget?
3. Is the budget detailed, complete, well-thought-out and realistic?
4. Does the budget show an appropriate level of cost-sharing (at least 15% of total project costs)?
5. Are the costs reasonable, given the organization's level of development and the level of impact of the project?
6. What is the cost per beneficiary?

Grant Programs

Under the NGO Expand Project, Counterpart administers two types of grants (NGO Development and Coalition Grants), with different purposes but with the same overall requirements. Please review the criteria carefully so that you understand which type of grant you wish to apply for and make sure that it is clearly indicated on your application.

1. NGO Development Grants

NGO Development Grants are intended to help the NGO to develop more fully its services to a beneficiary population by expanding its scope (helping more beneficiaries) and/or improving present level and scope of services to its pool of beneficiaries. NGO Development grants will be targeted to already established NGOs, although a new NGO may qualify to receive a grant if it is targeting a formerly under-served group and if the NGO meets most of the above criteria. Grants will typically range in size from \$5000 - \$10,000. New organizations will generally be encouraged to apply for grants at the lower end of the scale.

Program Activities

NGO Development grants are intended to support specific project activities while also strengthening the institutional capacity of the organization in development of expanded awareness, knowledge and skills as well as in membership development, democratic governance and leadership, revenue generation, management, service delivery, advocacy/government relations, beneficiary/community organizing, volunteer development and public outreach & education (through the media and news organs). Grants will not be awarded to fund an organization's operating costs alone. However, some such indirect costs may be included in a grant which funds improved project operations and improved capacity-building activities. In general, non-training salary costs will be supported under the NGO Development grant up to 15% of the total project cost.

Cost-Sharing

All proposals must demonstrate cost-sharing on the part of the proposing organization. Cost-sharing need not be in cash, it may be in the form of contribution of staff and volunteer time, equipment use, office or facility use or another form of in-kind contribution. It may also be in the form of a complementary contribution from another donor. Applicants are expected to demonstrate a cost-share that equals at least 15% of the total project cost. Also, NGOs which are more established, and more experienced in raising funds would be expected to have a correspondingly greater cost-share. Likewise, those NGOs with a large membership base would be expected to have a large cost-share from volunteer time and at least some regular membership fee contributions.

2. Coalition Grants

These grants are awarded to NGOs working in a coalition on joint activities to benefit a target group under the NGO Expand Project. The underlying aim of Coalition Grants is to help Tajikistan NGOs to work together, within target groups or across target groups within a sector (for example, with women and children beneficiaries in the health sector). Coalitions can help local NGOs to play a stronger role in the development of a socially just and civil society. Coalitions are good means of strengthening NGO institutional capacity and helping to ensure broader-based support for advocacy and for long-term sustainability of effort in support of beneficiaries. A good coalition can help to achieve the following:

- transfer of skills and institutional capacity among coalition members;
- increase the effective use of resources;
- build capacity of individual NGOs and the sector;
- establish a much broader base for advocacy;
- increase respect for NGOs working together
- increase “social capital” among member NGOs.

Grants to coalitions will be managed by a local member NGO selected by democratic consensus of all the coalition members. The proposal must be agreed to and signed by all members of the coalition. The managing NGO will report regularly to the coalition members and to Counterpart.

Coalition Grants are usually subject to the same criteria as the NGO Development Grants. However, a grant to a coalition may exceed \$10,000 if the proposal shows additional benefits to significantly larger numbers of beneficiaries and improved capacity of large numbers of (sector-specific) local NGOs.

Special Requirements for Submitting a Coalition Proposal

Procedures for submitting an application are the same as those for NGO Development grants. However, special items for Coalition Grants include the following:

- A letter of Agreement to the proposal, signed by all Coalition member NGOs, that attests that they have participated in the joint proposal and agree to all the terms and plans therein, including the goals, objectives, workplans and the selection of the implementing NGO and project staff;
- A clear specification of responsibilities, roles and contributions (in-kind and cash, reflected in the budget) of each of the coalition members;
- A plan for regular communication among coalition members.

Institutional Eligibility Criteria for Coalition Grants

All coalition-implementing NGOs must meet the above institutional eligibility criteria for NGO Development Grants. Other members of coalitions do not necessarily have to meet all of the above criteria, but the proposal must clearly identify how serving in the coalition will build the institutional capacity of the less qualified NGOs.

Program Activities

Program activities for Coalition Grants are the same as those for NGO Development Grants. The proposed project should result in strengthening of the coalition members.

Proposal Review Criteria

In addition to the above proposal review criteria, coalition grants will also have the following criteria:

- Is there a letter of Agreement to the proposal, signed by all Coalition member NGOs, that attests that they have participated in the joint proposal and agree to the terms and plans therein, including the goals, objectives, workplans and the selection of the implementing NGO and project staff?
- Is there clear specification of responsibilities, roles and contributions (in-kind and cash, reflected in the budget) of each of the coalition members?
- Is there a plan for regular communication among coalition members?
- Is it clear what each coalition member will contribute to the project?
- Is it clear how each member NGO will benefit from the project?
- Are the roles and responsibilities of each coalition member under the project clearly defined?
- Is it clear why this project is (and should be) a coalition – in terms of benefits to ultimate (vulnerable group) beneficiaries?

COUNTERPART INTERNATIONAL, INC.
Humanitarian Assistance Program

1200 18th Street, N.W. - 11th Floor
Washington, DC 20036 USA
Tel: 202/296-9676
Fax: 202/296-9679

Shevchenko Street, 51/12
Almaty, Kazakstan
Tel/Fax: (7-3272) 62-87-95
Fax: (7-3272) 63-32-46

Commodity Delivery Agreement
Договор на поставку

Recipient Organization: Stomatology Republican Scientific Clinical Center
Организация получатель: Республиканский Научно-Клинический Центр
"Стоматология"

The following items constitute Humanitarian Assistance, and shall not be sold, resold, bartered, traded, stored or otherwise diverted from their intended end-user beneficiaries. This Humanitarian Assistance is provided at no cost to the Recipient named above, and must not be sold to sub-recipients.
Нижеследующие предметы гуманитарной помощи не должны быть проданы, перепроданы, переданы, обменены, надолго складированы или каким-то другим образом недоведены до конечного потребителя.

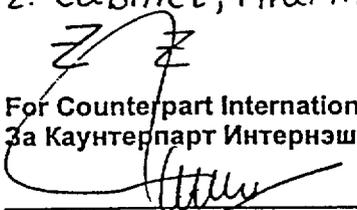
Эти предметы гуманитарной помощи предоставляются вышеназванным получателям бесплатно и не должны быть перепроданы другим лицам.

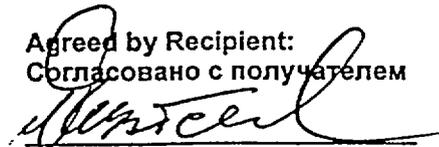
I, Oraz Mirzabekov on behalf of Stomatologia Republican Scientific Clinical Center, acknowledge and agree that, neither Counterpart International, Inc. nor the Distribution Partner acts as a Seller or Reseller for purposes of product liability law, nor for any other purpose. The GIK to be delivered under this Memorandum of Agreement are previously used items that are accepted by the End User "as is" and without any warranties express or implied. In particular, neither Counterpart nor Distribution Partner make any warranty, express or implied, of merchantability, fitness for a particular purpose, or of any nature whatsoever regarding the GIK.

Я, Мирзабеков Ораз Мирзабекович от имени Республиканского Научно-Клинического Центра "Стоматология" («Конечный получатель»), сознаю и соглашаюсь, что ни Каунтерпарт, ни Партнер по распределению не выступают как продавец или агент по перепродаже в рамках закона об ответственности, и ни для каких-либо других целей. ДН, доставляемый согласно данного МОД могут быть бывшими в употреблении и конечный получатель принимает их «как есть» и безо всяких гарантий выраженных или подразумевающих коммерческую ценность, пригодность для особенных целей, или другого, касающегося ДН.

ITEMS ARE ATTACHED/СПИСОК ПРЕДМЕТОВ ПРИЛАГАЕТСЯ

- 1. Chair and Stool Unit, Dental Field (Кресло Стоматологическое) 75 ea (семьдесят пять) шт.
- 2. Cabinet, Pharmaceutical (шкаф. мед) 42 ea (сорок два) шт.

For Counterpart International
За Каунтерпарт Интернэшнл

James Gershin

Agreed by Recipient:
Согласовано с получателем

Oraz Mirzabekov



Date/дата 8/2/99

Date/дата 8.02.99



COUNTERPART HUMANITARIAN ASSISTANCE PROGRAM

MEMORANDUM OF AGREEMENT
Regarding Distributions of Gifts in Kind

This Memorandum of Agreement (the «MoA») between **Counterpart International, Inc.** («Counterpart») of 1200 18th Street, N.W., 11 th floor, Washington, DC 20036, USA, and **Stomatologia Republican Scientific Clinical Center (the «Recipient»)**, 149 Bogenbai Batyr Street, Almaty, Kazakhstan, (collectively the «Parties») sets forth the duties and responsibilities of the Parties in connection with the distribution of Gifts in Kind (AGIK) for humanitarian purposes.

1. Definitions:

1. Gifts in Kind (GIK) - GIK includes goods or services of any nature donated for humanitarian purposes and distributed by the Parties to this MOA.
2. Recipient - Recipient is an individual or entity to whom Counterpart delivers GIK, and includes Distribution Partners as well as End Users.
3. Distribution Partner - A Distribution Partner is a Recipient of GIK who receives GIK with the intent to distribute the GIK to End Users.
4. End-User - An End-User is a Recipient who receives GIK for its own use and or benefit.
5. Port of Debarkation - The Port of Debarkation for purposes of this MOA, is the point at which Counterpart delivers GIK to a Recipient. For purposes of this MOA, the Point of Debarkation is Almaty, Republic Kazakhstan.
6. Proper Purpose - A Proper Purpose means for the immediate use of needy individuals, children and invalids, or of institutions/organizations conducting humanitarian work.

1. Recipient's Responsibilities:

1. Distribution Partners - If the Recipient is a Distribution Partner, the Recipient shall have the following responsibilities:
 - (1) Distribution Plan - The Distribution Partner shall develop a Distribution Plan for Counterpart's approval prior to the delivery of the GIK. The Distribution Plan shall identify from where the GIK will be distributed, methods of distribution, dates for distribution, and suitable End-Users. In addition, the Distribution Plan shall provide a method of unloading GIK, taking inventory, and assuring immediate distribution of GIK upon delivery by Counterpart.

- (2) Upon approval of the Distribution Plan, the Distribution Partner shall implement the Plan, arranging distribution of all GIK immediately after all vehicles involved in the transport of GIK have been unloaded and their contents inventoried.
 - (3) The Distribution Partner shall consult with Counterpart and End-Users to determine the selection and quantities of GIK to be distributed to each End-User.
 - (4) Prior to including an End-User in a Distribution Plan, the Distribution Partner shall obtain assurances from any End-User that any GIK distributed pursuant to this Memorandum of Agreement shall only be used for a Proper Purpose, and that the GIK shall not be resold, traded, diverted, stored or otherwise removed from the End-User.
 - (5) The Distribution Partner shall obtain from each End-User in advance of delivery of GIK a written acknowledgment in the form set forth in Exhibit A.
 - (6) The Distribution Partners shall provide Counterpart data necessary to compile detailed records of GIK deliveries.
 - (7) The Distribution Partner shall cooperate with Counterpart as necessary to assure efficient distribution of GIK in accordance with this MOA.
2. End-Users - If the Recipient is an End-User, the Recipient shall have the following responsibilities:
- (1) The End-User shall off-load GIK from trucks, provide labor and arrange safe and secure storage for GIK. The End-User shall provide a written plan regarding this obligation to Counterpart in advance for approval.
 - (2) The End-User shall not resell, store, trade, divert or otherwise dispose of the GIK, and shall assure that the GIK are used only for Proper Purposes as defined by this MOA.
 - (3) The End-User shall have the responsibility for providing maintenance, fuel, oil and spare parts for GIK received under this MOA. The End-User expressly agrees that the GIK delivered under this MOA may not be operational or may need repairs for which the End-User is solely responsible. The End-User agrees to follow all safety procedures applicable to the GIK.
 - (4) The End-User agrees to complete operational training prior to use of the GIK, and to provide operational training to other individuals and/or entities who may also use the GIK.

- (5) The End-User agrees to submit to Counterpart written quarterly reports describing the use of all GIK it receives. The quarterly reports shall be submitted to Counterpart for one (1) year after receipt of GIK pursuant to this MOA.
- (6) The End-User consents to periodic spot-checking by Counterpart and/or its Distribution Partners and/or its agents, in order to assure that GIK are being used for Proper Purposes.
- (7) The End-User shall cooperate with Counterpart as necessary to assure efficient delivery of GIK in accordance with this MOA.

2. Counterpart's Responsibilities:

1. Counterpart shall arrange for transportation and delivery of GIK to the Point of Debarkation. Counterpart shall identify all GIK as donated American humanitarian assistance and shall label all GIK with US Government stickers.
2. Counterpart shall review and approve Distribution Plans submitted by Distribution Partners.
3. Counterpart shall review and approve plans for unloading and distribution submitted by End-Users.
4. Counterpart shall consult with Recipients to determine the appropriate selection and quantities of GIK to be distributed.
5. Counterpart shall offer guidance to Recipients to assure that after deliveries by Counterpart, GIK are protected in secure, clean, and dry storage space.
6. Counterpart shall have a representative present during the unloading or distribution of any GIK pursuant to this MOA.
7. With data provided by Distribution Partners and/or End-Users, Counterpart shall supply detailed records on all deliveries and distributions of GIK, including but not limited to the following: complete and accurate inventory forms, distribution forms, and MOAs for each delivery.
8. Counterpart or its designated representative shall perform periodic spot-checks upon GIK distributed pursuant to this MOA in order to assure that the GIK are being used for Proper Purposes.

3. Disclaimer of Warranties, Liabilities, Taxes and Fees

The Parties to this agreement specifically understand that:

1. Counterpart does not act as a seller or reseller for the purposes of product liability law, nor for any other purpose.

2. The GIK delivered pursuant to this MOA may be previously used items that are accepted as is and without any warranties, express or implied, by Counterpart. Specifically, Counterpart makes no warranty, express or implied, of merchantability, of fitness for any particular purpose, or of any nature whatsoever.
3. The GIK donated pursuant to this MOA, and their transport and distribution, are not subject to any taxes, tolls or fees.
4. Indemnification
The Recipient agrees to indemnify, defend and hold Counterpart, its employees, officers and agents harmless from any claims, liabilities, losses, damages or injuries of any kind, including, but not limited to attorneys' fees, and cost of litigation which relate to the GIK delivered by Counterpart pursuant to this MOA.
5. Limitation of Liability
In no event shall Counterpart, its employees, officers or agents be liable to the Parties for loss of income or opportunities, or any indirect, special, consequential or other similar damages arising out of this MOA, or the use of any GIK delivered by Counterpart pursuant to this MOA.
6. Breach of MOA
If any Recipient breaches the terms of this MOA, Counterpart may take any or all of the following actions:
 1. Counterpart may reclaim any and all GIK delivered to the Recipient at the sole expense of the Recipient or the entity than in possession of the GIK;
 2. Counterpart may bring legal action in the District of Columbia, U.S.A. to enforce the terms of this MOA; and
 3. Counterpart may, immediately upon notice to the Recipient, terminate the MOA, and ban the Recipient from any future participation in Counterpart's Humanitarian Assistance Programs.

The remedies set forth in this Section are in addition to any remedies available to Counterpart at common law.

7. Choice of Law
Any dispute between the Parties arising out of this MOA shall be determined pursuant to the laws of the United States and the District of Columbia without regard to conflict of law principles thereof. The Parties consent to personal jurisdiction in the Federal and Superior Courts of the District of Columbia and agree to submit and dispute to the courts of that jurisdiction for resolution. If any Party is required to bring legal action arising out of this MOA, the prevailing Party shall be entitled to recover its costs and reasonable attorneys fees from the other Party(ies).

8. Termination of MOA

This MOA may be terminated by any Party upon ninety (90) days by written notice to the other Parties. Termination shall be effective on the ninetieth (90th) day following the date of the notice. In addition, this MOA may be terminated at any time by the mutual agreement of the Parties.

I have read and understood the above document.

Signed, sealed and executed (with copies in English and Russian), this 1 day of February, 1999.

COUNTERPART INTERNATIONAL:

By: _____

James Gershin

Title: Regional Director for Central Asia



STOMATOLOGIA REPUBLICAN SCIENTIFIC CLINICAL CENTER:

By: _____

Eraz Mirzabekov

Title: Director

