

EVALUATION OF PRIDE CREDIT PROGRAM

SECTION TWO

6. INTRODUCTION AND METHODOLOGY

This portion of the report covers matters raised under the TOR 7-9 which in meetings with the client REP were essentially interpreted to emphasize developmental, institutional and management issues.

6.1. MEC and EG Sample

Given the KREP emphasis on project target and developmental issues, the fact that collection of systematic socio-economic monitoring and evaluation data was not planned for and thus was not undertaken, the consultant decided to spend five days conducting field interviews, one day rechecking the field data and four days interviewing CIDW/CIDK/Pride staff, KREP staff and donors and in report writing. This accounts for the 10 days contracted.

In the field, the consultant initially sampled 10 MECs or about 40% of all MECs. The sampled locations and MECs are shown in Table 1: MECS Sampled by Location. Three MECs were sampled in Ravine location, two in Maji Mazuri, two in Koibatek, one in Lembus Kabimoi and two in Lembus Mosop. Since no specific MECs operate in Lembus Central, none were interviewed there. In any case, the distribution is not representative of the demographics of the division for it underweights the large population of Lembus Mosop and Lembus Central as is shown in Table 2: Population By Location.

Having decided to sample ten MECs, the consultant further decided that within the time available, the most efficacious way of collecting MEC data was to interview all the EG chairpersons or their representatives. 93 were interviewed. The centres where interviews were conducted and where visits were made are shown in Table 3.

6.2. Interviews with DC Baringo and DO Ravine

To clarify matters which touch on District Focus, the DC Baringo was interviewed. The DO Ravine, who had been DO Mogotio, when the project was beginning, was interviewed. DF documentation was supplied by the DO Ravine.

6.3. Pride and KREP staff

Information on the planning, management and status of the project was supplied by the staff of the two organisations.

6.4. Pride and KREP Records

Data collected and processed by Pride, as well as documents prepared for their own internal uses, were used initially to organise the unstructured interviews, to establish corporate philosophies and finally to get aggregate data on the participants in the project.

6.5. Barclays Bank and Ford Foundation

Interviews were conducted in Ford Foundation and Barclays Bank to gather information on their programming interests, orientations and long term perspectives on credit in the donor and the banking community.

6.6. Data and Attitudes from Two Debriefing Meetings

Data on approaches and significantly on Pride Board attitudes was gleaned from two debriefing meetings.

A listing of the persons interviewed and the dates is appended.

7. PROJECT PLANNING AND SUPERVISION

A basic problem in the Pride Credit Programme is its planning before onset. Two documents refer to this. They are the Project Proposal Submitted to KREP by CIDK on 7/9/88 and The revised version of 7/2/1989. The documents are not exactly clear on the objectives: target populations: monitoring and evaluation indicators and how these relate to activities and finally on the philosophy of the credit project.

More specifically the two documents state that the credit activity is part and parcel of a wider project which also covers apiculture and sericulture. How the three components relate or do not relate is not specified and, as was made clear in debriefing, is not subject of this final report. There is repeated references that the implementation will be through groups without specific determination of their socio-economic characteristics either of the groups or the individuals.

The area of operation is specified as South Baringo although there is no entity called such. One assumes it is Mogotio and Eldama Ravine Divisions. The credit component has only been in Ravine Division.

KREP should have insisted on specific criteria on targets of credit, phasing of implementation, and indicators for internal and external monitoring and evaluation during project preparation. Since the programme has just about exhausted lending the KREP money it may well be that the only thing to be done is to collect data on credit recipients post hoc.

8. PROJECT BENEFICIARIES

8.1. PROJECT JUSTIFICATION

Pride staff justifies its credit programme on the basis of business and not welfare. This they see as fulfilling the macropolicy needs of the GOK strategy of increasing employment in the rural areas. Thus they are primarily concerned with giving credit and ensuring that it is repaid. Table 6: Loan Repayment as at January 6, 1991 and Table 7: Completed Loan Repayment and Table 8: Current Loans and Repayment refer. They insist that they did not target a particular socio-economic group. They have no data to back up the contribution towards the GOK strategy of increasing employment.

The driving force of Pride credit lending is thus strictly market and the potential hope of graduating some participants (between 20 and 30%) into the formal credit system.

Pride operations are in the true spirit of the philosophy of the market place based on the revenue generation by the credit. The ultimate objective is revenue to support a branch. If they get to 20 branches, the system will also support headquarters staff.

The abstract model, developed by CID, does not tell us anything about what types of businesses are feasible or desirable for its logical consequence is that entry and exit into the market place is strictly an individual and opportunistic matter.

Pride has instilled borrowing discipline. There cannot be deviation from the organisational framework of the EGs and MECs or the repayment targets. If one is slack, they are dropped. The MECs are supposed to formally do it but field interviews show that most of the time EGs actually terminate individual memberships for groups do not want the onus of carrying a defaulter. The Pride database, as shown in Table 4, shows that only 46 (4%) participants have left the programme. During the field work week the consultant saw 6 participants who were seeking to leave EGs, not MECs, as the system recommends and there were others at the meetings waiting to replace them. This dynamic needs further study for it contributes to the high repayment rate - above 100%.

KREP currently argues there should be a selection system which identifies target populations, their socio-economic characteristics as well as the characteristics of their businesses. In the project document, which KREP accepted, there is no concrete definition of who is to get the credit in terms of socio-economic status, types of businesses, demographic distribution of the population, social organisation, village production, ecological potential and regional complementarities. Neither are these issues elucidated in detail in KREP's Programme Description. In all the different versions of the Project document, there is no provision that the businesses for

which credit is given be related to improving the nutrition, health and education of the clients which would be used in evaluating how individual businesses contribute to general welfare. There has not been any formal oversight requirements from KREP that Pride collect and disaggregate socio-economic data so as to facilitate defining the target group systematically.

KREP management, like other donors in the country, is internally split on whether the credit strategy is to fund the rural population with assets but who are outside the formal credit system so that they can employ the poor in keeping with the national GOK objectives of increasing rural employment or whether to focus credit on the rural poor (including the poorest of the poor) exclusively.

It is clear to the consultant that the long term macro policy credit needs in the country are to: a. Expand formal credit by liberalising the collateral requirements. b. Enable those with assets to join the national credit system so liberalised. c. To design alternative credit systems for those without assets qualifying them for being reached by the above strategies.

8. 2. SOCIAL CHARACTERISTICS

8.2.1. AGE

Table 5 shows Clients by Age and Sex. Data shows that the oldest client is 77: the youngest 18 and the average age is 35. Breakdown of the ages of clients shows that of the 1,200 clients 3% are under 20, 36% are between 21 and 30, 35% are between 31 and 40, 18% are between 41 and 50 and 10% are above 51.

If the age breakdown is made by gender, still the majority of the men and women (36%) still fall in the 21-30 age bracket, 34% and 32% of the men and women respectively fall into the 31-40 age bracket. 1% and 11% of the men and women respectively fall into the above 50 age bracket. 3% and 4% of the men and women respectively fall under 20 years old.

The conclusion therefore is that the majority of the clients are in the most active economic age bracket.

8.2.2. SEX

Of the 1,200 participants, 59% are male and 41% are female. Making the age breakdown the women who are in the programme are only marginally younger than the men as shown above.

8.2.3. TYPE OF BUSINESS

Table 9 shows Types of Businesses by Gender. Of the 1200 participants 37% (444) are in Retail, 29% (346) are in Livestock trade, 11% (132) are in Hawking, 7% (81) are in Hotel and Catering,

5% (56) are in tailoring, 2% (20) are in wholesaling, 1% (12-13) are either in Service and Repairs or Artisan Production, 0.3% (3-4) are in either in Wholesale, Manufacturing and Transport. 7% (86) are in other businesses.

The various businesses can be recombined into three categories Production (including Agro-Processing, Manufacturing and Artisan Production) as forming 3.3%; Services (including Hotel and Catering, Service and Repair, Tailoring and Transport) as forming 13.3% and Trade (including Wholesale, Retail, Hawking and Livestock) as forming 77.3%.

Further analysis of the Trade component shows that roughly 30- 35% of the businesses are about trading on commodities produced in the area for clearly not less than half of the component of hawking component is hawking based on clothes from without the area and the other half possibly on vegetables from within the area.

Given that Production is only 3.3% and also that at best 30-35% is locally based trade (an optimistic assumption) clearly the credit system cannot be argued to have a major impact on local production activities in the sense of utilising local resources and building local productive capacity.

Perusal of the data in Table 9: Types of Businesses by Gender, shows that women predominate in the retail and hawking businesses. This forms 71% of the total women participants. Thus 7 out of 10 women participants are trapped in the trade sector which predominantly is for taste creating and for which margins are low given the density of businesses in the same markets.

8.3. SOCIO-ECONOMIC DATA IN PROGRAMMING

The objective for interviewing the 93 EG Chairpersons or their representatives was to get indicative data on socio-economic characteristics and assets controlled by participants. Normally this kind of data should be part and parcel of the baseline, internal project management, project monitoring and evaluation and finally operations reporting to the donor (KREP).

It was not a requirement of KREP then that the five categories of socio-economic data be part and parcel of the project when the Pride Programme started. Given Pride's market and open ended interest in self selection of those who got credit, they did not deem it important to collect socio-economic data beyond age, sex and type of business.

Currently, KREP requires that baseline data socio-economic be collected, and that project report monthly on operations. This still leaves the lacunae of who collects monitoring and evaluation data for midterm and end of project evaluation and what type of data is collected for internal project management.

Collecting such data is important in establishing the credit targets more systematically and thus settling the debate on what socio-economic category is of interest first to the banking industry eg. Barclays, donors interested in funding the poorest of the poor, eg Ford and also primarily for contributing to setting national policy on credit to those currently outside the formal credit system.

RECOMMENDATIONS

a. Both KREP and Pride should decide on why to target who and where even within Ravine Division.

b. Both should be aware that to encourage businesses which emphasize taste creation for consumption of industrial consumable is not very efficient for a region with a good base for improving its productive capacity. The corollary to this point is then that there cannot be a credit approach replicable in other parts of the country for the businesses which improve an areas productive capacity will vary from region to region even within a district like Baringo.

c. In the short term, the experimental approach adopted in the programme under evaluation is of interest if for no other reason that it clarifies the problem of strategy towards defining which credit system is needed were and by what populations. Data to settle these issues will have to be collected in the future.

d. The component of credit for increasing Local Production should be addressed more effectively for between 60- 70% of the businesses can be imputed to be serving to bring about the consumption of manufactures from outside the region for it is doubtful that this kind of business development is sustainable or generates employment.

e. Women seem to be trapped into the trade sector where the margins are low and where the thrust is to create taste external to local production. The clear need is to get women to businesses which produce better margins and enhance local production.

f. KREP and, for that matter all other donors who are to fund Pride, should always do a socio-economic baseline on all credit programmes so as to establish who is either the target of credit or who is getting it if there are no pre- set criteria.

g. KREP and other donors should not only get the monthly operations report, but should insist on collection of monitoring and evaluation data alongside the collection of any other data needed by credit programmes, Pride included, for internal programme management. It is advantageous to a donor that the monitoring and evaluation data be collected by persons not tied to either the donor or the implementer.

9. MANAGEMENT OF THE CREDIT SYSTEM

9.1. Decisionmaking

The first point is that the design of the Pride branch is driven by the abstract model which shows that 1500 clients would be able to ensure sustainability of the branch, by paying for Branch operating costs if the predesigned membership, payment schedules, collection and banking routines are adhered to strictly. Within this there is no room for deviation either by branch managers or participants. The systemic decisions are made at the centre and routinely implemented.

It is true that the EGs decide on membership. Although Pride argues that the participants decide on MECs, the consultant's opinion is that this is not so for Pride decides where MECs are to be and thus the room for manoeuvre for the participants is only in constituting themselves for the group of five. Witness that Lembus Central has no MECs for the decision was to incorporate the members from there into Ravine location MECs despite the fact that presentations have been formally made to Pride about the extra cost for travelling to Ravine to fulfil the other routines.

Further, the repayment schedule is rigidly set and participants have found out that even their petition to Pride in September 1990 that the schedule for coming together should be either every two weeks or monthly, is contrary to central design and revenue generation dictates and thus is not allowed.

From Pride's point of view, these two central operational questions are settled at the cost table. Thus to go into two weeks meetings and thus repayments is to interfere with the projected cash flow of the abstract model and thus is not possible and neither is it managerially allowed.

The Grameen procedures on intake of members, and type of business for which a loan is needed is technically done by the participants at grassroots. However the other procedural corollaries of the Grameen procedures on decisions on loan amounts, repayment schedules, rescheduling and members loaning priorities are not for the amounts to be loaned and the repayment schedule are preset.

9.2. Field Staff Operations

The field staff is essentially operating a daily ledger. Since there is no Business Advisory Capacity or Training Capacity as there are only 3 field staff (Branch Manager, Apiculture specialist, doubling as a Credit Officer, and a Credit Assistant), means nothing else can be done for the operations are still manual.

It is proposed that there will be on line/batch transfer computer connection. Given that the database entries are based on exception

rather than routine handling all the 1200 clients daily, this will enable the field staff to handle other activities.

Pride field staff do not have the time or the capacity to visit and advise the clients on their businesses. To generate personnel to do this later task will lead to higher costs and thus jeopardise the model predictions.

Pride states that they intend to use the saved time in among other things business advise. Two related issues though remain. First none of the current field staff are trained trainers or business development people who can go around and discuss new business opportunities or improvements in existing businesses for the participants. Second, there is no formal strategy developed on how, what sectors and what methodologies the Business Advisory component is to be implemented.

Finally, there is the issue of local branch specificity. The abstract model assumes key operating costs, eg vehicle operating cost, based on proximity of markets to central the branch base. This is important for daily banking. When new branches are constituted in places where population is not as dense as in Ravine Division, there will be cost overruns as well as problems with completing the daily routines.

9.3. Headquarters Staff and Structural Problems

The Nairobi staff include among the CIDK Managing Director who doubles as the Pride MD. He is an American. The Finance and Administration Manager is a naturalised Kenyan. The Training /Research and Development/Business Services Manager is a Kenyan. The Operations /Programme Manager is a Kenyan who previously was the Baringo branch manager. The Accountant is one of the oldest serving employees of CIDK and is Kenyan. The recently hired MIS Officer is Kenyan.

The organisational chart (Table 11), supplied by Pride, shows Operations /Programme Manager as the line person supervising the branch managers of which there is only one currently. Data gathered within Pride and the proposed chart does not show how the Business Advisory Services would fit into this line function for logically they are under the Training/R&D and Business Services Manager. In any case from the field it is also clear that the later manager, as well as the Finance and Administration Manager have direct field supervision from time to time. Whereas these may be seen as problems of small organisation there ought to be clear line organisation.

The Accountant receives data on daily basis and is responsible for supervising the loaning function daily. The MIS Officer is basically responsible for database maintenance together with a Consultant.

Staffing is interesting. Everybody below operations Manager is appointed to Pride. So is the MIS officer. The Accountant, the Training /R& D/Business Services Manager and the Managing Director are all appointed by CIDK. These form the core which made CIDK. It is argued they remain under CIDK for payroll purposes only.

The Finance /Administration Manager and the Accountant and a Data Specialist, who has no formal line designation, are Consultants to CIDK. Presentation was made to the Consultant that they are consultants only since Pride cannot pay them. All claim to spend the bulk of their time on Pride matters.

The doubling as MD for both CIDK and Pride is an issue which Pride has to address. Although this is practice in the private sector, it has become a factor in how people react to Pride. The two posts should be separated to give clarity on who is in charge. This is more so given the fact that the current holder of the two positions dominates the management and intellectual output of the two organisations to such an extent that virtually all decisions have to get his clearance.

Given the paucity of staff, the fact that the MD is an outsider and the top two consultants are originally outsiders (even though one is a naturalised Kenyan) KREP and others have raised the issue whether Pride can be seen as a Kenyan organisation.

This issue cannot be settled by analysis of the origin of staff members only for there is no law which says that even a Kenyan NGO has to hire only Kenyans, naturalised or other. The issue can be better discussed by raising design, management and local capacity building issues.

Pride was created (see Table 13: CIDK and Pride Management Agreement) to ensure that CIDW did not have loans on its books. This decision was made by CIDW and enforced by CIDK. Those early objectives apart, the necessary conditions of having a functional board, separating policy and management, staffing up and establishing its own identity have been limited by the existence of the management contract.

Having started Pride as such, the current MD has dominated the design of the programme and all other relations of Pride and both CIDs. Similarly the management systems introduced are his creations. The administrative and financial administration system was created by the Finance and Administration Manager along the design pathways of the MD. Both CIDK and Pride are tightly managed at the top with all strategic planning, policy and operations decisions centralised. Thus it is not possible to even begin to think about the corporate identity of Pride. More serious are the implications form a local capacity building point of view. If an external person so dominates Pride, there is no capacity being built in Pride for strategic planning, management and operations

to be transferred to local managers at all levels. This point is strengthened by the fact of extreme competition bordering on conflict among the two top Kenyans in management as well as the fact that the middle level managers are extremely timid.

The consultant is of the opinion that staff should be separated clearly into Pride and CIDK for reasons which will be adduced below under the discussion of the management contract between Pride and CIDK.

9.4. Board Of Management

Originally when Pride was formed, the members who sponsored it were essentially employees of CIDK and some strategically placed civil servants. The list of the individuals involved is shown in Table 12. Out of this group a Board of sorts was constituted in ways which are not transparent to this consultant. During the last year a new board has been reconstituted. The members are J. Campaigne, ? Stewart, A. Kiptoon, G. Githu and a Barclays Bank Nominee.

This new Board carries over the current MD of CIDK and Pride and Mr. A Kiptoon, a consulting Engineer, from the group of founder members. As of the writing of the report, the Barclays Bank nominee, is not known officially. KREP was invited but did not participate in the selection of the Board.

One of the Board members participated in one of the debriefing meetings and essentially agreed that the Pride Board is too new to have participated in its legal and policy roles effectively. One of the key issues they need to address is the provision of Clause 3.b.

9.5. Management Contract between Pride and CIDK

The management contract between Pride and CIDK is enclosed as Table 13 and the Pride Memorandum and Articles of Association are shown in Table 15.

The Management contract does not specify that CIDK would build up the capacity of Pride and how. The important categories for specification are staff, strategic planning and operations (including their management systems). To the extent that the management contract was written when Pride did not have a formal board but founder members who were mainly CIDK workers, clearly Pride the institution, was not in a position to look after its interest.

Secondly the recent creation of a Board external to the CIDK workers as discussed above still casts doubt on whether Pride can defend its interests given that three of the majority of the Board members are CIDK nominees as explained to this consultant by one of them.

The issue of evaluation of management systems was raised during debriefing. It should be logically clear that an organisation in which all its strategic planning is done by some other organisation on contract is not in a position to evaluate the utility and efficacy of management systems developed.

Clause 3.b. of the management contract which states that CIDK is "To appoint during the duration of management period the majority directors to the Board of Pride ", should be terminated forthwith to enable an independent Board to make decisions in Pride's interest.

The consultant was urged to discuss the issue of the management contract in terms of its applicability to the NGO sector. Part of the problem is that to date NGO have been registered in all sorts of forms. The limited liability company is one of the more frequent ones. So on that score there is no problem. What is problematic is the fact that having created Pride, there is not evidence that its top management capacity is being built, especially in setting up management staff to be responsible for strategic planning, management and operations.

6.6. Pride's Growth Potential

The growth potential of an organisation is based on monetary resources under its control, the human resources available to it and finally opportunities.

Pride at the moment does not have long term resources, according to comments made by the MD in discussions on the terms and in the debriefing meetings where he sought to hurry the evaluation for it was awaited by various donors so as to enable him to meet the payroll for March. If the management contract was partly justified in terms of CIDK fund raising potential, currently there is not much to show beyond the KREP and Barclays resources. Presentations were made that the USAID, UNDP, ODA and Ford Foundation, among others, are considering support to Pride. The situation could change dramatically in the near term therefore. In any case as at January 1991, no long term commitments exist outside the KREP and Barclays resources in the Baringo Programme according to the Pride MD.

Strategically speaking, if the Barclays Bank interest is maintained, and I believe it will be, then Pride will have a chance of opening other branches elsewhere. Two are planned this year. Assuming that two Branches are opened, the question of optimal growth rate can be narrowly discussed in relation to the management load of present top management and the operations system already designed. The consultant is of the opinion that managerial capacity for the two extra branches exists if the system developed is to be continued since the system is already designed and at the branch level credit operations are simple. However if Pride begins to take

Business Advisory Services of the existing branch and in future branches seriously, a fact the consultant recommends elsewhere they do, I do not see them coping with three branches adequately with present staff for some of their senior executives will have to go to the field to design and man the Business Advisory Services. In any case they also will have to hire extra branch level staff.

Of course presentations that extra management and general staff would be hired if the proposals made to donors come on stream, including funds for overhead, were made forcefully. Top managers in credit at rural level do not come easily. Neither do top managers who are specialist in systematic business identification and training.

RECOMMENDATIONS

a. Since a significant number of Board members are not in development per se, which according to Pride's Memorandum and Articles of Association, is central in its operations, Pride and donors should investigate ways and means of increasing the number of Board members with development experience.

b. Pride workers should get at least one representative in the Board other than the MD. In this case it should be a Kenyan for the bulk of workers are Kenyans.

c. The provisions of Clause 3.b. should be revised for they structurally (in a legal and social science sense) deny the creation of Pride as a separate institution.

d. CIDK should give up all strategic planning, management and operational responsibilities to Pride.

e. All the staff have to be transferred to Pride and then the issues of what nature of organisation Pride is to evolve into should be discussed by those the donors financing Pride and its Board. To ensure Pride's sustainability, the policy guidelines will have to ensure at a minimum that the bulk of the staff will have to be Kenyan, the consultants hired are mainly Kenyan and further that there should not be any transfer of management fees or even overhead, particularly on locally raised development funds, for this is one of the main issues in perpetuating dependency of local NGO.

f. Finally, it is not good staff practice that line operators, especially management personnel, be consultants. This should be terminated immediately. The reason is simply socio-political and legal accountability.

g. Pride will be pushed to manage a credit system of three branches by the end of this year if the issues of target populations and instituting of business advisory services are taken seriously.

TABLE 1: MECs Where EG Chairpersons Were Interviewed by Location

1. Maji Mazuri Location
Mec 13,7
2. Ravine Location
Mec 11, 4, 1,
3. Koibatek Location
Mec 24, 16
4. Lembus Kabimoi Location
Mec 15
5. Lembus Mosop Location
Mec 5, 19
6. Lembus Central
No Mecs interviewed.

TABLE 2: Population by Location

	1989	1990
1. Lembus Mosop	22000	20000
2. Maji Mazuri	15000	8000
3. Lembus Central	12000	10000
4. Koibatek	10000	7000
5. Ravine	10000	10000
6. Lembus Kabimoi	5000	5000

Total 74000 60000

NB. 1989 CBS estimates

1990 Provincial Administration Estimates

TABLE 3: Centres Visited

	Centre	Location
8/1/91 Tuesday	Maji Mazuri	Maji Mazuri
Wed	Ravine	Ravine
9/1/91 Wed	Solian	Koibatek
10/1/91 Thurs	Esageri	Lembus Kabimoi
Thurs	Kiplombe	Koibatek
Thurs	Arama	Lembus Central
Thurs	Sigoro	Lembus Central
Thurs	Kamasaba	Lembus Central
Thurs	Sinonin	Lembus Central
Thurs	Kapcholo	Lembus Central
11/1/91 Friday	Tiripkatoi	Lembus Mosop
	Torongo	Lembus Mosop

TABLE 4: Number of Clients Who Have Left their MECs

MEC	CLIENTS
1	4
2	7
4	10
5	3
6	1
11	2
12	1
13	5
14	1
15	5
17	1
18	1
19	1
19	1
20	1
21	1
22	1
24	1
Total	46
Source:	Pride

TABLE 5: Clients by Age and Sex

Age	All Clients		Male		Female	
	No.	%	No.	%	No.	%
Less than 20	38	3	20	3	18	4
21-30	431	36	254	36	177	36
31-40	401	35	243	34	158	32
41-50	216	18	116	16	100	20
Over 50	114	10	76	11	38	8
Total	1200	100	709	100	491	100
Average Age			35.5		35.5	
Youngest Client			18		18	
Oldest Client			77		76	

Source: Pride

TABLE 6: Loan Repayments as at January 6, 1991

	No. Loans Disbursed	Value Loans Disbursed
Loan 1	1073	5,322,500
Loan 2	323	3,225,000
Loan 3	27	405,000

Source: Pride

TABLE 7: Completed Loan Repayment

	No. of Loans Paid Off	#Loans Paid Off Early (Less Than 12 Months)	Average Term
Loan 1	341	318	5.74 Months
Loan 2	27	27	6.06 Months
Loan 3	0	-	-
Total	368	345	

Source: Pride

TABLE 8: Current Loans and Prepayment

	No. Current Loans	No. Client Prepaying Current Loans	%Clients Prepaying Current Loans
Loan 1	732	128	17
Loan 2	296	23	8
Loan 3	27	1	4
	1055	152	14%

Source: Pride

TABLE 9: Types of Businesses by Gender

Business Type	No. Male	No. Female
Wholesale	2	0
Agro-processing	2	0
Manufacturing	10	11
Artisan Product	5	3
Hotel & Caterin	54	27
Retail	197	251
Hawking	33	97
Service/Repair	12	1
Tailoring	29	27
Livestock	260	25
Transport	2	0
Beekeeping	0	0
Poultry	37	28
Other	66	20
Total	709	491

Source: Pride

TABLE 10: MECS and Self Help Groups

MEC 1	Ravine - Simba
MEC 2	Ravine - Matumaini
MEC 3	M/Mazuri - Umoja
MEC 4	Ravine - Mapato
MEC 5	Torongo - Testai
MEC 6	Ravine- Muungano
MEC 7	M/Maz - Mwangaza
MEC 8	Esageri - Soi
MEC 9	Ravine- Ngusero
MEC 10	Torongo- Tugomoi
MEC 11	Mbele S.H.G
MEC 12	Ravine - Heshima
MEC 13	M/Mazuri - Bidii
MEC 14	Bantaptei S. H. G
MEC 15	Tung-Tung S.H.G
MEC 16	Sirgoek Lobolos
MEC 17	Tuendelee S.H.G
MEC 18	Imani S.H.G.
MEC 19	Kapno Maluk
MEC 20	Esageri Mendina
MEC 21	Wendani S.H.G.
MEC 22	Ogilgei S.H.G.
MEC 23	Hakika S.H.G.
MEC 24	Solian S.H.G.

Persons Interviewed:

7-1-91

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|----|----------------|-----------------|
| 1. | J.F. Campaigne | -MD CIDK, Pride |
| 2. | C. Maina | -DC Baringo |
| 3. | R. Yodder | -MD KREP |
| 4. | A. Dondo | -SRO KREP |

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|-----|------------------|-------------------------------------|
| 5. | I. Maalim | -D.O E.Ravine Div. |
| 6. | E. Mwangi | -Chairman EG 6 MEC 11 |
| 7. | J.M. Kamau | -Chairman EG 5 MEC 11 |
| 8. | S. Bundotich | -Chairman EG 10 MEC 11 |
| 9. | I. Tuikong | -Chairman EG 1 MEC 11 |
| 10. | S. Barsagau | -Chairman EG 4 MEC 11 |
| 11. | John Bundotich | -Chairman EG 7 MEC 11 |
| 12. | F. Jaaffer | -Chairman EG 8 MEC 11 |
| 13. | D. Chesire | -Chairman EG 9 MEC 11 |
| 14. | J. Kagunda | -Chairman EG 3 MEC 11 |
| 15. | W. Limo | -Chairman EG 2 MEC 11 |
| 16. | Z.N.Khaemba | -Chairman EG 7 MEC 13 |
| 20. | J.G.Kinyua | -Chairman EG 10 MEC 13 |
| 21. | M. Njugu | -Sec. EG 4 MEC 13 |
| 22. | E.K Mwangi | -Chairman EG 2 MEC 13 |
| 23. | M.W.Kaitho | -Chairman EG 5 MEC 13 |
| 24. | M.Wanjiku | -Chairman EG 6 MEC 13 |
| 25. | S.W.Maina | -Chairman EG 4 MEC 13 |
| 26. | J.C.W???? | -Chairman EG 9 MEC 13 |
| 27. | G.Boro | -Chairman EG 3 MEC 13 |
| 28. | P.M.Kamau | -Chairman EG 8 MEC 13 |
| 29. | N. Muiruri | -Chairman EG 3 MEC 7 |
| 30. | E.W. Kariuki | -Chairman EG 7 MEC 7 |
| 31. | J. Karanja | -Chairman EG 2 MEC 7 |
| 32. | G. Wairimu | -Chairman EG 6 MEC 7 |
| 33. | J. Maina | -Chairman EG 8 MEC 7 |
| 34. | P.M. Kaibuthia | -Chairman EG 1 MEC 7 |
| 35. | L.W. Mwangi | -Chairman EG 7 MEC 7 |
| 36. | J.Kandagor | -Chairman EG 5 MEC 7 |
| 37. | D.K. Kinyua | -Chairman EG 4 MEC 7 |
| 38. | L.Etemesi | -Chairman EG 9 MEC 7 |
| 39. | Charles Mugambi- | Baringo Pride Branch Manager |
| 40. | Ben Noballa | Former Pride Project Officer |
| | | Currently Pride Operations Manager |
| 41. | Bosco Ole Sambu | Baringo Pride Credit Officer |
| 42. | Noah Cheruiyot | Baringo Pride Asst. Credit Officer. |

9/11/91

- | | | |
|-----|--------------|------------------------|
| 43. | I. Maalim | DO. E Ravine Division. |
| 44. | J. K. Koituk | Chairman EG 4 MEC 4 |
| 45. | J. Samoei | Chairman EG 7 MEC 4 |
| 46. | S. Kandie | Chairman EG 1 MEC 4 |
| 47. | R. Kipsicen | Chairman EG 3 MEC 4 |
| 48. | H. Juma | Chairman EG 8 MEC 4 |
| 49. | K. Kagiri | Chairman EG 6 MEC 4 |
| 50. | H. Hamisi | Chairman EG 5 MEC 4 |

51.	J. Kabimoi	Chairman	EG 9 MEC 4
52.	R. Ngetich	Chairman	EG 10 MEC 4
53.	K. Ibrahim	Chairman	EG 1 MEC 1
54.	S. Kipsum	Chairman	EG 8 MEC 1
55.	S. Korir	Chairman	EG 4 MEC 1
56.	K. Chuma	Chairman	EG 9 MEC 1
57.	J. Kiprono	Chairman	EG 5 MEC 1
58.	W. Ngetich	Chairman	EG 6 MEC 1
59.	E.M. Muhia	Chairman	EG 2 MEC 1
60.	S. Chepkwony	Chairman	EG 1 MEC 24
61.	I. Cherop	Chairman	EG 2 MEC 24
62.	D. Koech	Chairman	EG 6 MEC 24
63.	L. Cherono	Chairman	EG 10 MEC 24
64.	A. Wendot	Chairman	EG 9 MEC 24
65.	K. Songol	Chairman	Group 5 MEC 24
66.	J. Kaimogol	Chairman	Group 8 MEC 24
67.	A. Komen	Chairman	Group 4 MEC 24
68.	P.K. Chebon	Chairman	Group 7 MEC 24
69.	A. Kiptabut	Chairman	Group 3 MEC 24
10/1/91			
70.	I. Maalim	D.O	E Ravine Division.
71.	J. Kaiyoni	Chairman	EG MEC 16
72.	P. Maritim	Chairman	EG 2 MEC 16
73.	G. Chepkoskei	Chairman	EG 3 MEC 16
74.	S. Kipkorir	Chairman	EG 4 MEC 16
75.	S. R. Kendagor	Chairman	EG 5 MEC 16
76.	K. Kiswii	Chairman	EG 6 MEC 16
78.	P. Murkew	Chairman	EG 7 MEC 16
79.	R. Chesire	Chairman	EG 8 MEC 16
80.	K. Rono	Chairman	EG 9 MEC 16
81.	J. Chepkwony	Chairman	EG 10 MEC 16
82.	R. Biwot	Chairman	EG 1 MEC 15
83.	K. Tanui	Chairman	EG 2 MEC 15
84.	R. Chemerimir	Chairman	EG 3 MEC 15
85.	C. Chebii	Chairman	EG 4 MEC 15
86.	G. Kimitei	Chairman	EG 5 MEC 15
87.	P. Malakwen	Chairman	EG 6 MEC 15
89.	J. Cheruiyot	Chairman	EG 8 MEC 15
90.	S. Chebwot	Chairman	EG 9 MEC 15
91.	K. Kiplenge	Chairman	EG 10 MEC 15
92.	B. Cheromei	Chairman	EG 1 MEC 5
93.	H. Cherop	Chairman	EG 6 MEC 5
94.	P. Kittit	Chairman	EG 3 MEC 5
95.	S. Ngetich	Chairman	EG 4 MEC 5
96.	C. Chepngotie	Chairman	EG 5 MEC 5
97.	Z. Kangogo	Chairman	EG 7 MEC 5
98.	A. K. Chepiego	Chairman	EG 2 MEC 5
99.	W.K. Cheruiyot	Chairman	EG 8 MEC 5
100.	E. Koech	Chairman	EG 10 MEC 5
101.	W. Kittit	Chairman	EG 10 MEC 5
102.	K. Rono	Chairman	EG 5 MEC 9
103.	S. Bartenge	Chairman	EG 1 MEC 19

104. D. Kimeli	Chairman	EG 3 MEC 19
105. M.K. Cheruiyot	Chairman	EG 7 MEC 19
106. J. Kibet	Chairman	EG 9 MEC 19
107. C.M. Lagat	Chairman	EG 6 MEC 19
108. I. Kipsoi	Chairman	EG 7 MEC 19
109. P. Cheraisi	Chairman	EG 2 MEC 19
110. W. Komen	Chairman	EG 8 MEC 19
111. E.K. Suguru	Chairman	EG 4 MEC 19
14/1/91		
112. K. Craig	Consultant	CIDK
113. E. Pinkerton	Consultant	CIDK
114. J. Chemonges	Accountant	CIDK
115. E. Kyalo	MIS	Pride
116. J. Campaigne	MB	CIDK/Pride
117. J. Murage	Barclays	Bank
118. M. Karre	CID/Pride	Training/R&D/Bus.Services
15/1/91		
119. R. Yodder	MD	KREP
120. Aleke Dondo	Senior Research Officer,	KREP
121. K. Mutua	DMD	KREP
122. N. Wilson	Programme Officer,	Ford Foundation
16/1/91		
123. S. Mirero	DPD	Credit
18/1/91		
124. J.C. Hopkins	DCD	UNDP

TABLE 11

PRIDE Organizational Chart

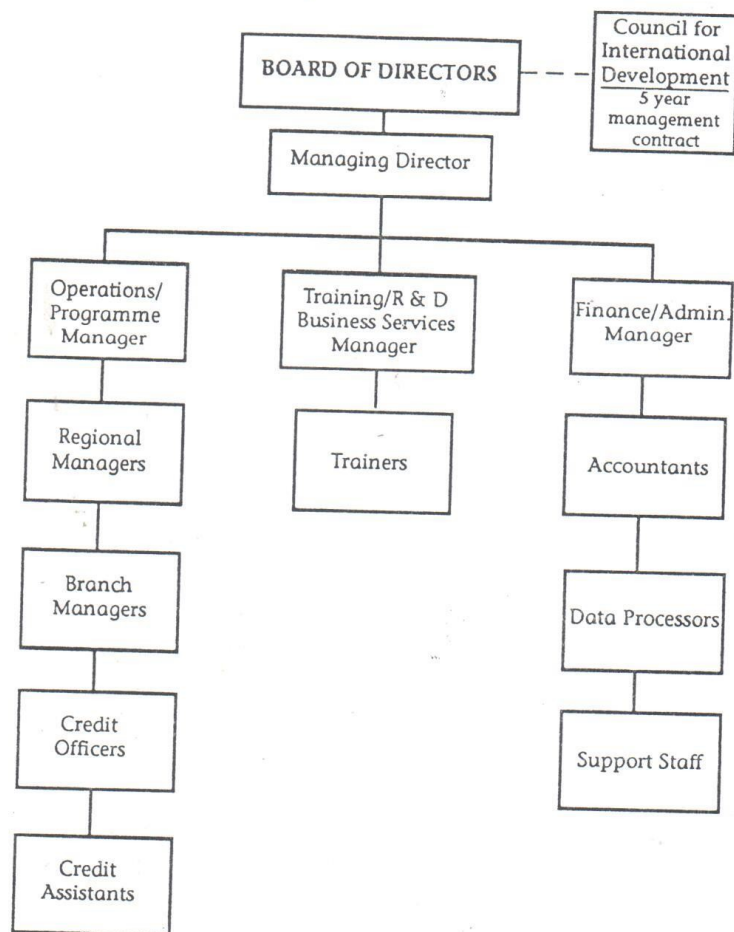


TABLE 12 Pride Founder Members

NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	SIGNATURES OF SUBSCRIBERS
1. JONATHAN FOOTE CAMPAIGNE P.O. Box 34980 NAIROBI. (DIRECTOR, COUNCIL FOR INTERNATIONAL DEVELOPMENT) .	
2. MOHAMMED WAHIL DYOL KERRE P.O. Box 1998, KAKAMEGA. (MANAGEMENT CONSULTANT) .	
3. MS. TERRY KANTAI P.O. Box 60198, NAIROBI. (CIVIL SERVANT) .	
4. MRS CECILIA AGNES MAMBOLEO P.O. Box 34980, NAIROBI. (ADMINISTRATIVE SECRETARY) .	
5. JOHN KIPNGENO LANGAT P.O. Box 1028 NAKURU. (CIVIL SERVANT) .	
6. MR ANDREW KIPTOON P.O. Box 48681, NAIROBI. (CONSULTING ENGINEER) .	
7. JAMES CHEMONGES P.O. Box 39907 NAIROBI (FINANCIAL ACCOUNTANT) .	

DATED this Seventeenth day of November 1988 .

WITNESS to the above Signatures:-

G. W. Githu Advocate
P. O. Box 43876
Nairobi

4/11

TABLE 13: CIDK and Pride Management Agreement

THIS AGREEMENT is made the day of One thousand nine hundred and eighty-nine BETWEEN THE COUNCIL FOR INTERNATIONAL DEVELOPMENT a non-profit organization based in the United States of America whose address is 1000 Potomac Street, N.W., Washington, D. C. 20007 (hereinafter called "the Council") which expression shall where the context so admits include its successors and assigns of the one part and PROMOTION FOR RURAL INITIATIVES AND DEVELOPEMENT ENTERPRISE LIMITED a company limited by guarantee and not having a share capital incorporated in the Republic of Kenya and of Post Office Box Number 34980 Nairobi in the said Republic (hereinafter called "PRIDE" which expression shall where the context so admits include its successors and assigns) of the other part:

WHEREAS:

- (a) The Council is incorporated with the purpose of extending development assistance to other countries.
- (b) For better execution of its objectives in Kenya the Council has sponsored the incorporation in Kenya of PRIDE to undertake development work in various parts of Kenya.
- (c) The Council and PRIDE have agreed to enter into this agreement to regulate terms and conditions upon which PRIDE will employ and the Council will provide management services to PRIDE for all PRIDE'S undertaking during the management period (hereinafter defined).

NOW THIS AGREEMENT WITNESSES as follows:-

1. This agreement shall come into force on the First day of October 1989 and (subject to the provisions for earlier determination hereinafter contained) shall continue for a period of Five (5) years (hereinafter called "the management period") and thereafter may be terminated by not less than three months' notice in writing by one of the parties hereto on the other subject to clause 6 hereunder.

- 5/11
2. Throughout the management period the Council will manage administer and develop the business of PRIDE efficiently and conduct the same to the best interest of PRIDE but the foregoing notwithstanding the Council shall not without the express consent of PRIDE'S board of directors borrow money on account of PRIDE or dispose of any of PRIDE'S fixed assets except in the normal course of replacement of assets other than land and buildings.
 3. Without derogation from the obligations imposed on the Council by this Agreement or implied by law or commercial custom on managers of business such as is carried out by PRIDE it shall be the duty of the Council:
 - (a) To second management and other staff to PRIDE during the management period on terms and conditions determined by the Council it being understood that the salaries and emoluments of such seconded staff shall be met by PRIDE;
 - (b) To appoint during the duration of the management period the majority directors to the Board of Pride;
 - (c) On behalf of PRIDE to engage all staff and labour required for the carrying on of PRIDE'S business and to train and control them the Council having the power to dismiss any employee;
 - (d) To submit to PRIDE at such intervals in such reports returns and financial statements as are customarily required of managing agents for the purpose of keeping their principals acquainted with the state and progress of the business;
 - (e) To ensure that all if any obligations imposed on PRIDE by the Companies Act of Kenya are carried out and that all the provisions in PRIDE'S Memorandum and Articles of Association are complied with;

4. The Council shall not assign or delegate any of its obligations under this Agreement except with the express previous written consent of PRIDE'S board of directors.
5. PRIDE will pay to the Council a management fee the amount of which will be determined by PRIDE'S Board of Directors.
6. The Council shall not be liable for any loss that may happen through the act default or neglect of any agents sub-agent banker broker or representative or which may arise otherwise that through wilful neglect or default on the part of the Council or any officer or servant of the council.
7. Notwithstanding the provisions of clause (1) and without prejudice to any rights of the parties hereto this Agreement shall forthwith cease and determine if either of the parties hereto is wound up either compulsorily or voluntarily (except in the case of voluntary liquidation for the purpose of reconstruction or amalgamation).
8. This Agreement shall be governed by and construed in accordance with the Laws of Kenya.

IN WITNESS whereof this Agreement has been executed the day and year first hereinbefore written.

SIGNED by

for and on behalf of THE
COUNCIL FOR INTERNATIONAL
DEVELOPEMENT in the presence
of:

DRAWN BY:
G. W. GITHU & CO.
ADVOCATES
P. O. BOX 43874
NAIROBI

THE COMPANIES ACT
(Chapter 486 of the Laws of Kenya)

A COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL

Memorandum

AND

Articles of Association

OF

PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT
ENTERPRISES LIMITED

Incorporated this SIXTH day of JULY 1989

G. W. GITHU & CO.,
ADVOCATES,
NATIONAL BANK BUILDING,
14TH FLOOR,
HARAMBEE AVENUE,
P. O. BOX 43874,
NAIROBI.

No. C. 40552



CERTIFICATE OF INCORPORATION

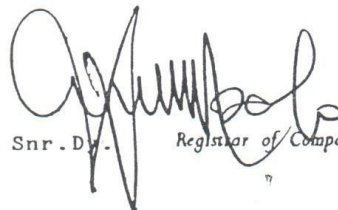
I hereby Certify, that—

PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT ENTERPRISES

LIMITED

Is this day Incorporated under the Companies Act (Cap. 486) and that the Company is LIMITED.

Given under my hand at Nairobi this SIXTH day
of JULY One Thousand Nine Hundred and EIGHTY-NINE.


Snr. Dy. Registrar of Companies

THE COMPANIES ACT
(Chapter 486, Laws of Kenya)

COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION
OF
PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT
ENTERPRISES LIMITED

1. The name of the Company is "PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT ENTERPRISES LIMITED".
2. The Registered Office of the Company will be situated in the Republic of Kenya.
3. The objects for which the Company is established are:-
 - (a) To initiate, arrange for, promote, establish, operate, secure and participate in the investigation, formulation and carrying out of projects for the development of industry, small scale industry and businesses in the rural areas and to buy, sell, import, export, manufacture and to deal in industrial equipment, machineries and spares and to acquire, purchase all of the stock-in trade, plant, machinery, tools, implements, goodwill and lease of any of the premises of the business of industries.
 - (b) To carry out research in development in rural areas and to provide counselling and technical services and assistance in all types of businesses and industries and to develop local capability in project identification, design, management, monitoring and evaluation and to initiate and promote small industries forming an integral part of the rural economy; representing traditional skills and crafts; and those using modern tools and techniques of production and closely linked to the corresponding large-scale industry.
 - (c) To establish, operate, run, invest and promote studies in environmental management and development as an integral part of enterprise development.

- (d) To render advice to businessmen on problems relating to administration and organisation of industry and business and the training of personnel for industry and business and to advise upon the means and methods for starting extending developing and improving all types of businesses or industries and all system or processes relating to the production, storage, distribution, marketing and sale of goods and relating to the rendering of services and to provide technical assistance to promote the economic development of any area.
- (e) To engage in research into all problems relating to personnel and industrial and business management and distribute information and statistics relating to any type of business or industry and to promote or propose such methods procedure and measures as may be considered desirable or beneficial and to act as agents or managers in carrying on any business concerns and undertakings and to employ experts to investigate and examine into the condition, management, prospects, value and circumstances of any business concerns and undertakings and generally of any assets, property or rights of any kind.
- (f) To engage and hire professional men and other staff and workers and to enter into agreements with such staff and workers with a view to making their services available to any person firm or company.
- (g) To establish, maintain and carry on one or more schools or colleges at which tuition in any subject or subjects which promote the objects of the Association may be obtained and to arrange and provide for or join in arranging and providing for the holdings of exhibitions, meetings, lectures and classes calculated, directly or indirectly to further the principal objects of the Association.
- (h) To provide to donors and receivers of assistance upon request, an accounting of all costs and expenditure which may be involved in any work done by the Company the books of which will be made available at any reasonable time for inspection by such donors and recipients and to receive and maintain a fund or funds of immovable or moveable, real or personal property, or personal properties, or both and, subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income therefrom exclusively for charitable, religious, scientific, literary or educational purposes either directly or by contributions to organisations which qualify as tax-exempt organisations.
- (i) To purchase, take on lease or by any other means acquire any movable or immovable property in Kenya or elsewhere for any estate or interest whatever, and any rights, privileges or easements over or in respect of any property and any buildings, machinery, engines, plant or things whatsoever and to employ experts, advisors, co-ordinators, administrators and others for the objects aforesaid and to provide, endow, furnish and fit out all necessary equipments, furniture, aids, statistics and other material and to acquire, build, maintain, alter, enlarge, pull down, own, remove, or replace any buildings, lecture and classrooms, laboratories, pavillions, or offices; to clear sites for the same, and

to join with any person, firm or company in doing any of the things aforesaid, and to work, manage and control the same or to join with others in so doing and to enter into partnership or any contractual arrangement for union of interests, co-operation, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.

- (j) To enter into any arrangements with any international bodies, governments or authorities supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such body, government or authority any contracts, rights, privileges or concessions which the Company may think is desirable to obtain, and to carry out, exercise and comply with any such arrangements, contracts, rights, privileges and concessions.
- (k) To acquire, carry on and undertake all or any part of the business and services, property and liabilities of any person or company carrying on business similar to that which this Company is authorised to carry on, or possessed of rights or property suitable for any of the purposes of this Company, and to purchase, acquire, sell and deal with the shares and securities of any such person or company.
- (l) To take such steps by personal or written appeals, public meetings or otherwise as may from time to time be deemed expedient for the purpose of procuring contributions to the funds of the Company

in the shape of endowments, donations, annual subscriptions, or otherwise; and to promote, assist in the promotion of or otherwise participate in such things as have for their object the raising of money for the purposes of the Company.

- (m) To apply to any international bodies, governments or authorities, national bodies, public organisations, corporations, companies or persons for and to accept grants of money and of land, donations, gifts, subscriptions and other assistance with a view to promoting the objects of the Company and in taking any gift or property, and to take the same subject to any special trust which may be prescribed by the donor thereof.
- (n) To promote or assist in the promotion of any company or association having objects similar to the objects of this Company, and also any company or association the objects of which are calculated either directly or indirectly to benefit the Company in the attainment of any of its objects.
- (o) To subscribe to any local or other charities and to provide development and financing for any public purpose, to grant pensions, allowances, gratuities and bonuses to, and to provide a superannuation or any other fund or funds for the servants of the Company and otherwise to assist any such servants, their widows and dependants.
- (p) To invest the monies of the Company not immediately required in any one or more of the modes of investment for the time being authorised by law for the investment of trust monies, and in such manner as may from time to time be determined.

- (r) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company provided that any such company has in its Memorandum of Association a clause substantially similar to Clause 4 of this Company's Memorandum of Association:
- (s) To borrow or raise any money that may be required by the Company upon such terms and upon such security as may be deemed advisable:
- (t) To amalgamate with any other company or association having objects altogether or in part similar to those of the Company provided that any such company has in its Memorandum of Association a clause substantially similar to Clause 4 of this Company's Memorandum of Association:
- (u) To draw, make, accept, endorse, discount, execute, and issue cheques, promissory notes, bills of exchange, warrants debentures and other negotiable or transferable instruments:
- (v) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company:
- (w) To do all such other things as may be conducive or incidental to the attainment of the above objects:

AND it is hereby expressly declared that the objects set forth in any sub-clause of this Clause shall not, except when the context expressly so requires, be in anywise limited or restricted by reference to or inference from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxilliary merely to the objects

mentioned in the first sub-clause of this Clause, but the Company shall have full power to exercise all or any of the powers conferred by any part of this Clause notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this Clause.

4. (a) The objects of the Company are charitable and shall not be profit-orientated:
- (b) The income and property of the Company whence-soever or howsoever derived shall be applied solely towards the promotion of the objects of the Company as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, gift, division, bonus, or otherwise howsoever by way of profit, to the Members of the Company:

Provided that nothing herein shall prevent payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Company or to any Members of the Company, in return for any services actually rendered to the Company, nor prevent the payment of interest at a reasonable rate on money lent, or reasonable and proper rent for premises demised or let by any Member of the Company, but so that no Director of the Company shall be appointed to any salaried office of the Company or any office of the Company paid by fees and that no remuneration or other benefits in money or money's worth shall be given by the Company to any Director except repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Company:

Provided further that nothing hereinbefore contained shall prevent any payment to any company of which a member of the Board of Directors may be a director, member or shareholder, and such member shall not be bound to account for any share of profits he may receive in respect of such payment.

5. If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the Members but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Company of which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof; such institution or institutions shall be determined by the Members of the Company at or before the time of dissolution and, if and so far as effect cannot be given to the aforesaid provisions, then to some charitable objects to be determined by the Members.

6. No addition, alteration or amendment shall be made to or in the provisions or regulations contained in the Memorandum or Articles of Association for the time being in force unless the same shall have been previously submitted to and approved by the Minister of the Government of the Republic of Kenya for the time being entrusted with control of the affairs of and relating to limited companies.

7. The liability of the Members is limited.

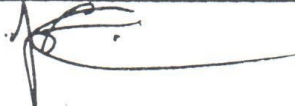

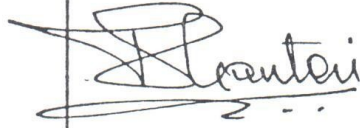



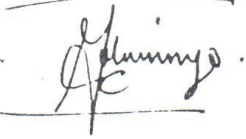
8. Every Member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while it/he or she is a Member or within one year afterwards, for payment of the debts and liabilities of the Company contracted before it ceases

to be a Member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding Kenya Shillings Two hundred (K.Shs.200/-).

9. The fourth and sixth Clauses of this Memorandum of Association contain conditions on which a licence is granted by the Minister to the Company in pursuance of Section 21 of the Companies Act (Chapter 486 of the Laws of Kenya).

10. True accounts shall be kept of the sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company and of the property, credits and liabilities of the Company; and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Company for the time being in force, shall be open to the inspection of the Members. Once at least in every year the accounts of the Company shall be examined and the correctness of the same and the Balance Sheet ascertained and certified by one or more properly qualified auditor or auditors.

WE the several persons whose names, postal addresses and occupations are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association.

NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	SIGNATURES OF SUBSCRIBERS
1. JONATHAN FOOTE CAMPAIGNE P.O. Box 34980, NAIROBI. (DIRECTOR, COUNCIL FOR INTERNATIONAL DEVELOPMENT)	
2. MOHAMMED NARHIL DYOL KERRE P.O. Box 1998, KAKAMEGA. (MANAGEMENT CONSULTANT)	
3. MS. TERRY KANTAI P.O. Box 60198, NAIROBI. (CIVIL SERVANT)	
4. MRS CECILIA AGNES MAMBOLEO P.O. Box 34980, NAIROBI. (ADMINISTRATIVE SECRETARY)	
5. JOHN KIPNGENO LANGAT P.O. Box 1028 NAKURU. (CIVIL SERVANT)	
6. ANDREW KIPTOON P.O. Box 48681, NAIROBI. (CONSULTING ENGINEER)	
7. JAMES CHEMONGES P.O. Box 39907, NAIROBI. (FINANCIAL ACCOUNTANT)	

DATED this Seventeenth day of November 1988.

WITNESS to the above Signatures:-



G. W. Githu Advocate
P.O. Box 43874

CERTIFICATE UNDER THE COMPANIES REGULATIONS

It is hereby certified that the above memorandum of Association of "PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT ENTERPRISES LIMITED" were produced by the process of XEROGRAPHY.



(P. T. SACHDEVA)
DIRECTOR.
STATUS COMMERCIAL SERVICES LIMITED,
KENCOM HOUSE, 1st. FLOOR,
ROOM 157,
P. O. BOX 56679,
NAIROBI.

12th October 1988

THE COMPANIES ACT
(Chapter 486, Laws of Kenya)

A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
OF
PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT ENTERPRISES LIMITED

1. The Regulations contained in Table "C" in the First Schedule to the Companies Act (Chapter 486) shall apply to the Company in so far as the same are not varied by, or reproduced in these Articles of Association.

INTERPRETATION

2. In these Articles unless there be in the context anything inconsistent therewith:

"The Company" shall mean the above-named Company.

"The Act" shall mean the Companies Act (Chapter 486), and every other Act incorporated therewith, or any Act or Acts substituted therefor; and in case of any such substitution the references in these presents to the provisions of the Act shall be read and construed as references to the provisions substituted therefor in the new Act or Acts.

"The Board" shall mean the Board of Directors of the Company appointed pursuant to the provisions of these presents.

"Director" shall mean a person appointed to the Board of Directors pursuant to the provisions of these presents.

"The Secretary" means any person appointed to perform the duties of the Secretary of the Company.

"Month" shall mean calendar month.

Words and expressions defined in the Act shall, except as hereinbefore provided, have the meanings thereby assigned to them.

Words importing the singular number shall include the plural, and vice versa.

Words importing the masculine gender include the feminine. Words importing persons shall include bodies, corporate, and associations as are hereinafter defined.

MEMBERS

3. The number of Members with which the Company proposes to be registered is four but the Board may from time to time register an increase of Members.

4. The subscribers to the Memorandum of Association and such other persons as the Board shall admit to membership shall be members of the Company.

GENERAL MEETINGS

5. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting

as such in the notices calling it, and not more than Fifteen months shall elapse between the date of any one Annual General Meeting of the Company and that of the next:

Provided that so long as the Company holds its first Annual General Meeting within Eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Directors upon the recommendation of the Management Committee shall appoint.

6. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

7. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 132 of the Act.

Extraordinary General Meetings shall also be convened on requisition by the Management Committee. If at any time there are not within Kenya sufficient Directors capable of acting to form a quorum, any Director or any two Members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

8. Every General Meeting shall be called by Twenty-one days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given in manner hereinafter mentioned or in such

other manner if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles entitled to receive such notices from the Company:

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:-

- (a) In the case of a meeting called as the Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (b) In the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting being a majority together representing not less than Ninety-five per cent of the total voting rights, at that meeting, of all the Members.

9. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Board of Directors and Auditors, the election of Directors in the place of those retiring and the appointment, and the fixing of the remuneration of, the Auditors.

11. No business shall be transacted at any general meeting unless a quorum of Members is present at the time

when the meeting proceeds to business; save as herein otherwise provided that Three Members for the time being present in person or by proxy shall be a quorum.

12. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.

13. The Chairman of the Board of Directors or, in his absence, any other Director shall preside as Chairman at every general meeting of the Company.

14. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for the holding of the meeting, the Members present shall choose one of their number (being a person entitled to vote) to be chairman of the meeting.

15. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

16. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

- (a) By the Chairman; or
- (b) By at least three Members (each being entitled to vote) present in person or by proxy; or
- (c) By any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried on, carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

17. Except as provided in Article 19, if a poll is duly demanded it shall be taken in such manner as the Chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

18. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

19. A poll demanded on the election of a chairman of a meeting or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

20. Subject to the provisions of the Act, a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations or associations being present by their duly authorised representatives) shall be as valid and effectual as if the same had been passed at a general meeting of the Company duly convened and held. Such resolution may consist of several documents in the like form each signed by one or more of the Members or their attorneys or representatives.

21. Every Member shall have one vote.

22. No Member shall be entitled to vote at any general meeting unless all moneys presently payable by him or it to the Company have been paid.

23. On a poll votes may be given either personally or by proxy.

24. The instrument appointing a proxy shall be in writing under the hand of any official of the appointor duly authorised in that behalf or of its attorney duly authorised in writing if the appointor is a corporation either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company.

25. The instrument appointing a proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

26. An instrument appointing a proxy shall be in the following form, or a form as near thereto as circumstances admit.

PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT
ENTERPRISES LIMITED

I/WE of

being a Member/Members of the above-named Company, hereby
appoint

of

or failing him of
as my/our proxy to vote for me/us on my/our behalf at the
(Annual or Extraordinary as the case may be) General Meeting
of the Company to be held on the day of 19
Signed this day of 19

27. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form, or a form as near thereto as circumstances admit.

I/WE _____ of _____
being a Member/Members of the above-named Company, hereby
appoint _____ of _____
or failing him _____ of _____
as my/our proxy to vote for me/us on my/our behalf at the
(Annual or Extraordinary, as the case may be) General
Meeting of the Company to be held on the
day of _____ 19 _____ and at any adjournment thereof.
Signed this _____ day of _____ 19 _____
This form is to be used *in favour of/against the resolu-
tion.
Unless otherwise instructed, the proxy will vote as he
thinks fit.
*Strike out whichever is not desired.

28. The instrument appointing a proxy shall be
deemed to confer authority to demand or join in demanding
a poll.

29. A vote given in accordance with the terms of an
instrument of proxy shall be valid notwithstanding the
previous revocation of the proxy or of the authority under
which the proxy was executed, provided that no intimation
in writing of such revocation as aforesaid shall have been
received by the Company at the registered office of the
Company before the commencement of the meeting or adjourned
meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

30. Any corporate body which is a Member of the Company
may by resolution of its Directors or governing body autho-
rise such person as it thinks fit to act as its representative
at any meeting of the Company, and the person so authorised
shall be entitled to exercise the same powers on behalf of
the corporate body which he represents as that corporate
body could exercise if it were an individual Member of the
Company.

DIRECTORS

31. (a) The number of the Directors shall not be less than Two nor more than Ten and they shall be appointed by the Company in General Meeting.

The first Directors shall be appointed by the subscribers to the Memorandum of Association.

32. Each Director shall have the power to nominate (a) any other Director or (b) any person approved for that purpose by a majority of the Directors to act as an alternate Director in his place during his absence and, at his discretion, to remove such alternate Director, and on such appointment being made the alternate Director shall (except as regards remuneration and the power to appoint an alternate) be subject in all respects to the terms and conditions existing with reference to the other Directors. Each alternate Director, while so acting, shall exercise and discharge all the functions, powers and duties of the Director whom he represents. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director. Any Director acting as an alternate shall have an additional vote for each Director for whom he acts as an alternate.

33. Subject to Clause 4 of the Memorandum of Association, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors, or general meetings of the Company, or in connection with the business of the Company.

BORROWING POWERS

34. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its

undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

35. The business of the Company shall be managed by the Board which may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting; but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

36. The Board may at any time and from time to time delegate to any person such of its powers as are not by the Act or by these Articles required to be exercised by it.

37. The Directors may from time to time and at any time by Power of Attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Act and these Articles) and for such period and subject to such conditions as they may think fit, and any such Powers of Attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and for the delegation by such attorney of all or any of the powers, authorities and discretions vested in him.

38. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

39. The Directors shall cause minutes to be made in books provided for the purpose:-

- (a) Of the name of the Directors present at each meeting of the Directors, and of any committee of the Directors; and
- (b) Of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors; and
- (c) Of all appointments and dismissals of staff made by the Directors.

DISQUALIFICATION OF DIRECTORS

40. The office of Director shall be vacated if the Director:

- (a) Without the consent of the Company in general meeting holds any other office of profit under the Company; or
- (b) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) Becomes prohibited from being a Director by reason of any order made under Section 189 of the Act; or
- (d) Becomes of unsound mind; or
- (e) Resigns his office by notice in writing to the Company; or
- (f) Ceases to be a Director by virtue of Section 186 of the Act; or

(g) If he be called upon by all his fellow Directors by notice in writing to resign.

41. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company, shall declare the nature of his interest at a meeting of the Directors in accordance with Section 200 of the Act. Subject to such disclosure as aforesaid, a Director may vote in respect of any contract or arrangement in which he is interested, and if he shall so vote his vote shall be counted, and he may be counted in ascertaining whether a quorum is present at any meeting at which any such contract or arrangement shall come before the Directors for consideration. Membership of an association or any partnership or corporate body which is a member of an association shall be deemed to be interest for the purpose of this Article.

ROTATION OF DIRECTORS AND ANCILLARY MATTERS

42. At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

43. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

44. A retiring Director shall be eligible for re-election.

45. The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is

expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

46. No person other than a Director retiring at the meeting shall unless recommended by the Directors be eligible for election to the office of Director at any general meeting unless, not less than three nor more than twenty-one days before the date appointed for the meeting, there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

47. The Company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

48. The Directors shall have power at any time and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election.

49. The Company may by ordinary resolution, of which special notice has been given in accordance with Section 142 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director.

50. The Company may by ordinary resolution appoint another person in place of a Director removed from office

under Article 49. Without prejudice to the powers of the Directors under Article 48 the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. The person appointed to fill any such vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was elected a Director.

CHAIRMAN

51. The Directors shall elect amongst their own body a Chairman for such period as they think fit.

52. The Chairman shall preside at every meeting of the Directors and of the Members, and shall be an ex-officio member of all committees of the Directors.

PROCEEDINGS OF DIRECTORS

53. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall be necessary to give notice of a meeting of Directors to any Director for the time being absent from Kenya.

54. The quorum necessary for the transaction of the business of the Directors shall be fixed by the Directors and unless so fixed shall be three.

55. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company, as the necessary quorum of Directors, the continuing Directors or Director

may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

56. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by these Articles and by the Directors.

57. The members present of a committee appointed by the Board shall choose one of them to be Chairman of the Committee.

58. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairman of that meeting shall have a second or casting vote.

59. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

60. A resolution in writing, signed by all the Directors for the time being shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

SECRETARY

61. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by the Directors.

BOARD OF ADVISORS

62. The Company shall have a Board of Advisors who shall be appointed and whose number, duties and term of office shall be determined by the Board of Directors from time to time.

THE SEAL

63. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

ACCOUNTS

64. The Directors shall cause proper books of account to be kept with respect:-

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place:
- (b) All sales and purchases of goods by the Company:
and
- (c) The assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

65. The books of account shall be kept at the registered office of the Company, or subject to Section 147 (3) of the Act, at such other place or

places as the Directors think fit; and shall always be open to the inspection of the Directors.

66. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books of the Company or any of them shall be open to the inspection of Members, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Board or by the Company in general meeting.

67. The Directors shall from time to time in accordance with the relevant provisions of the Act, cause to be prepared and to be laid before the Company in general meeting such balance sheets, accounts and reports as are necessary and requisite under such provisions.

68. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Auditors' report, shall not less than Twenty-one days before the date of the meeting be sent to every Member of the Company.

Provided that this Article shall not require a copy of those documents to be sent to any Member of whose address the Company is not aware.

AUDIT

69. Auditors shall be appointed and their duties regulated in accordance with the Act.

NOTICES

70. A notice may be given by the Company to any Member either personally or by sending it by post to him at his registered address, or (if he has no registered address within Kenya) to him at the address if any within Kenya supplied by him to the Company for the giving of

places as the Directors think fit; and shall always be open to the inspection of the Directors.

66. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books of the Company or any of them shall be open to the inspection of Members, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Board or by the Company in general meeting.

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Provided that this Article shall not require a copy of those documents to be sent to any Member of whose address the Company is not aware.

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notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting an envelope containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of Seven days after the envelope containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

71. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-

- (a) Every Member except those Members which (having no registered address within Kenya) have not supplied to the Company an address outside Kenya for the giving of notices to them; and
- (b) The Auditors for the time being of the Company; and
- (c) The Directors.

No other person shall be entitled to receive notices of general meetings.

INDEMNITY

72. Every Director, agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by it or him in defending any proceedings, whether civil or criminal, in which judgment is given in its or his favour or in which it or he is acquitted or in connection with any application under Section 402 of the Act in which relief is granted to it or him by the court.

DISSOLUTION

73. The Company shall not be dissolved except by a resolution of two thirds of the Members of the Company in

General Meeting duly convened for that purpose. The disposal of the Company's goods and properties shall be carried out in accordance with Clause 5 of the Memorandum of Association.

BY-LAWS

74. The Board may make by-laws governing the running of the matters to be done by the Company provided always that such by-laws shall not be in contravention of any provisions of the Memorandum of Association, and these Articles.

NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	SIGNATURES OF SUBSCRIBERS
1. JONATHAN FOOTE CAMPAIGNE P.O. Box 34980 NAIROBI. (DIRECTOR, COUNCIL FOR INTERNATIONAL DEVELOPMENT) .	
2. MOHAMMED WAHIL DYOL KERRE P.O. Box 1998, KAKAMEGA . (MANAGEMENT CONSULTANT) .	
3. MS. TERRY KANTAI P.O. Box 60198, NAIROBI. (CIVIL SERVANT) .	
4. MRS CECILIA AGNES MAMBOLEO P.O. Box 34980, NAIROBI . (ADMINISTRATIVE SECRETARY) .	
5. JOHN KIPNGENO LANGAT P.O. Box 1028 NAKURU. (CIVIL SERVANT) .	
6. MR ANDREW KIPTOON P.O. Box 48681, NAIROBI . (CONSULTING ENGINEER) .	
7. JAMES CHEMONGES P.O. Box 39907 NAIROBI (FINANCIAL ACCOUNTANT) .	


DATED this Seventeenth day of November 1988 .

WITNESS to the above Signatures:-

G. W. Githu Advocate
P. O. Box 43874
Nairobi

CERTIFICATE UNDER THE COMPANIES REGULATIONS

It is hereby certified that the above Articles of Association of "PROMOTION OF RURAL INITIATIVES AND DEVELOPMENT ENTERPRISES LIMITED" were produced by the process of XEROGRAPHY.



(P. T. SACHDEVA)
DIRECTOR.
STATUS COMMERCIAL SERVICES LIMITED,
KENCOM HOUSE, 1st. FLOOR,
ROOM 157,
P. O. BOX 56679,
NAIROBI.

12th October 1988

TABLE: 15

CLIENT BASELINE DATA FORM

Form

SGR-BLD

1.00 PARTICULARS OF CLIENT		Administration data	
1.10	Name		
1.20	Sex	Male	Female
1.30	Date of birth		
1.40	Marital status	Married	Organization
		Single	Project No.
		Divorced	Start date
		Widow(er)	Area office
		Own	Other
1.50	Number of dependants		
1.60	Postal address		
1.61	Location :	Residence	
1.62		Business	
2.00 PARTICULARS OF ENTERPRISE			
2.10	Specific type of business.		
2.20	Type of products of services.		
2.30	Ownership of business.	Owner operated	Intake date
		Family owned	Watano No.
		Partnership	KIWA No.
			Account No.
2.40	Year started business.		Intaking CO
2.50	Main problems faced by business.		
2.60	Amount of initial capital.	sh.	
2.61	Source of capital	initially sh.	Expansion sh.
		Own savings	
		Family gifts	
		Loan from friends	
		ROSCAS	
		NGO	
		Bank	
		Co-operative	
		Other specify	
2.70	Who are the main customers ?	Individuals	
		Other businesses	
		Institutions	
		Other specify	
2.71	Where are the customers from	Neighborhood	
		This town	
		Other specify	
2.80	Total assets (cash, goods & fixed assets)	sh.	
2.90	Monthly sales volume	sh.	
2.91	Over last two years have sales	a little	a lot
		Gone up ?	
		Gone down ?	
		Remained the same	
2.92	Current monthly business expenses.	sh.	
2.921	Number of employees.	Male	female
		Full time + owner	
		Part time/seasonal	
		Non paid (family)	
		Total	
2.922	Monthly wage bill	sh.	
2.923	Average monthly drawings from business.	sh.	
3.000	OTHER INFORMATION	sh.	
3.100	Other sources of income.	sh.	
3.200	Amount of loan required.	sh.	
3.300	Purpose of loan.		

TABLE 16 CIDW Board

COUNCIL for INTERNATIONAL DEVELOPMENT

2812 Woodland Drive, N.W. • Washington, D.C. 20008 • (202) 628-1000 Telex 279075 WASH

Antony L. Campagne
Chairman

Philip Yasinski
President

Andrew J. Koval
*Director of International
Programs*

NATIONAL ADVISORY BOARD

Bill Bradley
U.S. Senator, NJ

George Alvarez Correa
Director

Alfonse M. D'Amato
U.S. Senator, NY

Christopher J. Dodd
U.S. Senator, CT

Gordon J. Humphrey
U.S. Senator, NH

Russell Schriefer
Director

Anthony Schwarzwald
Director

Paul Simon
U.S. Senator, IL

David Still
Director

John Von Kannan
Director

Malcolm Wallop
U.S. Senator, WY

Curt Weldon
U.S. Representative, PA

Charles Wilson
U.S. Representative, TX

ENTERPRISE PROMOTION INSTITUTION

IN

WESTERN KENYA

An Outline

Prepared For:

The Council for International Development
P.O. Box 34980
NAIROBI, KENYA

December 1987

MAP 1: Ravine Division

