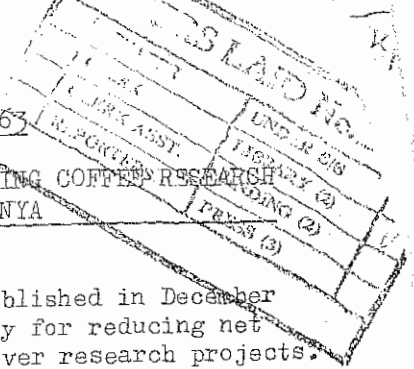


TRANSFER OF RESPONSIBILITY FOR FINANCING COFFEE RESEARCH  
TO THE COFFEE BOARD OF KENYA



The report of the Economy Commission published in December 1962, noted that there appeared to be an opportunity for reducing net Government expenditure by commodity boards taking over research projects.

2. The Government has agreed with the Coffee Board that responsibility for all coffee research should be accepted by the Board with effect from 1st October, 1963.

3. The estimated cost to the Government of coffee research for 1962/63 was £78,500 against which can be set proceeds from the sale of coffee and other farm produce amounting to £32,500 leaving net expenditure of £46,000. This net expenditure excludes contributions by the British Government under the O.S.A.S. The Coffee Board also contributes £60,000 p.a. to the Coffee Research Fund for recurrent and development expenditure. The saving to the Government under these proposals will therefore, on the basis of the 1962/63 expenditure and revenue, be approximately £46,000.

4. It is proposed that as from 1st October 1963, the Board will assume full responsibility subject to the following arrangements:-

(a) Land and Buildings

The fixed assets listed in Schedule A attached to this paper and valued at £168,811 will be leased to the Board for a period of 21 years at a nominal rental subject to the use of the assets being restricted to coffee research and related activities only. In the event of the land and buildings not being required for these purposes they will revert to the Government except in the case of the Upper Kiambu Coffee Sub-station which was acquired and developed exclusively with Coffee Board funds. This station will be transferred to the ownership of the Coffee Board. The Board will be responsible for all maintenance and repairs.

(b) Stores, Vehicles and Loose Assets

The stores, vehicles and loose assets present on the coffee research stations on 1st October, 1963, and valued at approximately £18,310 will be transferred to the Coffee Board which will, from that date, be responsible for the purchase of all further necessary stores, licencing and insurance of vehicles and obtaining other loose assets necessary for the efficient running of the research stations.

The main assets in this group are listed in Schedule B attached.

(c) Staff

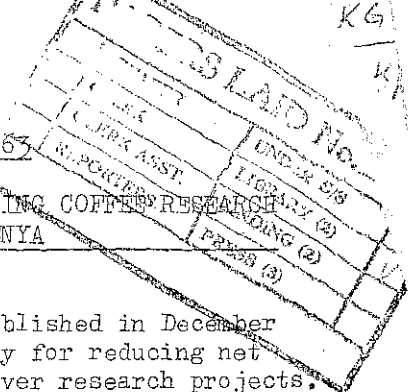
The Board will, as soon as practicable, employ its own staff. This will not be possible immediately and the Government will continue to provide the Board such staff as are required.

The Board will continue to make full reimbursement to the Government for all staff posted for service with the Board.

The Crop

Proceeds of the coffee crop and other farm produce will accrue from 1st October, 1963, and be credited to the Coffee Board only for Coffee Research.

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