

PDRBL 714

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number <u>2</u>	DOCUMENT CODE <u>3</u>
2. COUNTRY/ENTITY Kenya		3. PROJECT NUMBER <u>615-0239</u>		
4. BUREAU/OFFICE Africa		5. PROJECT TITLE (maximum 40 characters) <u>Instit. Devel. for Agricul. Training</u>		

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY <u>03 31 1993</u>	7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4) A. Initial FY <u>86</u> B. Quarter <u>4</u> C. Final FY <u>90</u>
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A. FUNDING SOURCE		FIRST FY <u>86</u>			LIFE OF PROJECT		
		B. FX	C. I/C	D. Total	E. FX	F. I/C	G. Total
AID Appropriated Total							
(Grant)		(2,000)	()	()	(5,350.0)	(250.0)	(5,600)
(Loan)		()	()	()	()	()	()
Other U.S.	1. University of Ill.				2,100.7		2,100.7
	2.						
	Host Country					12,571.7	12,571.7
	Other Donor(s)						
TOTALS					7,450.7	12,821.7	20,272.4

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)ARDN	680			3,000		1,115		4,115	
(2)DFA	680			300		1,185		1,485	
(3)									
(4)									
TOTALS				3,300		2,300		5,600	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 620 630 968 690				11. SECONDARY PURPOSE CODE	
12. SPECIAL CONCERNS CODES (maximum 7 codes of 3 positions each) A. Code XII R/AG B. Amount 3,459 880					

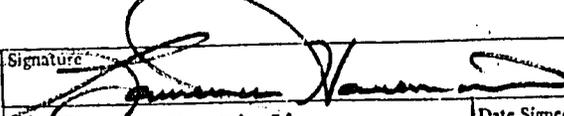
13. PROJECT PURPOSE (maximum 480 characters)

To assist Egerton University (EU) in creating a broad base of support primarily through establishing long-term institutional relationships with U.S. universities, mainly the University of Illinois at Urbana-Champaign; and to create at EU an institution of excellence serving the needs of Kenya and other African countries

14. SCHEDULED EVALUATIONS Interim MM YY <u>09 88</u> Final MM YY <u>10 90</u>	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input checked="" type="checkbox"/> Other (Specify) <u>Host Country</u>
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 33 page PP Amendment.)

This amendment increases the AID contribution by \$2.3 million. The University of Illinois and Host Country contributions are also increased. The project's PACD is extended by eighteen months.

17. APPROVED BY Signature:  Title: <u>Steven W. Sinding</u> <u>Mission Director</u>	Date Signed MM DD YY <u>05 31 88</u>	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
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/x

INSTRUCTIONS

The approved Project Data Sheet summarizes basic data on the project and must provide reliable data for entry into the Country Program Data Bank (CPDB). As a general rule blocks 1 thru 16 are to be completed by the originating office or bureau. It is the responsibility of the reviewing bureau to assume that whenever the original Project Data Sheet is revised, the Project Data Sheet conforms to the revision.

Block 1 - Enter the appropriate letter code in the box, if a change, indicate the Amendment Number.

Block 2 - Enter the name of the Country, Regional or other Entity.

Block 3 - Enter the Project Number assigned by the field mission or an AID/W bureau.

Block 4 - Enter the sponsoring Bureau/Office Symbol and Code. (See Handbook 3, Appendix 5A, Table 1, Page 1 for guidance.)

Block 5 - Enter the Project Title (stay within brackets; limit to 40 characters).

Block 6 - Enter the Estimated Project Assistance Completion Date. (See AIDTO Circular A-24 dated 6/78, paragraph C, Page 2.)

Block 7A. - Enter the FY for the first obligation of AID funds for the project.

Block 7B. - Enter the quarter of FY for the first AID funds obligation.

Block 7C. - Enter the FY for the last AID funds obligations.

Block 8 - Enter the amounts from the 'Summary Cost Estimates' and 'Financial Table' of the Project Data Sheet.

NOTE: The L/C column must show the estimated U.S. dollars to be used for the financing of local costs by AID on the lines corresponding to AID.

Block 9 - Enter the amounts and details from the Project Data Sheet section reflecting the estimated rate of use of AID funds.

Block 9A. - Use the Alpha Code. (See Handbook 3, Appendix 5A, Table 2, Page 2 for guidance.)

Blocks 9B., C1. & C2. - See Handbook 3, Appendix 5B for guidance. The total of columns 1 and 2 of F must equal the AID appropriated funds total of 8C.

Blocks 10 and 11 - See Handbook 3, Appendix 5B for guidance.

Block 12 - Enter the codes and amounts attributable to each concern for Life of Project. (See Handbook 3, Appendix 5B, Attachment C for coding.)

Block 13 - Enter the Project Purpose as it appears in the approved PID Facsheet, or as modified during the project development and reflected in the Project Data Sheet.

Block 14 - Enter the evaluation(s) scheduled in this section.

Block 15 - Enter the information related to the procurement taken from the appropriate section of the Project Data Sheet.

Block 16 - This block is to be used with requests for the amendment of a project.

Block 17 - This block is to be signed and dated by the Authorizing Official of the originating office. The Project Data Sheet will not be reviewed if this Data Sheet is not signed and dated. Do not initial.

Block 18 - This date is to be provided by the office or bureau responsible for the processing of the document covered by this Data Sheet.

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I. Summary and Recommendations

A. Background

1. Design and Authorization

The University of Illinois at Urbana-Champaign (UIUC) was competitively selected under a Title XII Collaborative Assistance Mode to design and implement the project. Their contract was approved by A.I.D. on December 16, 1986. Actual project implementation began on January 31, 1987 following approval of a revised budget.

The total original estimated cost of the project was \$8,588,400, of which AID was expected to contribute \$2,000,000, the Government of Kenya to contribute the local currency equivalent of a minimum of \$4,507,800, and the UIUC to contribute approximately \$2,080,700. In August 1987 the Project was revised and, while other contributions remained unchanged, AID's contribution increased to a new total of \$3,300,000. The project is now being amended once again to a new total project cost of \$20,272,400, of which the A.I.D. contribution will be \$5,600,000. Furthermore, both UIUC and the GOK will increase their level of support to the project: UIUC by \$20,000 to a new total of \$2,100,700, and the GOK by the equivalent of \$8,064,000 to a new total of the equivalent of \$12,571,700 (see Annex 2 for details).

The project was initially authorized for five years, and had a Project Assistance Completion Date (PACD) of 9/30/91. This amendment will extend that date by eighteen months to 3/31/93.

The Condition Precedent to initial disbursement was met on December 4, 1986. The only other Condition Precedent, remaining in force throughout the life of project, stipulates that detailed specifications will be provided for each commodity or piece of equipment to be procured in the U.S. before procurement takes place.

2. Project Amendment Rationale

There are four major reasons which have necessitated this Project Paper Amendment: a) Egerton University's PABX has failed and it cannot be repaired, leaving them virtually unable to communicate by telephone (also, even if it were repaired, it would not meet Egerton's immediate or long term needs); b) there is a need for far more graduate degree training in the U.S. than was anticipated during project design because of the greatly increased size of Egerton's student body; c) if Egerton is to obtain a broad base of support within the Government of Kenya it will need to have the capacity for analyzing national agriculture policies (this was unforeseen during project design); and d) some participants will not be able to complete their planned studies by the project's current PACD.

B. Recommendations

This Project Paper Amendment recommends the following:

1. An increase in the Life Of Project (LOP) funding by \$2,300,000 from \$3,300,000 to a new total of \$5,600,000;

An important mechanism for obtaining this goal is the establishment of long-term institutional relationships with U.S. universities, primarily the UIUC. Strengthening U.S. university relationships with Egerton will assist its immediate and future institutional needs through consultations, training, technical assistance and collaborative research. The project has four components:

- Curriculum Development
- Administrative and Management Improvement
- Staff Development and Training
- Educational Materials, Research and Outreach

The university relationships will be built through faculty and staff exchange visits and observation tours, training of EU faculty and staff both in the U.S and on the Egerton campus, through U.S. faculty sabbaticals and technical assistance, and through a research program at EU involving faculty, administrative personnel and students from U.S. institutions and Egerton. Liaison committees will be established to assure long-term institutional relationships will continue.

Under its contractual relationship, UIUC will cover some of the costs that are typically covered by AID. Instead of AID paying the full cost of training for a Kenyan at a U.S. university, UIUC will seek or provide ten tuition and fee waivers annually and will provide teaching assistantships whenever possible. The project will supplement these tuition and fee waivers, and assistantships to cover the full cost of training. Should additional funds become available to the project, graduate degree training for additional Egerton staff at U.S. institutions will be supported.

B. Revised Description of the Curriculum Development Component

The objective of this component is to develop a mechanism whereby the curriculum of the university is continually reviewed and revised to prepare graduates to meet the manpower needs of both the public and private sectors.

The project will institutionalize a mechanism for systematic curricula review and revision. New committees will be established for each department, and representatives from public and private sectors will be appointed to evaluate the curriculum and to help determine both employment trends and job requirements as a guide to future curriculum revisions.

A second output will be a revised curriculum, which reflects the needs to prepare students for jobs in the private as well as the public sector in such areas as agribusiness and agricultural management. In this regard, the development of an adaptive research program will assure a practical orientation to EU's research activities. Development of an agribusiness faculty and improvements to the agricultural management curriculum are also envisioned over time.

2. an increase in the LOP by eighteen months to a new total of six years, seven months, and four days;

3. an approval of a waiver to permit negotiation with a single source for a host country contract in the approximate amount of \$600,000; and

4. an approval of a waiver of advertising in the "A.I.D. Procurement Bulletin" for four 4WD vehicles; and

5. approval of specific support grants to Stanford University and to the University of Arizona in the total approximate amount of \$500,000.

C. Grantee

The grantee remains unchanged from the original Project Paper. The Grantee will be the Government of Kenya, and the Project will be administered by Egerton University, the name of which has changed from Egerton College since the original Project Paper was written.

D. Project Amendment Summary

The life of project funding will be increased by \$2,300,000 which will be used provide funding for: 1) a new PABX and ancillary equipment for Egerton University; 2) specific support grants to Stanford University and to the University of Arizona for applied agriculture research; 3) approximately 35 additional person years of graduate training in the United States; 4) a pilot program in the dissemination of information related to innovative research and training activities being undertaken by Egerton University; and 5) the increased costs of the coordination office at the University of Illinois at Urbana-Champaign. Also, the project will be extended by eighteen months to permit participants to complete their degree studies.

II. Revised Project Description and Purpose

A. Revised Project Purpose and Overview

The purpose of the project is substantively unchanged from the original Project Paper, and is to assist Egerton University (EU) in creating a broad base of support primarily through establishing long-term institutional relationships with U.S. universities, mainly the University of Illinois at Urbana-Champaign; and to create at EU an institution of excellence serving the needs of Kenya and other African countries. The project will strengthen and institutionalize Egerton's emerging status as an institution of excellence to train practically-oriented agricultural manpower for Kenya and Africa. The project supports the Africa Bureau's strategy on strengthening faculties of agriculture in Africa.

Other outputs will be an initial manpower study to provide an updated and reliable data base for curricula and degree planning, and periodic review and tracer studies of the actual employment experiences of EU graduates.

Inputs for this project component are technical assistance to conduct manpower and follow-up studies, assistance from departmental representatives on the UIUC Faculty Liaison Committee, as well as annual input from the Office of Resident Instruction on issues related to the university curriculum. Costs for this component will be shared by all contributors to the project.

C. Revised Description of the Administrative and Management Improvement Component

This project component will address needed improvements in EU's administration including: data management, financial management, information dissemination, and management of administrative functions through computerization and improved telecommunications capability.

Many non-academic support services will be computerized, providing improved information management in all areas and allowing for data-based planning. A computer instructional center will be established and staffed by two lecturers and a maintenance technician. The project will also assist EU in improving its performance in developing in-service and outreach programs for Kenya's agriculturalists. The EU budget system will be strengthened to improve preparation of fiscal projections and analysis of program alternatives. The project will train and upgrade the skill levels of the technical and managerial staff to assure good operation and maintenance of EU's considerable physical plant and the capability to adjust to ever changing educational requirements.

A new PABX will be purchased to replace the existing one which has been outgrown by the university's expansion, and which can no longer be maintained because of the lack of a Kenyan dealer to support it. Also purchased will be telephones, operator consoles, and the wiring to interconnect them. The PABX will also be used to recover costs from telephone use by charging residents of the ARC, and senior staff who will have phones in their homes, for their phone use. Lastly, the PABX will be used to provide energy savings by automatically switching off street lights and lights in selected buildings; and to provide cost savings by careful monitoring of phone use by each instrument which should result in decreased phone use.

AID will finance the purchase of microcomputers and software, as well as technical assistance for setting up the systems and training staff in their use. EU will finance computer maintenance and staff for the center. UIUC will provide on the job training for EU staff in the areas of administration and management, especially the computerization of key administrative support systems.

D. Revised Description of the Staff Development and Training Component

The objective of this component is to upgrade the skills of faculty and administrative/managerial staff in preparation for the increased scholarly demands to be placed on the faculty, and the increased administrative workload arising from an anticipated doubling in student enrollment over the next several years.

A minimum of ten faculty per year will participate in degree training at UIUC or other institutions in the U.S. Emphasis will be given to training Masters Degree holders to the Ph.D level. Non-degree training will be provided to a select group of approximately five supervisory administrative and managerial staff annually through study-tours in the U.S. EU faculty and staff will also be trained on the EU campus through the sabbatical leave program and through appropriate research programs. In addition, approximately 30 staff will receive training on microcomputers in such areas as payroll, student record-keeping, budgeting, and physical inventories. Most of this training will occur at EU through training provided by technical assistance personnel, but with some being done at U.S. universities through on the job training.

AID will provide funding for tuition (above the ten tuition and fee waivers supplied by UIUC), stipends, and return travel from the U.S. for degree training participants at several U.S. universities and contribute to the cost of operating coordinating offices on each campus.

EU's contribution to training will be in the form of partial salaries of staff in training, most international travel of training participants, and a portion of the cost of operating a coordination office on its campus.

UIUC will provide ten tuition fee waivers per year, salaries of staff conducting non-degree training at UIUC and will contribute to the operation of the coordination office on its campus.

E. Revised Description of the Educational Materials, Research and Outreach Component

This component will: (1) upgrade the educational material resources used in curriculum development, in the continuing education program, and for the outreach activities of the college through the Agricultural Resources Centers; and (2) develop adaptive research and continuing education programs which address identified needs of the community surrounding the university.

An Educational Materials Center (EMC) will be constructed by EU, in conjunction with the Agricultural Resources Center, equipped with printing and audio visual equipment provided by the Project. EU will provide the necessary staffing. By the end of the project,

staff trained under the project will be producing a wide range of new educational materials through the EMC. Two Rural Development Laboratories (RDL) and a sabbatical-scholar program will be established to enhance EU's research and outreach program. About 10 U.S. university faculty, plus 5 doctoral candidates per year will be provided to conduct half time research and half time teaching.

Printing equipment, audio-visual equipment, vehicles, and technical assistance will be financed by AID. EU will finance the costs of construction of a building, and staffing for the EMC, as well as providing expendable supplies and local currency costs of the sabbatical/research program. UIUC or its collaborating universities will contribute one-half time salaries of faculty on sabbatical leave at Egerton, who will participate in teaching and the research programs and in development of educational materials.

F. Revised End of Project Status

Successful implementation of project components is expected to lead to the following achievements:

- establishment of a long-term institutional relationship between EU and the UIUC;
- graduates better qualified technically and having a better understanding of the socio-economic context of Kenyan agriculture to meet the manpower needs of the public and private agricultural sectors;
- the integration of computer training into key areas of the Egerton curriculum, such as agribusiness management;
- improved telecommunication capability;
- high demand for student placement at Egerton;
- faculty and staff with improved education and training, resulting in improved teaching and related performance, and in high faculty/staff retention and satisfaction;
- a functioning educational materials center;
- an adaptive research and outreach program which includes a comprehensive data base on principal farming systems in Kenya being utilized by Egerton and GOK institutions for addressing policy issues in the agricultural sector.

III. Accomplishments to Date:

A. Curriculum Development Component

In the early stages of project implementation faculty exchanges between Egerton and UIUC were completed to begin building

the linkage at the university and academic department level. University-level curriculum in each department at Egerton was reviewed and written reports were prepared on strengths and suggestions for further improvement.

In July, 1987, UIUC provided a person to Egerton to review ongoing curriculum development efforts. In addition, this person assisted in finalizing plans for the development of a manpower study. The study began in March, 1987. The study will provide a substantial data base from which Egerton can make informed decisions about curriculum requirements as well as the allocation of resources between the various departments.

Recently a committee structure for establishing Internal and External Curriculum Committees for each academic department has been established, and a Curriculum Monitoring Advising Committee has been established. As a first step, the current B.Sc. programs are being evaluated on the basis of the newly expanded mission of Egerton and its mandate to focus on establishing a center of excellence for science-based agriculture education.

B. Administrative and Management Improvement Component

Following the assessment of EU's computer needs, 56 microcomputers and ancillary equipment were procured and installed by November, 1987. These were funded by AID under the Agriculture Systems Support Project (615-0169). Training courses have been underway since the beginning of 1988 for administrators and staff in areas of word processing, student records, inventory and payroll. In addition, academic departments are beginning to utilize them for research purposes. Egerton has recently hired two computer science lecturers and is planning to begin offering regular computer science courses by the Autumn Semester, 1988.

In February 1988, a U.S. telecommunications engineer assessed EU's present PABX and its future needs. He recommended purchase of a new PABX with ancillary equipment. The need for a new PABX was not identified during project design because it was thought that the existing PABX could be repaired and that it had sufficient capacity to meet EU's needs. The telecommunications engineer determined that 1) there is no longer a local dealer who can repair EU's existing PABX, 2) the PABX has insufficient capacity to meet EU's near and long term needs due to the government's decision to greatly increase EU's student body, and 3) by purchasing a new PABX cost savings could result in energy and by monitoring and restricting telephone use.

C. Staff Development and Training Component

Sixteen EU faculty members are at U.S. universities pursuing MS and PhD degrees. Two of these participants have been awarded university research assistantships which makes available two additional fee waivers provided by UIUC for additional

participants. An additional eight are scheduled to begin their graduate level program in the U.S. between August, 1988 and August 1989. Annex 2, page 3 provides details of this training.

Eight senior level EU administrative staff have completed short-term individualized training programs at UIUC in areas related to improving administrative/managerial functions at Egerton.

D. Educational Materials, Research and Outreach Component

The expansion of the Agriculture Resource Center (ARC) to accommodate the new Educational Materials Center (EMC) facility, and procurement of EMC equipment was targeted for FY 1988. However, whereas PL480 Title I counterpart generations had been budgeted by Treasury for Egerton to expand the ARC complex to accommodate the EMC equipment to produce educational materials, these funds have yet to be made available. An RFQ for EMC equipment was developed and circulated, bids were reviewed and analyzed by EU and UIUC. AID is expected to approve an award shortly. The EMC equipment is expected to be procured and transported to EU by August, 1988. Until the ARC addition is completed, Egerton has made arrangements to house the equipment in an alternate building.

A limited number of teaching aids and materials were secured by UIUC for EU's Engineering Department. Plans and specifications are being developed by EU for the purchase of additional teaching aids and materials for other departments.

A sabbatical brochure was printed and distributed within U.S. academic community. Four U.S. professors were selected for 1987/88 academic year. Eight have been selected for 1988/89 academic year. An assessment has been made of the University Library and a medium and long term development plan prepared.

A research committee has been established to review research proposals and make recommendations for funding. However, due to the unavailability of counterpart funding a local currency research fund has not yet been established. Research under this component will emphasize action-oriented adaptive research and will begin establishing closer linkages with other public sector and private organizations which carry out and utilize research results in related sub-sectors in agriculture.

The Deputy Vice-Chancellor for Research and Extension in collaboration with the Food Research Institute of Stanford University have designed and proposed to AID a program in training and applied research in agricultural policy analysis. AID has reviewed this proposal in depth, and following suggested changes which have been accepted by Egerton and Stanford, plan to incorporate this activity within the IDAT project under this PP Amendment. Not only will this program strengthen Egerton's capability for carrying out applied policy analysis, but it will also substantially contribute to strengthening Egerton's linkages

with the planning departments in the Ministry of Agriculture, Planning and Finance as well as the Kenya Agricultural Research Institute. The proposed research program will also complement other AID programs in agriculture research and market development. The need for this capacity to assess the impact of policy decisions was not identified during project design because at the project design stage the GOK was not ready to accept the idea that EU had a role to play in assessing national agriculture policy. This is no longer the case. This role in assessing national agriculture policy will assist EU to achieve the project's purpose of obtaining a broader base of support, because it will demonstrate EU's policy analysis capability within the ministries of Agriculture, Education, and Finance, all of which are concerned with national policy making, and all of which influence budget levels for EU.

IV. Changes to the Project

This project amendment will provide increased funding for: 1) a new PABX and ancillary equipment for Egerton University; 2) specific support grants to Stanford University and to the University of Arizona for applied agriculture research; 3) approximately 25 additional person years of graduate training in the United States; 4) a pilot program in the dissemination of information related to innovative research and training activities being undertaken by Egerton University; and 5) the increased costs of the coordination office at the University of Illinois at Champaign-Urbana. The project amendment will also extend the project's PACD by eighteen months to allow participants to complete degree training. The changes by component are:

A. Administrative and Management Improvement Component

A major and growing constraint for Egerton in the area of administration and management is the lack of an adequate telephone system. Because of its location 2 1/2 hours outside Nairobi, the constraint leads to numerous trips to Nairobi for administrative purposes, many of which could be handled by telephone. It also causes staff to spend time going to other university buildings for discussions that could better be handled by phone.

An in-depth analysis of Egerton's telephone requirements was completed in February 1988 by a U.S. telecommunication engineer. Based on this analysis, it is proposed that a new PABX and ancillary equipment be purchased on a proprietary basis from AT&T (see Annex 3 for sole source waiver justification).

Under the administration and management component of the IDAT Project, this project amendment will also provide additional funding for the UIUC contract for operating costs of the coordinating office on the Illinois Campus. Experience from the first 1 1/2 years of project implementation confirms the Project Coordinator is currently devoting more than half-time to the IDAT project. Therefore, the Project Coordinator at UIUC will be compensated on a half-time basis.

B. Staff Development and Training Component

Additional funding will be provided for additional faculty and staff advanced degree training at U.S. universities. Since obtaining full university status the expansion program at Egerton will require the upgrading of faculty training and skills at a pace not envisioned when the IDAT program was originally designed. Additional funding for this purpose will partially meet the increased training requirements for faculty and staff at Egerton.

The increased funds will allow an additional 25 person years of EU faculty degree training in the U.S. This is in addition to the 50 person years of tuition and fee waivers provided by UIUC to the project. Given the recent transition to university status and the staff development needs identified by Egerton, this additional training will partially meet the staff development needs for the University. However, as can be seen in Annex 2, page 3 the training which is planned will require a PACD extension of eighteen months. The PACD extension will not be used to extend the technical assistance or the sabbatic program, but only to allow participants to complete degree training.

C. Educational Materials, Research and Outreach Component

The applied research program in agriculture policy analysis is designed to develop an improved research and training for policy analysis capability at Egerton while improving the quality and interaction of policy analysis research between Egerton and relevant GOK institutions.

This activity will be structured in a manner which provides direct linkages to the planning departments of ministries in Nairobi - Agriculture, Livestock, Planning, Supplies and Marketing (through NCPB) and Research, Science and Technology (through KARI). It is envisaged that the continuing cooperation between these institutions, based on an action-oriented policy research methodology, will contribute to a more in-depth understanding of the economic problems and opportunities in agricultural systems in Kenya.

The program is designed to introduce a method of policy analysis for agriculture, the Policy Analysis Matrix (PAM), which builds directly on well understood principles of farm management analysis, and to apply the PAM research approach in a baseline study of agricultural systems in Kenya. The selection of agricultural systems and principal policy issues to be analyzed will be developed as a research agenda by members of the study team including those representatives from GOK institutions actively involved in the workshops, training sessions, and research activities.

Results from this study can be used by a wide range of researchers and policy makers for the analysis of public investment proposals in agricultural production or marketing, directions for agricultural research, and agricultural price policies.

The research methodology utilized in this study and the data base developed will provide the basis for a monitoring and evaluation system for AID's proposed Rural-Urban Marketing Program. This research methodology also has the potential for creating closer linkages between Egerton and the Kenya Agriculture Research Institute (KARI) in areas of identifying the most profitable farming systems and commodities for which research resources should be targeted.

Commodity inputs which will be funded by this Project Paper Amendment are four 4WD vehicles, and four additional microcomputers and software for use by the researchers.

In addition to the applied policy research activity described above, a Research Fund will be established to support (a) dissertation research to be performed in Kenya by Egerton faculty pursuing graduate degrees under the IDAT program, and (b) applied research activities undertaken by EU faculty and staff which directly supports the research, extension and outreach component of the IDAT project. The Research Fund will be administered by the already existing University Research Committee. However, this Committee will establish guidelines for research application which coincide with the objectives of this component of the IDAT project.

Another activity to be funded under the amended project is a pilot program in the dissemination of information related to innovative research and training activities being undertaken by Egerton University. The manner in which Egerton has developed a unique capability in these efforts will be documented for presentation to a broadly targeted Kenyan and East African audience. This component of the research, extension and outreach program is projected to cost only \$50,000.

D. Financial

The major change as a result of this Project Paper Amendment is to increase AID's contribution by \$2.3 million, to a new total contribution of \$5.6 million. The GOK contribution also will be increased over the remaining life of project from a total of \$4,507,700 to \$12,571,700. As can be seen in Annex 2, this contribution will be mainly for construction costs. The UIUC contribution will increase by \$20,000 to reflect the cost of the project coordination offices which UIUC has already paid. Of the additional \$2,300,000, \$600,000 will be added to the UIUC contract to cover the increased costs of the project coordination offices and the costs of additional advanced degree training at U.S. universities for EU faculty and staff. A total of \$500,000 will be granted directly to Stanford University and the University of Arizona for technical assistance to the Agricultural Policy Analysis and Training research activity. Annex 4 to this PP Amendment provides justification for this support grant. The balance of \$1.2 million will be used by Egerton for procurement of communication equipment, Egerton's costs for implementing the applied research

program and the information dissemination pilot activities described above. Line items in the UIUC contract to be increased include training and coordination offices. An amended Project Financial Plan is attached as Annex 1.

E. Implementation Arrangements for Changes

1. Administrative and Management Improvement Component

Funds under this activity will be utilized to provide a new PABX and ancillary equipment for the University. It is proposed that the PABX and ancillary equipment be purchased after negotiation with a single source, using informal procurement procedures. You are being requested to approve a waiver to permit negotiation with a single source as part of this Amendment, and the justification for the waiver is found as Annex 3 to the Amendment. In a letter dated April 15, 1988, Egerton University requested AID to approve an RFQ for the PABX. After approval by AID, the University plans to issue the RFQ. AID will approve the final contract, and will directly pay the supplier under the resulting host country contract.

Also, funds will be added to the UIUC contract via an amendment to provide adequate funding for project coordination from the Illinois campus. Alternative project coordination mechanisms were considered in the PP design and it was determined that supporting a part-time coordinator at UIUC was the more cost-effective than having a Chief of Party at Egerton. That will continue to be the case, but after one and half years of project implementation it is clear the UIUC coordinator should be compensated on a half time basis.

This additional training; additional support for UIUC's coordination office; and extension to allow participants to complete their degree training will require a waiver to permit Egerton to negotiate with a single source, UIUC. The justification for this waiver is found in Annex 6 of this Amendment.

2. Staff Development and Training Component

The arrangements for the estimated additional 35 person years of graduate degree training to be funded as a result of this Project Paper Amendment will be the same as the arrangements for the 50 person years of training provided in the original Project Paper.

3. Educational Materials, Research, and Outreach Component

The additional funding will support the collaborative agricultural policy research and training program which will be implemented at Egerton under the direction of the Deputy Vice-Chancellor for Research and Extension. For the applied agricultural policy research program direct AID grants will be made to the Stanford University and to the University of Arizona to cover technical assistance costs. The use of an assistance instrument (a

grant or cooperative agreement) rather than a contract is appropriate when the purpose of making the funds available is the promotion of the independent capacity of the entity or program supported rather than the acquisition of goods or services to support an assistance program arranged by AID. Here the purpose of AID's funding the activities is to develop Egerton's ability to engage in agricultural policy analysis and to stimulate the use of research methodology to be introduced by the two U.S. universities. The use of grants, rather than contracts, is appropriate for these two institutions because AID is not interested in obtaining the specific results of the research but rather to assist the grantees and Egerton to engage in a collaborative research process. AID will not exercise a substantial degree of operational control over the two universities. For the research they will undertake, AID's only control will be to act as a minority part of a joint committee which will contain members from GOK ministries and from the Grantees themselves. This committee will serve to direct the policy analysis research in the directions which are felt to be of most concern to Kenya. The Grantees are mature institutions, well-versed in PAM methodology, needing little day to day control over them. AID's support to these two institutions will support their ongoing work using the PAM methodology, and by focusing that research on Kenya's agricultural policies will ensure that their work directly contributes to the achievement of Foreign Assistance Act objectives.

Project funds will be provided directly to Egerton University for the direct research costs to be incurred by Egerton University. EU will purchase the additional vehicles and microcomputers following informal procurement procedures. AID will pay the chosen suppliers directly.

For administration of the Research Fund, the Research Committee of Egerton University will establish the criteria and approval mechanism for allocation of funds for this activity. AID will approve this plan through a Project Implementation Letter (PIL). PILs will also be issued in approving individual research proposals.

F. Analyses

With the exception of the telephone system, the Project Analyses sections of the Project Paper and Annexes are still completely valid. To overcome the technical problems that occurred during the purchase and installation of Egerton's present PABX, which was funded under the Agriculture Systems Support Project (615-0169), a telecommunications engineer will be hired for approximately four months to supervise the installation of the equipment. A PIO/T will be prepared in June 1988 to fund this engineer. It should be emphasized that EU's administrative capabilities in handling procurement responsibilities for additional AID financed project commodities such as the PABX and ancillary equipment is excellent. Egerton is fully conversant with AID rules and regulations regarding procurement of both goods and services.

This capability was developed beginning in 1978 with the Agricultural Systems Support Project. EU handled all commodity procurement and managed, under host country contracts, the \$23 million of construction at the college.

G. Recurrent Cost Implications

Assuming the applied policy research program is successful, there will be requirements following the IDAT project for updating the PAM data bases. Where the analysis is directly related to AID's proposed Rural-Urban Marketing Program, these activities will be an integral element of the evaluation and analytical component of that program; if the training and research is successful at Egerton, the program will have been incorporated into the applied research extension and outreach program of the University.

The only other recurrent costs introduced by new project funding will be the telecommunications system. Procuring an appropriate telecommunications system will actually lower recurrent costs related to telecommunications.

V. Evaluation and Audit Arrangements

The evaluation and audit arrangements will remain unchanged from those found in the original Project Paper.

VI. Conditions, Coventants and Negotiating Status

No additional conditions or covenants are planned as result of this Amendment.

AID has received a copy of a letter dated April 6, 1988 from EU to the Ministry of Finance (MOF) which requests the MOF to request AID to authorize an additional \$2.3 million to the IDAT project. The MOF request for these additional funds has been received, and is dated April 29, 1988. This request for assistance forms Annex 7 to this Amendment.

The budget and implementation changes have been negotiated and fully approved by UIUC and EU.

Institutional Development for Agricultural Training
Project No. 615-0239

Annex 1

AMENDED
PROJECT FINANCIAL PLAN
(Source and Application of Funding - \$'000's)

INPUT	Present AID Contribution (\$'000)	Additional Amount Amendment (\$'000)	Total AID Contribution (\$'000)	Present UIUC Contract (\$'000)	New Contract Amount (\$'000)	Revised UIUC Contribution (\$'000)	REVISED GOK CONTRIBUTION			Present PROJECT TOTAL (\$'000)	New PROJECT TOTAL (\$'000)
							Actual 1986-87 LC Equiv. (\$'000)	Anticipated 1988-92 LC Equiv. (\$'000)	TOTAL LC Equiv. (\$'000)		
Technical Assistance	210.6	0.0	210.6	210.6	210.6	165.1	4.5	13.5	18.0	606.9	393.7
Training	1,101.6	500.0	1,601.6	1,101.6	1,601.6	419.5	82.4	662.2	744.6	2,702.5	2,765.7
Commodities	497.2	770.0	1,267.2	247.2	247.2	0.0	155.1	509.0	664.1	907.8	1,931.3
Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10,000.0	10,000.0	356.2	10,000.0
Sabbatic/Scholar	569.1	0.0	569.1	569.1	569.1	1,242.0	73.5	452.0	525.5	3,437.1	2,336.6
Coordination	730.7	100.0	830.7	730.7	830.7	175.0	28.9	115.6	144.5	1,178.2	1,150.2
Research Grants/Outreach	0.0	930.0	930.0	0.0	0.0	0.0	25.0	450.0	475.0	0.0	1,405.0
Evaluation	90.0	0.0	90.0	0.0	0.0	0.0	0.0	0.0	0.0	90.0	90.0
Subtotal	3,199.2	2,300.0	5,499.2	2,859.2	3,459.2	2,001.6	369.4	12,202.3	12,571.7	9,278.7	20,072.5
Inflation/Contingency	100.8	0.0	100.8	0.0	0.0	99.1	0.0	0.0	0.0	609.7	199.9
TOTAL	3,300.0	2,300.0	5,600.0	2,859.2	3,459.2	2,100.7	369.4	12,202.3	12,571.7	9,888.4	20,272.4

GOK/EGERTON CONTRIBUTION TO IDAT1. COORDINATION

a. <u>Staff Time</u>	Annual Salary	% of Time Spent on Project	Actual 86/87	Projected 88-91
Prof. R. Musangi	L. 11,928	20%	\$2,800	\$11,200
Prof. C. Onyango	L. 10,500	25%	\$3,100	\$12,400
Mr. Alan Shibira	L. 6,570	30%	\$2,300	\$ 9,200
Mr. Paul Ogada	L. 4,650	10%	\$ 550	\$ 2,200
Mr. Mainye	L. 9,090	20%	\$2,150	\$ 8,600
b. <u>Support Staff</u>				
2 Secretaries	L. 4,750	100%	\$11,200	\$44,800
2 Drivers	L. 1,750	100%	\$ 4,100	\$16,400
2 Clerk	L. 1,150	100%	\$ 2,700	\$10,800
Subtotal			<u>\$28,900</u>	<u>\$115,600</u>

2. TRAININGa. Salaries of Staff in TrainingName

See attached list	\$21,700	\$542,500
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b. Other Participant Costs

International Travel	\$22,000	\$70,000
Predeparture Costs	\$ 4,800	\$ 7,200
Support for Participants' Families		
Subtotal	<u>\$33,900</u>	<u>\$42,500</u>
	<u>\$82,400</u>	<u>\$662,200</u>

3. COMMODITIES

Clearance of Commodities and Storage	\$10,600	\$24,000
Installation of Equipment	\$29,500	\$30,000
Operation and Maintenance	\$35,000	\$105,000
Office Space	\$80,000	\$350,000
Subtotal	<u>\$155,100</u>	<u>\$509,000</u>

4. TECHNICAL ASSISTANCE

Counterpart Salaries	\$4,500	\$13,500
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	Actual <u>86/87</u>	Projected <u>88-91</u>
5. <u>RESEARCH</u>	\$25,000	\$450,000
6. <u>CONSTRUCTION</u>		
Agriculture Resource Centre	\$0	\$5,882,000
Business Administration Complex	\$0	\$2,353,000
Classrooms	\$0	\$1,765,000
Subtotal	<u>\$0</u>	<u>\$10,000,000</u>
7. <u>SABBATIC/SCHOLAR</u>		
<u>Support for Contractor Staff</u>		
Topping of Sabbatic Salaries	\$52,000	\$325,000
International Travel	\$4,000	\$25,000
In Country Costs	\$5,000	\$25,000
Housing	\$8,500	\$52,000
Local Medical Costs	\$4,000	\$25,000
Subtotal	<u>\$73,500</u>	<u>\$452,000</u>
TOTAL	\$369,400	\$12,202,300

STAFF IN TRAINING

Name	Deg.	Field of Study	Yrs. of Study	University	Jan '87	Aug '87	Jan '88	Aug '88	Jan '89	Aug '89	Jan '90	Aug '90	Jan '91	Aug '91	Jan '92	Aug '92	Annual Salary (Pounds)	Dept.
1. Jactone Arogo	M.S.	Agr. Engr.	2	UIUC	X	X	X	X									3900	Eng.
2. Monica Ayieko	M.S.	Home Econ	2	UIUC	X	X	X	X	X								3900	Home Ec.
3. Eglia Kandie	M.S.	Textiles	2	UIUC	X	X	X	X	X								4200	Home Ec.
4. Nephath Kathuri	Ph.D	Vo-Tech E	3	UIUC	X	X	X	X	X	X	X						6990	Educat.
5. Henry Muiruru	Ph.D	An. Science	3	UIUC	X	X	X	X	X	X	X						6990	A.Science
6. Loius Mumera	Ph.D	Agronomy	3	UIUC	X	X	X	X	X	X	X						6780	Agronomy
7. Kiptoo Tani	M.S.	Agr.Engr.	2	UIUC	X	X	X	X									3900	Engr.
8. Abdillahi Abood	Ph.D	Rural Soc.	3	UIUC		X	X	X	X	X	X	X					6180	Nat.Res.
9. Zulficar Ali	Ph.D	An. Science	3	UIUC		X	X	X	X	X	X	X					6180	An.Science
10. Stephen Kiarie	M.S	Agronomy	2	UIUC		X	X	X	X								4800	Biology
11. Joash Kibett	M.S	Ag. Educ.	2	UIUC		X	X	X	X								4200	Educat.
12. David Mbugo	Ph.D	Ag. Econ.	4	VPI		X	X	X	X	X	X	X	X	X			5250	Econ.
13. Kaburu M'Riku	Ph.D	Horticulture	4	VPI		X	X	X	X	X	X	X	X	X			4650	Horticul
14. Wilson Yabarn	Ph.D	Ag. Econ.	3	UIUC		X	X	X	X	X	X	X					5580	Nat.Reso.
15. John Khisa	M.S.	Ext. Educ.	2	UIUC			X	X	X	X	X						4050	Educat.
16. William Odenya	Ph.D	An. Science	3	U of FL			X	X	X	X	X	X	X				5100	A.Science
17. Bernard Kitur	Ph.D	Agronomy	3	UIUC				X	X	X	X	X	X	X			5250	Agronomy
18. Charles Njoroge	Ph.D	Food Science	3	UIUC					X	X	X	X	X	X	X		4500	Dairy/F/Tech.
19. Agnes Odenyo	Ph.D	An.Science	3	UIUC					X	X	X	X	X	X	X		4650	Biology
20. Seth Owido	Ph.D	Agr. Engr.	3	UIUC					X	X	X	X	X	X	X		5100	Engineer
21. Anthony Karanja	Ph.D	Engineering	3	UIUC						X	X	X	X	X	X	X	5940	Engr.
22. Peter Lamuka	M.S	Food Science	2	?						X	X	X	X	X	X	X	4050	Dairy/F.tech
23. Geoffrey Tunya	Ph.D	Horticulture	3	?						X	X	X	X	X	X		5760	Horticul.
24. Reocab Ochieng	Ph.D	Physics	3	?						X	X	X	X	X	X	X	4200	Physical.Sc.
25. Others			25	?														?
Total			91	person years of study													122,100	

Average Salary 5,262 Kenya Pounds or \$6,200

X=Period Participant is in training

Thus, 3.5 person years of salary was paid to participants in the GOK 86-87 fiscal year and

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JUSTIFICATION FOR WAIVER OF COMPETITION AND AUTHORITY TO NEGOTIATE
WITH A SINGLE SOURCE FOR A PABX AND ANCILLARY EQUIPMENT

Background:

USAID/Kenya approved an Invitation For Bid for a Private Automatic Branch Telephone Exchange (PABX) in Project Implementation Letter No. 30 for the Agriculture Systems Support Project (615-0169) dated June 10, 1980. After advertisement, bids were received and award was made to Plessey (East and Central Africa) Ltd., Nairobi. The award was for \$121,008.00 worth of equipment (consisting of a type D-1205 PABX and spares) manufactured by Harris Communication and Information Processing, Digital Telephone Systems Division; and for 172,880/00 Kenya Shillings of installation and one years maintenance services from Plessey. The telephone instruments were to be supplied by KP&T. The PABX was installed in October 1982 by an engineer from Harris D.T.S. Corp. The delay between procurement and installation was due to delays in construction of Egerton's buildings.

At a trial commissioning of the PABX on February 7, 1983, KP&T had insufficient lines to Egerton, and the lines provided had very high resistance resulting in feeble and barely audible conversations outside Egerton. In a meeting on March 19, 1983 Plessey claimed that lines to Egerton were still substandard, e.g. a ringing current was only 7.6 MA while normal ringing current should be 18 to 23 MA. At a meeting on July 14, 1983 it was found that KP&T still had faulty lines connected to the PABX and several other lines had been made into direct extensions to the principal, etc., bypassing the PABX. By July 22, 1983 Egerton's engineering consultants, Birkoconsult, confirmed Plessey's contention that the PABX was functioning well. However, by August 22, 1984, Birkoconsult claimed the PABX was faulty, and claimed Plessey was in default of their contract with Egerton. Plessey did not agree with Birkoconsult's claims, and claimed the warranty and maintenance periods had expired except in respect to batteries which were supplied later than the rest of the equipment.

A meeting was set for October 12, 1984 to sort out the counterclaims. Plessey, KP&T, Egerton, and Birkoconsult all attended the meeting. The meeting did not reach complete agreement among the parties. However, Plessey was cooperative and agreed to examine the equipment and rectify faults, and to make arrangements for acceptance by KP&T.

In a letter dated February 7, 1985 Plessey claimed that there were no faults in the PABX that were not a result of outside services beyond its control. On February 25, 1985 Birkoconsult took exception to Plessey's claim, and claimed the PABX had several

integral faults (which they described). On March 11, 1985 Plessey replied, reiterating their claim that the PABX worked satisfactorily and that any fault was due line faults beyond their control; stated they had only been paid only 72,100 Kenya Shillings, and were owed 31,770/30 shillings more. The reply went on to say that Plessey no longer represented Harris and that type approval of the PABX had been suspended by KP&T. Plessey claimed that this suspension of type approval rendered them unable to undertake a final turnover of the PABX to KP&T as KP&T could not accept it. In a reply dated March 27, 1985 Birkoconsult again stated many faults with the PABX remained and that Plessey was required under their contract to obtain type approval from KP&T.

At a meeting between Birkoconsult and Plessey on August 6, 1985 most of the differences between the two firms seem to have been worked out. Everyone agreed that KP&T was trying to improve the lines to Egerton and until the lines were improved KP&T would be reluctant to carry out acceptance tests on the PABX. Meanwhile, Plessey agreed to continue maintenance on the PABX.

By December 1985 about 220 extensions, and eight auxiliary lines had been connected to the PABX. Plessey was prepared to continue maintenance of the PABX, but desired to do so at commercial rates. By May 1986 KP&T claimed the phone lines to Egerton had been upgraded and were satisfactory, and that the PABX was still faulty. In a letter dated November 28, 1986 KP&T advised Plessey that the provisional type approval for the PABX had been withdrawn.

Finally, in June 1987 the PABX completely broke down.

Then in February 1988, under PIO/T 615-0239-3-70058, a telecommunications engineer, Mr. William Riggins Jr. of Transamerica Energy Associates, Inc. was hired to assist Egerton University to ascertain the nature of the problem(s) with their PABX, and to recommend and prepare specifications for any equipment or spares necessary to meet Egerton's present and anticipated needs for PABX equipment over the next few years.

In preparing his report of February 21, 1988, Mr. Riggins found that Egerton's PABX was too small for their present and near term needs as it could only accommodate 400 extensions and Egerton's near term need was for a PABX that could accommodate 1,000 extensions.

Further, he found that Harris no longer had a local dealer who could repair or service the PABX. Thus, he recommended purchase of a new PABX for Egerton. He also recommended that Egerton purchase its own telephone instruments and cable between the PABX and the telephone instruments as that would be the only way to make full use of the digital features offered by modern digital PABXs. KP&T no longer allows installation of large mechanical PABXs, only digital ones. However, KP&TC cannot supply digital telephone instruments and cable for them.

Mr. Riggins further found that no U.S. manufactured PABXs of the size required currently have KP&T type approval. Without KP&T type approval a PABX cannot legally be connected to KP&T trunk lines. However, Mr. Riggins report states that AT&T have applied for type approval of a PABX which is both manufactured in the U.S., and which is of the size required. A condition of the contract will be KP&T type approval. AT&T's representative has agreed to have spare parts, and trained service representatives available in Kenya for the PABX. Also, AT&T has recently won a major contract to supply a microwave radio link between Nairobi and Nakuru for telephone communications. For this contract they expect to have expatriate telecommunication engineers in Kenya for several years. At least one of them, it is expected, will also be trained concerning the installation and servicing of AT&T PABXs. Given this major microwave contract, it is reasonable to believe that AT&T will be ready and able to maintain any PABX they would sell to Egerton.

Discussion:

According to Handbook 1, Supplement B, Chapter 12, Section 12C4, AID may authorize negotiation with a single source when the necessary equipment is available only from one source taking into account any special requirements such as warranty coverage and the need for in-country service capability. In this case, PABXs which can be serviced in Kenya and which are manufactured in the U.S., which is the authorized geographic code under this project, are only available from AT&T. Given Egerton's past history with its existing PABX there can be no doubt of the need for in-country service capability for the PABX. The only source of funding this PABX is this project. The PABX and auxiliary equipment is essential to Egerton, and to the project's objective of obtaining for Egerton a broad base of support, for without it Egerton staff cannot communicate effectively within their own campus, or even more importantly, with others outside their campus.

Authority:

Africa Delegation of Authority No. 551, Section 5G, delegates to you the authority to waive, in accordance with the terms and provisions of Handbook 1, Supplement B, Chapter 12, Section 12C4a, competition in the procurement of commodities under a host country contract and to authorize a single-source negotiated contract, provided that the estimated procurement authorized pursuant to this authority may not exceed \$1,000,000 per transaction (exclusive of transportation costs).

Recommendation:

For the above reasons, it is recommended that you approve this waiver of competition and permit negotiation with AT&T for a host country contract which is expected to cost approximately \$600,000 for a PABX and auxiliary equipment.

JUSTIFICATION FOR APPROVAL OF SPECIFIC SUPPORT GRANTS

Background:

A major justification for this Project Paper Amendment is to increase funding for an applied research program in agricultural policy analysis. This program is designed to develop an improved research and training for policy analysis capability at Egerton while improving the quality and interaction of policy analysis research between Egerton and relevant GOK institutions. This applied research program will directly contribute to AID assisted programs at Egerton, will provide the basis for a monitoring and evaluation system for the proposed Rural-Urban Marketing program and can potentially contribute to the planning and management component of our assistance to the Kenya Agriculture Research Institute (KARI).

Discussion:

This activity will be structured in a manner which provides direct linkages to the planning departments of Ministries in Nairobi - Agriculture, Livestock, Planning, Supplies and Marketing (through the National Cereals and Produce Board) as well as to KARI and the Department of Agricultural Economics, University of Nairobi. Key representatives of all these institutions are committed to participating in this program which will begin with a June workshop. The June workshop is being funded from PD&S funds.

The activity is designed to introduce a method of policy analysis for agriculture, the Policy Analysis Matrix (PAM), which builds directly on well understood principles of farm management analysis, and to apply the PAM research approach in a baseline study of agricultural systems in Kenya. The selection of agricultural systems and principal policy issues to be analyzed will be developed as a research agenda by members of the study team including those representatives from GOK institutions actively involved in the workshops, training sessions, and research activities.

Universities, in general, have a highly developed capacity to: 1) undertake applied policy research, 2) conduct training, and 3) supervise graduate students. The specific justification for awarding grants to Stanford University and to the University of Arizona is based on their unique institutional capacity to conduct research using the PAM methodology. Staff at these two universities have ten years of experience developing variants of the PAM in Africa and Asia. Further, the two universities have graduate students who are ready and qualified to come to Kenya to conduct research using the PAM methodology, and who are familiar with Africa, and Kenya in particular. One is a native of Kenya who has performed exceptionally well in graduate studies, and the second is one who has lived and worked in Africa, and is also at the top of his class. Both students are well versed in the PAM methodology.

Thus, it is reasonable to limit consideration to only Stanford University and to the University of Arizona in this case.

The two Grant Agreements will be executed by the REDSO Contracts Office.

Authority:

These two grants will be consistent with AID Handbook 13, Chapter 2, Section 2B2, which states that, "the responsible Assistant Administrator ... or ... designee" may approve restricting the invitation of applications for assistance to a single entity.

This authority was delegated to the principal officers of Africa Bureau field posts by DOA 551 on January 26, 1988. More specifically, section 5.I of DOA 551 states that you have "the authority to approve the selection of assistance recipients under Handbook 13, Chapter 2, Section 2B2, on the basis of limited competition, no competition, or unsolicited applications with respect to field-approved grants and cooperative agreements. Such authority shall apply with respect to awards of grants and cooperative agreements (1) to indigenous recipients, without regard to the amount of the award and (2) to non-indigenous recipients, only for awards of \$1,000,000 (or the local currency equivalent) or less."

Recommendation:

For the above reasons, it is recommended that you approve the issuance of Grant Agreements to the University of Arizona and to Stanford University in support of the applied research program at Egerton University. These two grants are expected to total approximately \$500,000.

JUSTIFICATION FOR WAIVER OF ADVERTISING IN THE "A.I.D. PROCUREMENT BULLETIN" FOR FOUR 4WD VEHICLES

Background:

This Project Paper Amendment provides AID-funding for the purchase of four additional 4WD vehicles under the project. To date Egerton University has procured one Peugeot 505 Station Wagon and two Peugeot 505 Saloons (see PIL No. 6 of December 28, 1987). Also, Egerton University is expected to, shortly, purchase one 4WD vehicle and one minibus using existing project funds.

The project plans to utilize the blanket waiver for procurement of all these vehicles; however, it contains no waiver for advertising in the United States. The PAM researchers are expected to arrive in Kenya in July and these four additional 4WD vehicles are needed to carry out their research activities. Thus, the timely procurement and delivery of the vehicles is essential to the prompt initiation of research activities.

Discussion:

In order to complete procurement in a timely manner, it is necessary to waive A.I.D.'s requirement for advertising. Handbook 11, Chapter 3, Section 2.3.1 requires advertising by AID's Office of Small and Disadvantaged Business Utilization/Minority Resource Center in the appropriate AID Bulletin when the procurement of commodities is expected to exceed \$25,000. If Egerton University were to advertise as required, an additional 45 to 60 days would be added to the procurement time while the vehicles are needed now.

Handbook 11, Chapter 3, Section 2.3.2 states that advertising may be waived to avoid serious delay in project implementation, provided that efforts shall be made to secure bids or offers from a reasonable number of potential suppliers. Since right hand drive vehicles which can be serviced in Kenya are not manufactured in the United States, it is unlikely that any U.S. supplier would offer such vehicles even if the procurement were advertised in the United States. Instead, Egerton plans to solicit offers from all authorized vehicle distributors in Kenya, as well as from a few dealers which are known to export such vehicles to Kenya. Such solicitation should provide adequate competition and is fully in accordance with the small value procurement procedures described in Handbook 11, Chapter 3, Section 2.2.4.

Authority:

Africa Bureau Delegation of Authority 551, revised, Section 5G authorizes you to waive the requirement for publication of procurement notices in an A.I.D. publication for host country contracts which are less than \$500,000 in value.

Recommendation:

Thus, it is recommended that you approve a waiver of A.I.D.'s requirement for advertising in an AID Bulletin by signing the Project Paper face sheet.

JUSTIFICATION FOR WAIVER OF COMPETITION AND AUTHORITY TO NEGOTIATE WITH A SINGLE SOURCE FOR TECHNICAL ASSISTANCE AND TRAINING

Background:

The University of Illinois at Urbana Champaign (UIUC) was competitively selected under a Title XII Collaborative Assistance Mode to design and implement the project. The resulting host country contract was approved by AID on December 16, 1986 in PIL No. 3. Actual project implementation began on January 31, 1987 following approval of a revised budget.

Then, in PIL no. 8 on April 12, 1988 AID approved Amendment No. 1 to the host country contract which increased AID funding by \$1,000,000 from \$1,859,200 to \$2,859,200. These funds were provided to the project in Project Paper (PP) Supplement No. 1 which was approved on August 14, 1988. These amounts can be seen below:

<u>Catagory</u>	Original Contract (\$'000)	Contract Amendment No. 1 Amt. (\$'000)
Technical Assistance	210.6	210.6
Training	761.6	1,101.6
Commodities	37.2	247.2
Coordination Office	680.7	730.7
Sabbatic Scholars	169.1	569.1
TOTAL	1,859.2	2,859.2

As shown above, \$210,000 was added to UIUC's contract for commodities. However, the PP Supplement added \$410,000 for commodities (\$75,000 for library development which was to be added to UIUC's contract; \$75,000 for computers and software which was to be added to UIUC's contract; \$60,000 which Egerton was to purchase directly; and \$200,000 for printing equipment and supplies for the EMC which Egerton was to purchase directly). Egerton is proceeding to purchase the vehicles directly as planned. However, UIUC has proceeded to procure the printing equipment and supplies for the EMC which Egerton was to have purchased. Thus, \$140,000 needs to be added to UIUC's contract because they are purchasing the printing equipment and supplies instead of Egerton. It should be noted that this confusion arose because the text of the PP Supplement and the budget were inconsistent in this regard.

Further, in this PP Amendment, AID is proposing to add \$500,000 for approximately 25 additional person years of graduate training; and \$100,000 for additional costs of UIUC's coordination office.

Discussion:

According to Handbook 1, Supplement B, Chapter 12, Section 12C4, and Handbook 11, Chapter 1, Section 2.4.2, AID may authorize negotiation with a single source when adherence to competitive procedures would result in the impairment of the objectives of the United States foreign assistance program or would not be in the best interests of the United States.

The UIUC has done excellent work in placing Egerton staff at UIUC and other U.S. universities for graduate studies and in providing high quality sabbatic scholars. They have also effectively performed work as a procurement services agent for Egerton, mainly for microcomputers, software, and printing equipment and supplies. In the original Project Paper, the U.S. Title XII university was to handle all U.S. training and procurement from U.S. suppliers. This was reflected in UIUC's contract. Because during the project design the additional 25 person years of training and the printing equipment procurement were not anticipated, they were not included in UIUC's contract. Further, UIUC has forged an effective working relationship with Egerton. Based on a request from Egerton, it is deemed advantageous to have UIUC 1) purchase all of the \$200,000 worth of printing equipment and supplies budgeted for in PP Supplement No 1, and 2) provide the planned additional 25 person years of graduate study. This will require an extension of the contract period by 18 months to allow for the return of the graduate students. If this waiver is not granted a new university team would require at least six months to fully comprehend Egerton's training needs and to work out arrangements for placement of graduate students. Furthermore, the selection of another university would require Egerton to work with two U.S. universities, at the same time, to arrange graduate studies. This would be unnecessarily cumbersome and burdensome. It is judged that an orderly completion of the project would not be possible if another university had to be selected at this time to provide the graduate degree training, and the procurement services. Thus, in this case, adherence to competitive procedures would result in the impairment of the objectives of the United States foreign assistance program and would not be in the best interests of the United States, so a waiver of competition is justified under Chapter 12 paragraph C4.a.(2)5 of Handbook 1, Supplement B.

Authority:

Africa Delegation of Authority No. 551, Section 5G, delegates to you the authority to waive, in accordance with the terms and provisions of Handbook 1, Supplement B, Chapter 12, Section 12C4a, competition in the procurement of services under a host country contract and to authorize a single-source negotiated contract, provided that the estimated procurement authorized pursuant to this authority may not exceed \$1,000,000 per transaction.

Recommendation:

For the above reasons, it is recommended that you approve this waiver of competition and permit negotiation with UIUC for a host country contract amendment in the approximate amount of \$740,000 for training, commodity procurement services, and for additional support for the coordination offices.

REPUBLIC OF KENYA
MINISTRY OF FINANCE

Annex 7
Page 1

Telegraphic Address: FINANCE-NAIROBI
Telephone: 338111

When replying please quote

Ref. No. 188/9/02
and date



THE TREASURY
P.O. Box 30007
NAIROBI, KENYA
29 April, 1988.

The Director,
USAID Mission to Kenya,
P.O. Box 30261,
NAIROBI.

REQUEST FOR ADDITIONAL FUNDING FOR INSTITUTIONAL DEVELOPMENT
FOR AGRICULTURAL TRAINING PROJECT

In the above, we hereby confirm our no objection to the request for additional funding for - the Institutional Development for Agricultural Training Project as indicated in the attached letter (dated 6th April, 1988) from the Vice-Chancellor, Egerton College.

As stated in the referenced letter, this request is for an additional amount of \$2.3 Million. These funds are needed so as to further realize the objectives of the Project which is on-going.

This letter therefore formally requests for the above assistance. Please indicate your concurrence.

A handwritten signature in black ink, appearing to read 'W. A. J. Tuva'.

W. A. J. TUVA
For: PERMANENT SECRETARY

Encl: A/S

C.C.

The Vice-Chancellor,
Egerton.

EGERTON UNIVERSITY



OFFICE OF THE VICE CHANCELLOR

Tel: (037) 61620/61031/61032
Telex 33075

P.O. Box 536
Njoro, Kenya.

Ref: .

Ref: VC/39

6th April, 1988

The Permanent Secretary,
Ministry of Finance,
P.O. Box 30007,
NAIROBI. (ATTN: MR. W.A.J. TUVA)

THRO'

The Permanent Secretary,
Ministry of Education,
P.O. Box 30040,
NAIROBI. (ATTN: MR. J.B. Ndunquu)

Forwarded
[Signature]
29/4/88

SUBJECT: ADDITIONAL FUNDING FOR INSTITUTIONAL DEVELOPMENT FOR AGRICULTURAL TRAINING PROJECT.

I am writing to seek your concurrence and approval for USAID to increase its level of funding for the above project from \$3.3 million to \$5.6 million. The initial USAID commitment under the Project was \$2 million which was later increased to \$3.3 under amendment one.

The IDAT project has three key financial contributors i.e. USAID GOK and University of Illinois at Urbana Champaign (UIUC). As already stated above USAID was required to contribute \$2 million in grant, UIUC \$2 million and GOK an equivalent of \$4 million.

The principal elements which the IDAT project is intended to address are:-

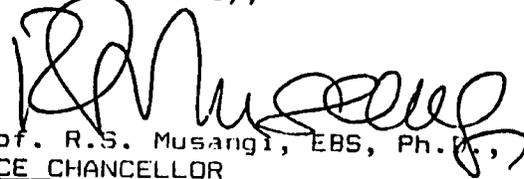
- (i) Establishment of a long term linkage programme, intended strengthen both the capacity and capability of Egerton University in the field of Agriculture and create at Egerton a centre of excellence in agriculture training, agriculture research and extension.
- (ii) Faculty and staff training
- (iii) Administrative improvement
- (iv) Curriculum development & evaluation.

- (v) Development of educational materials, research and outreach programmes.
- (vi) Sabbatical/scholar exchange programme.

To be able to realize the objectives of the IDAT Project, additional funds are needed primarily for agriculture research and telecommunications facilities. The University has made a request to USAID to consider supplementary funding for the Project in the amount of \$2.3 million. To facilitate ease in the amendment of the agreement, I will be grateful if you can consider this request and transmit your concurrence to USAID for action. The additional \$2.3 million is 100% grant and will therefore not affect the regulated Ministerial Development ceilings.

Your prompt action will be very much appreciated.

Yours faithfully,



Prof. R.S. Musangi, EBS, Ph.D.,
VICE CHANCELLOR

c.c.
USAID Director,
(Attn: Dr. Maria Mullei)

RSM/ANS/pmm