

The Sarakasi Trust
P.O. Box 33339, 00600,
Ngara,
Nairobi

822.1 KEN 2049
KEN 08/015
JUR 1911/2008

Dear Mrs Marion van Djik

RE: Financial support to the Amani Circus for Healing and Reconciliation & UMOJA CFC

Reference is made to your letter of 19. July with enclosed Project Document dated 18. July regarding financial support to the above mentioned project (The Amani Circus for Healing and Reconciliation and UMOJA CFC special peace event).

We are pleased to inform you that the Royal Norwegian Embassy is willing to provide financial support not exceeding NOK 1 000 000 (approx. 118,00 Euros) to finance the Project in the period 31. October 2008 – 31. September 2009 pursuing the following objectives:

Goal: The overall goal of the Amani Circus for Healing and Reconciliation project is to promote healing, peace, unity and reconciliation for Kenyan slum communities affected by post-election violence. The UMOJA CFC special peace event, although a separate event, will also have a message of peace and unity, across national boarders.

The goals ('objectives') of the project are stated as follows:

- 1) Training sessions for 50 Sarakasi practitioners -4 weeks (October 2008)
- 2) Developing a Training Manual (October 2008)
- 3) The 50 Sarakasi trainers will have work shops in 40 different slums (40 different locations) (October 2008-August 2009)
- 4) Grand Showcase (August 2009)
- 5) UMOJA CFC special peace event in Uhuru Park on November 23rd.

The support will be provided on the following conditions:

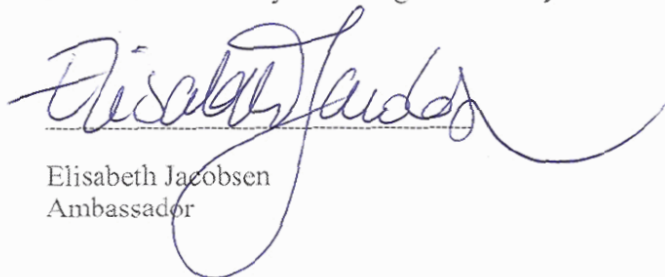
1. The Grant shall be used exclusively to finance the Project according to the description and the budget in the Project Document. Upon completion of the Project, any unutilised funds, including accrued interests, shall be returned to Embassy, unless the Parties have agreed in writing upon the utilisation of such funds.
2. NOK 750 000 of the Grant will be disbursed upon the signing of the Contract and approval by the Embassy of a disbursement request. The remaining NOK 250 000 will be disbursed in April 2009 upon written request and the Embassy's approval of documentation received according to Clause 3 below. The Sarakasi Trust shall

immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.

3. Reports and financial statements
 - 3.1 Within 1. March 2009 the Sarakasi Trust shall submit to the Embassy a midterm report and there should be a project progress meeting with the Embassy in March 2009. By 15. October 2009 the final report for the Project should be submitted. The report(s) shall give information on the fulfilment of the plans and objectives mentioned in the Project Document, any deviations (positive or negative) and problems encountered.
 - 3.2 Within 15. October 2009 the Sarakasi Trust shall submit to the Embassy certified financial statements for the Project covering the periode 31. October 2008 – 31. September 2009 showing receipts/income and expenditures of the Project. The Sarakasi Trust should also submit financial statements for the year 2008 as soon as they have been finanlized, and no later than 31. January 2009, and for the year 2009, no later than 31. January 2010. The certification shall be done by the accountant and the Director of the Sarakasi Trust. The statement must itemise expenses as in the budget in the Project Document.
 - 3.3 Within 15. October 2009 the Sarakasi Trust shall submit to the Embassy a copy of the audited financial statements of the project as such, as well as a copy of the audit report for the financial year 2008 (within 1. April 2009), and later for the financial year 2009 (within 1. April 2010).
4. The Sarakasi Trust shall promptly inform the Embassy in writing of any condition which interferes or threatens to interfere with the successful implementation of the Project.
5. The Royal Norwegian Embassy reserves the right to visit any part of the Project for purposes related to the Contract and examine any relevant records, goods and documents.
6. The Parties declare their commitment to counteract corrupt practices in the execution of this Contract. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Contract, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Project, and undertake to take rapid legal action to initiate investigations of and prosecution against, in accordance with applicable law, any person suspected of corruption or misuse of resources related to the Project.
7. The Royal Norwegian Embassy may cancel this Contract or portion of this Contract with immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of The Sarakasi Trust or of a beneficiary of the funds during procurement or during the execution of the Contract without the Sarakasi Trust having taken timely and appropriate action satisfactory to the Embassy to remedy the situation.
8. The Royal Norwegian Embassy has the right to withhold and/or reclaim all or parts of the Grant if Project funds are found not to have been used in accordance with the terms and conditions of this Contract, including are found not to be satisfactorily accounted for.
9. If any dispute arises relating to the implementation or interpretation of this Contract, the Parties shall consult with a view to reaching a solution. Any disputes that cannot be solved amicably shall be referred to the competent Kenyan court and settled in accordance with Kenyan law.

Please acknowledge the receipt of this letter and your acceptance of the conditions by signing the copy of this letter and return it to the Norwegian Embassy in Nairobi.

Yours sincerely,
On behalf of the Royal Norwegian Embassy in Nairobi

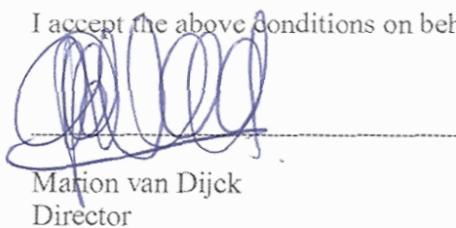


Elisabeth Jacobsen
Ambassador

Place:
Nairobi

Date:
29/10-08

I accept the above conditions on behalf of the Sarakasi Trust.



Mation van Dijk
Director