



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U.S.A.I.D. MISSION TO KENYA

UNITED STATES POSTAL ADDRESS
US AID MISSION TO KENYA
BOX 201
APO NEW YORK, NEW YORK 09675

INTERNATIONAL POSTAL ADDRESS
POST OFFICE BOX 30261
NAIROBI, KENYA

August 15, 1989

Dr. Ernest M. Steury
Executive Officer
Tenwek Hospital
P.O. Box 39
Bomet, Sotik



Subject: Grant No. ~~615-02364G~~-00-9070

Dear Dr. Steury:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Tenwek Hospital (hereinafter referred to as "Grantee") the sum of \$252,100 to provide support for a program in Community-Based Development, as described in Attachment 1, the Schedule of this Grant, and Attachment 2, entitled "Program Description".

This grant is effective, and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending on the estimated completion date of August 31, 1992.

This grant is made to the Grantee on condition that funds will be administered in accordance with terms and conditions as set forth in Attachment 1, entitled the "Schedule", Attachment 2, entitled "Program Description", Attachment 3, entitled "Standard Provisions", and Attachment 4, entitled "Cash Advance Guidance", which have been agreed to by your organization.

Please sign the original and four (4) copies of this letter to acknowledge your receipt of the grant, and return the original and three (3) copies of the entire document to the Human Resources Development Office, USAID/Kenya, P.O. Box 30261, Union Towers, Nairobi, Kenya.

Sincerely,



Steven W. Sinding
Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Cash Advance Guidance

Acknowledged:

Tenwek Hospital

By: Ernest M. Steury, M.D.

Typed Name: ERNEST M. STEURY

Title: Executive Officer

Date: 28 AUGUST 1989

FISCAL DATA

Appropriation	:	72-1191014
Budget Plan Code	:	GSSA-89-21615-KG13
PIO/T No.	:	615-0236-3-90092
Project No.	:	615-0236
Total Estimated Amount	:	\$252,100
Total Obligated Amount	:	\$252,100

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for a program in Community-Based Development to be implemented by Tenwek Community Health Department in Kericho District, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

The effective date of this Grant is the date of signature of the Grant. The estimated expiration of this Grant is August 31, 1992.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$252,100 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 4, entitled "Cash Advance Guidance".

D. Financial Plan

The budget for this Grant is set forth in Annex 1 to this attachment. Revisions to this plan shall be made in accordance with the standard provision of this Grant, entitled "Revision of Grant Budget". The Grantee is fully responsible for financial management and accountability for utilization of Grant funds.

E. REPORTING AND EVALUATION

During the life of the Grant, the Grantee will submit to USAID/Kenya Human Resources Development Office the following reports:

1. Technical Reporting

On a quarterly basis, a report will be submitted on project progress and on problems encountered to date in achievement of Grant objectives. The quarterly report will include a general assessment of progress and problems to date; a brief status report on each of the sub-projects and the indicators of outputs achieved to date; a brief summary of actions planned for the next period; a description of all goods and services (including amount and source and origin) whose source and origin are not Kenya or the United States; and a table showing all personnel directly financed under this Grant. These reports will contain both quantitative and qualitative information to the extent possible. The first such report will cover the period ending November 30, 1989. Each such report is due 30 days following the end of the reporting period and will be submitted in 3 copies.

2. Financial Reporting

Financial reporting by the Grantee will be in accordance with the procedures set forth in Attachment 4, entitled "Cash Advance Guidance". All financial reports shall be submitted to the Office of the Controller, USAID/Kenya, P.O. Box 30261, Nairobi, Kenya.

The Grantee agrees to consult with the USAID/Kenya Human Resources Development Office (HRD) concerning further details for submitting all financial reports and estimates.

3. Final Report

A final progress and financial report is required which will include a comprehensive review and discussion of project activities and achievements. This report will be due 30 days after the estimated expiration date of the Grant.

4. Evaluation

An evaluation of the entire project will be conducted in the 12th quarter of the project. Two months prior to conducting this evaluation, a scope of work will be provided to USAID/Kenya for review and comments. USAID reserves the right to participate in the evaluation. The grantee will submit three (3) copies of the evaluation report to USAID within 30 days of report completion.

F. Special Provisions

No funds shall be disbursed under this grant until A.I.D. has received written approval of the project by the District Development Committee (DDC) for the district in which the project is located. Written approval shall take the form of a letter from the DDC approving the project, or such other documentation satisfactory to A.I.D. USAID will notify the Grantee in writing when it has accepted the required DDC documentation.

G. Authorized Source and Origin for Goods and Services

Goods and services financed by A.I.D. under this Grant shall have their source and origin in countries contained in A.I.D. Geographic Code 935 in accordance with the order of preference rules specified in section (b) (1) of the Standard Provision of this Grant entitled, "Eligibility Rules for Goods and Services." (See Annex 2 to this Attachment for details on countries covered in A.I.D. Geographic Codes).

Tenwek Hospital
 Grant No: 615-0236-G-00-9070
 Dated: August 15, 1989

ANNEX 1 to Attachment 1

Estimated Grant Budget
 (U.S. \$)

From September 1, 1989 to August 31, 1992

Cost Element	USAID	Tenwek Hospital	Total
1. Salaries & Wages	57,457	84,386	141,843
2. Training	15,083	2,778	17,861
3. Commodities	83,526	63,889	147,415
4. Other Direct Expenses			
- Vehicle running costs	35,309	0	35,309
- Travel	3,310	0	3,310
- Office Expenses	3,678	0	3,678
- Consultants	11,111	0	11,111
- Audit	3,126	0	3,126
- CH Building Expansion	0	41,667	41,667
- Demo Plot Land	0	3,610	3,610
- Miscellaneous Expenses	6,620	0	6,620
Subtotal	219,220	196,330	415,550
5. Contingencies (@15%)	32,880	0	32,880
Total Grant	252,100	196,330	448,430

Conversion rate from Kenya Shillings: Kshs. 18.00 = \$1.00

ANNEX 2
to ATTACHMENT 1

RELEVANT A.I.D. GEOGRAPHIC CODES

000 UNITED STATES

899 FREE WORLD

Any area or country in the Free World* excluding the cooperating country itself.

935 SPECIAL FREE WORLD

Any area or country in the Free World*, including the cooperating country itself.

941 SELECTED FREE WORLD

Any independent country in the Free World*, excluding the cooperating country itself and the following:

<u>Europe</u>		<u>Other</u>	
Andorra	Luxembourg	Angola	Mozambique
Austria	Malta	Australia	New Zealand
Belgium	Monaco	Bahamas	Qatar
Denmark	Netherlands	Bahrain	Saudi Arabia
Finland	Norway	Canada	Singapore
France	Portugal	China, Republic	South Africa
Germany, Federal	San Marino	of (Taiwan)	United Arab
Republic of	Spain	Cyprus	Emirates
(including West	Sweden	Gabon	
Berlin)	Switzerland	Greece	
Ireland	United Kingdom	Hong Kong	
Italy	Vatican City	Iraq	
Iceland	Yugoslavia	Japan	
Liechtenstein		Kuwait	

*"Free World" excludes the following areas or countries:

Afghanistan, Albania, Bulgaria, Cambodia, Cuba, Czechoslovakia, Estonia, German Democratic Republic, Hungary, Iran, Laos, Latvia, Libya, Lithuania, Mongolia, North Korea, People's Democratic Republic of Yemen (South Yemen or Aden), People's Republic of China, Poland, Romania, Syria, Union of Soviet Socialist Republics, Viet Nam.

ATTACHMENT 2

TENWEK HOSPITAL: COMMUNITY BASED DEVELOPMENT

PROGRAM DESCRIPTION

Introduction

The purpose of this three-year project is to increase farm-based income of poor people in the rural Kericho District by an increase of milk, egg, tea and vegetable production on small family farms. The specific target is to increase the income of 3,000 families in the Kericho District by an average of Kshs. 1,000 per month through:

- introducing farm-based income-generating technologies, and
- establishing 24 small private companies

Local project workers will be selected by the community, trained, supervised by community leaders, and reside permanently in each community. The aim is to achieve long-term community development, sustainable after the Tenwek Community Development project ends.

The Project

To combat limited local investment capital and employment opportunities, this project will promote self-help by developing opportunities for increased income on local family farms, particularly by capitalizing on the Kipsigis people's strong cultural interest in animal husbandry and agriculture.

With large families and shrinking farm acreage, new technologies are essential. According to a recent survey, 71% of the families in Tenwek's area depend on farming as their chief means of livelihood, but only 34.8% own more than 5 acres of land. Hence, improved technologies are crucial to maximize small farm production.

A predecessor program, Tenwek Community Health, was established in 1983. While major progress was made towards better local public health, the community costs required are high to construct latrines, water tanks, improve kitchen gardens and support well-baby/antenatal clinics. Target families in the area, however, must also meet the high costs of their children's education, transportation, marketing, and other increasing local living expenses. Many find it hard to meet the health costs, especially preventive, which are perceived as less immediate. The project proposes to change this by enabling local families to increase their monthly income through improved farming techniques, and extending their knowledge of the availability and importance of these services.

Tenwek Community Based Development will be a sister project to Tenwek Community Based Health, managed by the Tenwek Community Health Department but with separate personnel, finances, and equipment. They will each be supervised by the Department Director, who will report to the Community Health Management Committee.

The new project staff will adopt the same motivational, supervisory and management techniques, and both projects will use techniques of community outreach and consultative management. Hence, the expertise and experience developed by the health team will be available to this new project.

The project will introduce farm-based income-generating technologies through 24 small private companies. This objective will be accomplished through training, guiding and supporting the work of five community development supervisors. In turn, these five will train 24 health groups in target communities to serve on interim development committees until the companies are formed. These groups will select 120 volunteer community development helpers for training. After training, the helpers will serve their communities by doing family income assessment and providing practical assistance in introducing improved local farming techniques.

End of Project Status and Evaluation

By the end of the project, success will be evaluated against the following targets:

- (1) five Community Development Supervisors hired, trained and working in the field, each supervising 24 Community Development Helpers and five private companies;
- (2) 120 Community Development Helpers trained, each working with an average of twenty-five neighbors in devising and managing improved farming techniques;
- (3) twenty-four local private companies established, with by-laws, elected officials, a self-financed revolving loan fund and an average of 50 shareholders each. The companies will be self-sustaining, and will be expected to expand their services with minimal outside input;
- (4) a demonstration/research plot in operation, to include a 1800 gallon ferro-concrete water tank, five brooder houses (capacity: 500 chicks each), small-scale chicken coops, a greenhouse capable of holding 300,000 vegetable, tea and citrus seedlings, and a four-cow zero grazing plot;

- (5) 1200 egg chicken coops, each generating Kshs 400 profit per month;
- (6) 1200 improved vegetable/tea plots operating, each generating Kshs 500 profit per month;
- (7) 600 zero-grazing projects in place, each one generating Kshs 3,200 profit per month;
- (8) 300 ferro-concrete water tanks used to provide water for the above projects;
- (9) technology, management, motivational and logistical systems and training materials in place for ten governmental (or non-governmental) organizations involved in local development and small income-generating activities; and
- (10) an increase of income for about 3000 families (expected to increase by an average of Kshs 1000 per month).

Funding

This grant will be for three years. The total project cost is estimated at \$448,430 over a three year period, with USAID's contribution estimated at \$252,100. This will fund salaries, training, commodities, other direct costs and contingencies.

Tenwek Hospital will provide the Kenya shilling equivalent, in cash and in kind, of approximately \$196,330 to cover a portion of salaries, training, commodities and other direct expenses. These contributions represent over 43 percent of total project costs.

Note: A more complete project description is contained in the project proposal, available in the Human Resources Development Office, USAID/Kenya. However, if any provisions of the grant document conflict with those in the final proposal (with revisions, if any), the grant provisions will govern.

ATTACHMENT 3

STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Mandatory and Optional Standard Provisions marked by an "X", copies of which are attached and incorporated as part of this Grant.

1. MANDATORY STANDARD PROVISIONS FOR NON-U.S.,
NONGOVERNMENTAL GRANTEES

- (x) 1. Allowable Costs (May 1986)
- (x) 2. Accounting, Audit, and Records (May 1986)
- (x) 3. Refunds (May 1986)
- (x) 4. Revision of Grant Budget (May 1986)
- (x) 5. Termination and Suspension (May 1986)
- (x) 6. Disputes (November 1985)
- (x) 7. Ineligible Countries (May 1986)
- (x) 8. U.S. officials Not to Benefit (November 1985)
- (x) 9. Nonliability (November 1985)
- (x) 10. Amendment (November 1985)
- (x) 11. Notices (November 1985)

2. OPTIONAL STANDARD PROVISIONS FOR NON-U.S., NONGOVERNMENTAL
GRANTEES

- () 1. Payment - Periodic Advance (November 1985)
- () 2. Payment - Cost Reimbursement (May 1986)
- (x) 3. Air Travel and Transportation (May 1986)
- (x) 4. Ocean Shipment of Goods (May 1986)
- (x) 5. Procurement of Goods and Services (May 1986)
- (x) 6. AID Eligibility Rules for Goods and Services (May 1986)
- (x) 7. Subagreements (May 1986)
- (x) 8. Local Cost Financing (May 1986)
- () 9. Patent Rights (May 1986)
- () 10. Publications (May 1986)

- (x) 11. Nondiscrimination (May 1986)
- (x) 12. Regulations Governing Employees (May 1986)
- () 13. Participant Training (May 1986)
- () 14. Voluntary Population Planning (August 1986)
- () 15. Protection of the Individual as a Research Subject
(November 1984)
- () 16. Negotiated Overhead Rates - Provisional (November 1984)

- () 17. Government Furnished Excess Personal Property
(November 1984)
- (x) 18. Title to and Use of Property (Grantee Title) (May 1986)
- () 19. Title to and Care of Property (U.S. Government Title)
(May 1986)
- () 20. Title to and Care of Property (Cooperating Country
Title) (November 1984)
- (x) 21. Cost Sharing (Matching) (May 1986)

CASH ADVANCE GUIDANCE

General Policy

USG cash advance policy, consistent with AID's cash management procedures, is premised on the principle that advances should not be granted unless absolutely essential since the cost of Treasury borrowing is a considerable burden on the U.S. taxpayer. When deemed to be essential, the amount of advances should not exceed the immediate minimum needs of the recipient. Treasury has defined minimum needs as being no more than a 30 day requirement of cash on hand. The time that it takes for the recipient to liquidate the advance is of no consequence when considering immediate disbursing needs.

Guidelines

The following guidelines should be used when considering the need for an advance to not-for-profit recipients.

- When an activity commences, the grantee will provide a projection of cash requirements over a specified period (normally 3 months/by month).
- Based on an analysis of this projection, the amount of the initial advance will be determined based on a 30 days' need from the date the advance is received by the grantee.
- Subsequent monthly advance requests should be submitted with enough lead time for processing within AID and delivery of a check to the recipient. The new request should include an updated cash requirement projection as long as 'the 30 days' cash on hand' requirement is met.
- It may take AID as long as 30 days to process this request and deliver a check. Therefore, for example the grantee should submit a request for an advance by the last week of August for cash needs of October. The check would be put in the grantee's account as close to October 1 as possible. Therefore, at that point in time the grantee would have 30 days' cash on hand. By the end of October the grantee would be running out of cash but would soon receive the November advance requested at the end of September. The key is that 30 days' needs are not exceeded.

- Within 30 days following the end of each month, a Grant Financial report is required. This report will include a consolidated report of grant expenditures which shows by budget line item: amount budgeted per the financial plan, amount expended for the monthly period under consideration, total cumulative amount expended, and remaining balance per line item. See sample format attached entitled "Expenditure Report". Failure to submit such a report as required may preclude the issuance of further advances.

Documentation

The following is a list of what is required prior to approving a cash advance and should be circulated with the initial advance voucher:

- A written request every month from the entity desiring the advance which would include:
 - a detailed budget of eligible project activities covering the period of the proposed advance (see sample format attached entitled "Statement of Certified Cash Needed"),
 - identification of the separate bank account where the advance will be placed,
 - a properly executed Standard Form 1034 (Public Voucher for Purchases and Services other than Personal). Copies of SF1034 are attached.

SAMPLE FORMAT

(Name of Organization)

STATEMENT OF CERTIFIED CASH NEEDED

GRANT NO: _____

An advance of funds in Kenya Shillings (or US Dollars) is, hereby requested for activities during the periodto.....

APPROVED BUDGET*

EXPECTED EXPENDITURES

LINE ITEMS

Month 1 Month 2 Month 3

- 1. Salaries & Wages
- 2. Pensions & Benefits
- 3. Technical Assistance
- 4. Training & Education
- 5. Transport
- 6. Commodities & Equipment
- 7 Other Direct Costs
- 8. Contingencies & Inflation

Total

The undersigned hereby certifies: (1) that the above requested amount represents the best estimate of funds needed for disbursements to be incurred over the period described, (2) that appropriate refund or credit to the Grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or credit to the grant will be made in event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to A.I.D.

By: _____

Title: _____

Date: _____

*The breakdown of budget line items should be as per the approved budget. The categories shown above are illustrative only.

SAMPLE FORMAT

(Name of Organization)

GRANT NO: _____

EXPENDITURE REPORT FOR PERIOD TO

APPROVED BUDGET* LINE ITEMS	TOTAL BUDGET AMOUNT AVAILABLE (KSHS) OR (US \$)	CUMMULATIVE EXPENDITURES THROUGH PRIOR RE- PORTING PERIOD	EXPENDITURES THIS PERIOD	CUMMULATIVE EXPENDITURE TO DATE
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1. SALARIES & WAGES
2. BENEFITS & PENSIONS
3. TECHNICAL ASSITANCE
4. TRAINING & EDUCATION
5. TRANSPORT
6. COMMODITIES & EQUIPMENT
7. OTHER DIRECT COSTS

SUB-TOTAL

8. CONTINGENCIES & INFLATION

TOTAL

I CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT THIS REPORT IS TRUE IN ALL RESPECTS AND THAT ALL DISBURSEMENTS HAVE BEEN MADE FOR THE PURPOSE AND CONDITIONS OF THE GRANT AGREEMENT.

TYPED OR PRINTED NAME AND TITLE

SIGNATURE

DATE: _____

*The breakdown of budget line items should be as per approved budget. The categories shown above are illustrative only.