
Rapport du Président

Proposition de prêt

République du Kenya

Programme de gestion intégrée des ressources naturelles (INReMP)

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Mesures à prendre: Le Conseil d'administration est invité à approuver la recommandation telle qu'elle figure au paragraphe 53.

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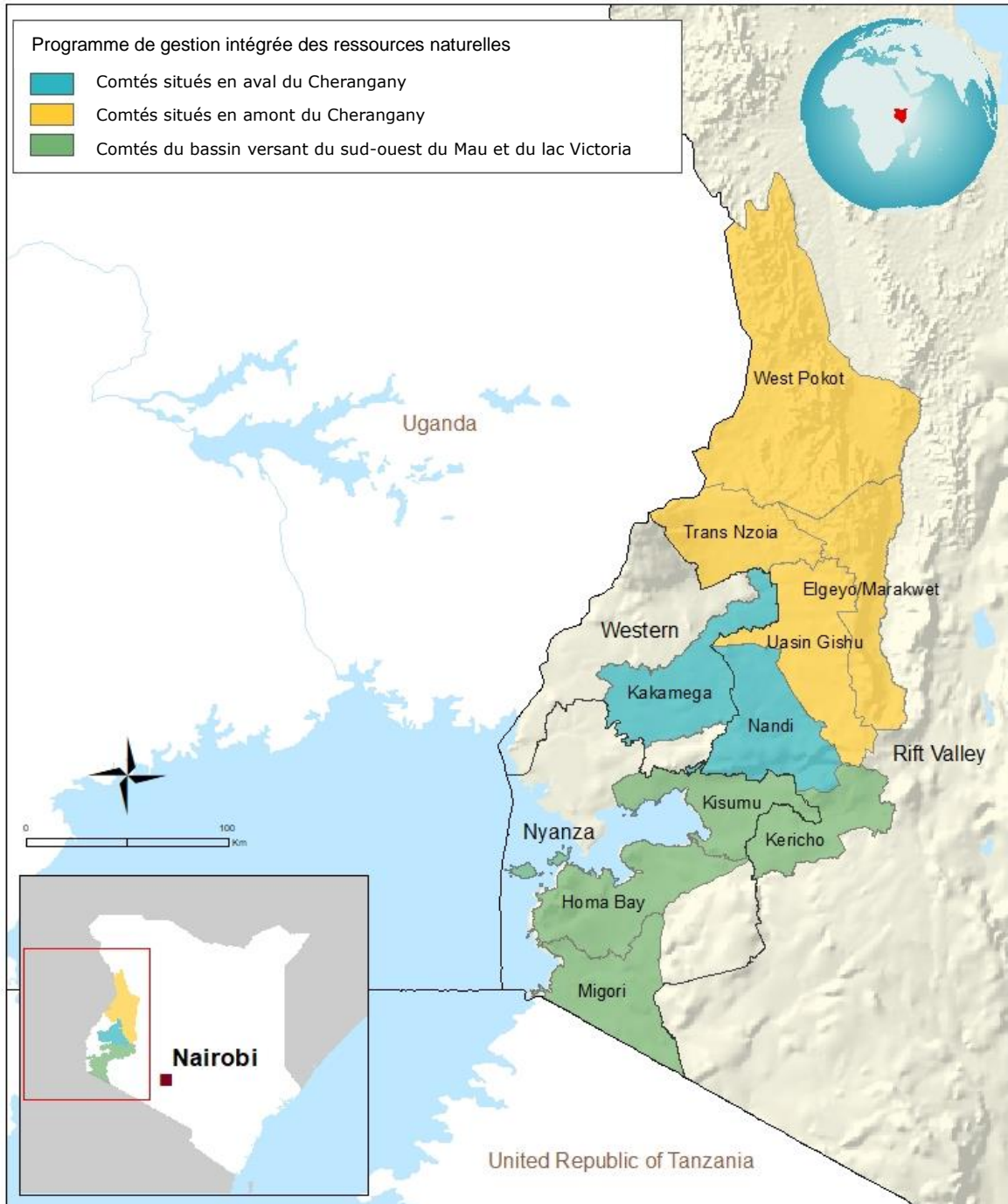
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- I. Negotiated financing agreement
- II. Logical framework
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Équipe d'exécution du programme

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Carte de la zone du programme



Les appellations employées et la présentation des données n'expriment aucune position particulière du FIDA quant au tracé des frontières ou limites ni aux autorités concernées.
 Carte établie par le FIDA | 07/08/2023

Résumé du financement

Institution initiatrice:	FIDA
Emprunteur/bénéficiaire:	République du Kenya
Organisme d'exécution:	Ministère du développement de l'agriculture et de l'élevage
Coût total du projet:	262,678 millions d'USD
Montant du prêt du FIDA:	126,8 millions d'USD
Conditions du prêt du FIDA:	Mixtes: délai de remboursement de 25 ans, y compris un différé d'amortissement de 5 ans, assorti d'une commission de service de 0,75% et d'un taux d'intérêt de 1,25% l'an en droit de tirage spécial (ajustement pour les prêts en une seule monnaie)
Cofinanceurs:	Fonds vert pour le climat, Fonds pour l'environnement mondial, secteur privé
Montant du cofinancement:	Fonds vert pour le climat: 40,0 millions d'USD Fonds pour l'environnement mondial: 7,139 millions d'USD Secteur privé: 10,1 millions d'USD
Conditions du cofinancement:	Fonds vert pour le climat: prêt Fonds pour l'environnement mondial: don Secteur privé: prêt
Contribution de l'emprunteur/du bénéficiaire:	23,5 millions d'USD
Contribution des bénéficiaires:	8,0 millions d'USD 47,0 millions d'USD
Montant du financement climatique apporté par le FIDA:	98,5 millions d'USD
Institution coopérante:	Supervision directe par le FIDA

I. Contexte

A. Contexte national et justification de l'intervention du FIDA

Contexte national

1. Le Kenya compte 54 millions d'habitants. Il est classé parmi les économies à revenu intermédiaire de la tranche inférieure, et son produit intérieur brut (PIB) s'élevait à 113,42 milliards d'USD en 2022¹. Quatrième puissance économique d'Afrique subsaharienne, le Kenya a l'une des économies les plus diversifiées à l'échelle régionale, caractérisée par un secteur tertiaire dynamique². L'économie repose sur une combinaison équilibrée d'agriculture, d'industrie et de services – dont les parts respectives sont de 53%, 29% et 18%³. Les grands obstacles au développement du pays sont la pauvreté, les inégalités, le chômage des jeunes, les insuffisances en matière de transparence et de responsabilité, les changements climatiques, la faiblesse des investissements du secteur privé et la vulnérabilité de l'économie face aux chocs internes et externes.
2. Environ 53% de la population travaille dans l'agriculture. La production végétale représente 82% du PIB agricole et 94% du revenu net des exportations agricoles. La vulnérabilité du pays face à l'insécurité alimentaire et nutritionnelle résulte d'une combinaison de facteurs, notamment: i) une croissance démographique rapide; ii) les changements climatiques; iii) la stagnation de la production agricole; iv) l'inefficacité des systèmes alimentaires; v) des problèmes socioéconomiques, tels que la pauvreté, le chômage et les inégalités de revenus (dont l'incidence est considérable)⁴.
3. Le plan détaillé de développement à long terme du pays, intitulé « Kenya Vision 2030 », vise à assurer un développement durable, à réduire la pauvreté et à garantir une croissance inclusive. Il se décline en un ensemble de plans quinquennaux axés sur trois piliers (économique, social et politique). Après le Sommet des Nations Unies sur les systèmes alimentaires, le Kenya s'est engagé à garantir la prospérité grâce à des systèmes alimentaires inclusifs, innovants, collaboratifs et dynamiques.

Aspects particuliers relatifs aux thématiques transversales prioritaires du FIDA

4. Conformément aux engagements du FIDA en matière de transversalisation, le programme a été validé comme:
 - incluant un financement climatique;
 - porteur de transformations en matière de genre;
 - tenant compte des enjeux nutritionnels;
 - axé sur les jeunes;
 - incluant des activités relatives à la capacité d'adaptation.
5. **Questions de genre.** Les difficultés à faire appliquer la législation au niveau national et dans les comtés, ajoutées à des normes et des attitudes socioculturelles bien ancrées, continuent de jouer en défaveur des femmes. Les agricultrices des zones rurales n'ont pas suffisamment accès au crédit, aux ressources, aux avoirs productifs et aux terres, et ont peu de contrôle sur les terres. Les femmes sont peu représentées dans les rôles de direction et assument une lourde charge de travail dans l'exploitation agricole et dans leur foyer. Elles jouent un rôle actif dans la

¹Banque mondiale, *Kenya-at-a-Glance*.

²Rapport de l'Intelligence Unit de la revue *The Economist*, 3 février 2024.

³Voir [Economy of Kenya – Wikipedia](#).

⁴Voir <https://kippra.or.ke/>.

gestion de l'environnement, l'agriculture, l'élevage et la commercialisation des produits, mais n'exercent qu'un contrôle limité sur les ressources correspondantes.

6. **Jeunes.** La population du Kenya est majoritairement jeune; les 35,7 millions de Kenyans âgés de moins de 35 ans (75,1% de la population) constituent une main-d'œuvre dynamique, particulièrement capable de s'adapter et encline à adopter de nombreuses innovations technologiques. Néanmoins, le taux de chômage des jeunes est élevé (35%). L'implication des jeunes dans l'agriculture est principalement entravée par: une perception négative de cette dernière; des compétences, des connaissances et une information inadéquates; le manque d'innovation dans le secteur; un accès insuffisant aux financements et aux ressources telles que les terres.
7. **Peuples autochtones et groupes marginalisés.** D'après les estimations, le Kenya compte près de 79 000 personnes qui se définissent comme appartenant à des peuples autochtones, réparties dans différentes communautés pastorales (Turkana, Rendille, Borana, Maasaï, Samburu, Ilchamus, Endorois, Gabra, Pokot et Somali).
8. **Changements climatiques et environnement.** Jugé très vulnérable face aux effets des changements climatiques et à l'évolution des phénomènes météorologiques, le Kenya est classé 152^e sur 181 pays selon l'indice pays de 2019 établi par la Global Adaptation Initiative de l'Université de Notre-Dame (ND-GAIN)⁵. Les phénomènes climatiques peuvent modifier les habitats, les interactions entre espèces et le rythme des actions biologiques clés, ce qui peut entraîner d'importantes transformations dans les écosystèmes et les chaînes alimentaires. Le lien entre la vulnérabilité face à l'insécurité alimentaire, les changements climatiques et la dégradation de l'environnement est une question cruciale au Kenya.

Justification de l'intervention du FIDA

9. La bonne performance économique du Kenya, combinée à un taux de croissance démographique élevé, fait augmenter la demande de produits agricoles et partant, met les ressources naturelles sous pression. Le Gouvernement kenyan considère l'agriculture comme le pilier de l'économie, le secteur contribuant largement aux revenus et à l'emploi. Bien que le pays compte plusieurs zones à fort potentiel agricole, les rendements ont diminué au fil du temps, en grande partie à cause de mauvaises pratiques de gestion des ressources naturelles et des effets des changements climatiques.
10. L'expérience acquise par le FIDA dans le cadre du Projet de gestion des ressources naturelles dans le bassin hydrographique du Haut Tana (UTaNRMP), du Programme de renforcement de la production céréalière au Kenya – Guichet d'appui à des moyens de subsistance agricoles résilients face au changement climatique et du Projet de Fonds pour l'eau dans le Haut Tana-Nairobi (UTNWF) financé par le Fonds pour l'environnement mondial (FEM) a montré que: i) les communautés peuvent gérer les ressources naturelles de manière durable, tout en améliorant les moyens d'existence et en préservant la sécurité alimentaire et nutritionnelle; ii) l'appui prêté aux communautés en matière de systèmes d'irrigation a un impact porteur de transformations importantes sur le secteur agricole, car il permet aux communautés d'enchaîner trois ou quatre cycles de culture par an; iii) le secteur privé peut contribuer à assurer une gestion durable des ressources naturelles; iv) si elles sont épaulées, les communautés peuvent accroître leur résilience face aux effets des changements climatiques et améliorer leurs moyens d'existence.

⁵ Cet indice, qui relève d'un projet de la Global Adaptation Initiative de l'Université de Notre-Dame (ND-GAIN), donne un aperçu de la vulnérabilité des pays aux changements climatiques et à d'autres problèmes mondiaux, d'une part, et de la capacité des pays à réagir pour améliorer leur résilience, d'autre part.

B. Enseignements à retenir

11. Il a été constaté que la gestion intégrée des ressources naturelles, telle que pratiquée dans le cadre des projets UTaNRMP et UTNWF, favorisait la productivité, la sécurité alimentaire, la diversification des moyens d'existence, la création de revenus et la santé des sols⁶. Une telle gestion peut être renforcée par une planification à l'échelon des bassins versants visant à coordonner les investissements au niveau des communautés et des comtés, comme c'est le cas dans d'autres pays de la région.
12. Le regroupement des ressources dans un nombre limité de comtés, par une mise à profit des interventions en cours, peut accroître l'impact des activités. Conformément aux recommandations issues de l'évaluation de la stratégie et du programme de pays (2019), le Programme de gestion intégrée des ressources naturelles tire parti de l'avantage comparatif du FIDA et maintient le cap sur des thématiques et des zones précises. Dans le cadre du projet UTaNRMP, désormais achevé, la concentration des interventions dans seulement six comtés sur une période d'exécution prolongée (10 ans) a donné de meilleurs résultats. De même, le programme visera 10 comtés seulement, et son exécution s'étalera sur huit ans.

II. Description du programme

A. Objectifs, zone d'intervention et groupes cibles

13. Le but du programme est de contribuer à améliorer l'alimentation, la nutrition et la sécurité des revenus des ménages ruraux dans un écosystème durable et résilient. L'objectif de développement est de renforcer la gestion intégrée des ressources naturelles, d'accroître la résilience face aux changements climatiques et d'améliorer les moyens d'existence des bénéficiaires, en particulier les femmes, les jeunes et les autres groupes vulnérables.
14. Le programme sera exécuté dans les collines du Cherangany et les châteaux d'eau du sud-ouest du Mau, plus précisément dans dix comtés: i) les comtés en amont des châteaux d'eau des collines du Cherangany (Elgeyo-Marakwet, West Pokot et Trans-Nzoia); ii) les comtés de Uasin Gishu, de Nandi et de Kakamega situés en aval du Cherangany (avec le cofinancement du FEM); iii) un comté en amont du bassin versant du sud-ouest du Mau (Kericho) et les trois comtés en aval du bassin du lac Victoria (Kisumu, Homa Bay et Migori).
15. Le programme devrait bénéficier directement à 407 176 ménages ruraux vulnérables (2 035 880 personnes). Ces derniers seront sélectionnés parmi les groupes cibles suivants: i) les ménages d'agriculteurs vulnérables en proie à l'insécurité alimentaire (20% du groupe cible); ii) les ménages d'agriculteurs en situation d'insécurité alimentaire modérée (40% du groupe cible); iii) les ménages d'exploitants de taille moyenne assurant leur sécurité alimentaire et menant des activités structurées ou semi-structurées (30%); iv) les microentreprises et petites et moyennes entreprises (10%).

B. Composantes, résultats et activités

16. Les composantes du programme sont les suivantes: i) amélioration de l'environnement et de la gestion intégrée des ressources naturelles, des services écosystémiques et de l'action climatique sous la houlette des communautés; ii) moyens d'existence ruraux améliorés, inclusifs et durables; iii) renforcement des politiques et des institutions aux fins d'une gestion intégrée des ressources naturelles et de la coordination des activités rurales.

Composante 1. Amélioration de l'environnement et de la gestion intégrée des ressources naturelles, des services écosystémiques et de l'action climatique sous la houlette des communautés

⁶Section D.2 (Impact sur la pauvreté rurale) du rapport d'achèvement du projet UTaNRMP, mars 2023.

17. Il s'agira d'aider les bénéficiaires à gérer durablement les principales ressources naturelles au sein de leur communauté. Cinq ressources naturelles clés recensées dans les 10 comtés durant la mission de conception du programme seront ciblées en priorité, à savoir: i) les forêts; ii) les pâturages; iii) les terres arables; iv) les zones humides; v) les ressources en eau (eaux souterraines, sources, rivières, ruisseaux et lacs).

Composante 2. Moyens d'existence ruraux améliorés, inclusifs et durables

18. Cette composante est essentielle au succès de la composante 1. Elle vise à aider les communautés et les ménages à améliorer leurs moyens d'existence et leurs revenus au moyen d'interventions qui favorisent une bonne gestion de la base de ressources naturelles. Les activités menées à ce titre inciteront les communautés à conserver de manière durable l'environnement qui les entoure.

Composante 3. Renforcement des politiques et des institutions aux fins d'une gestion intégrée des ressources naturelles et de la coordination des activités rurales

19. Cette composante transversale contribuera à l'exécution des composantes techniques et aidera à trouver les moyens de mener les activités du programme avec efficacité et efficience. Elle renforcera les institutions aux fins de la gestion durable des investissements du programme. L'appui stratégique facilitera l'élaboration, l'examen et la mise à jour des politiques et des stratégies dans les domaines jugés essentiels à la gestion intégrée des ressources naturelles.

C. Théorie du changement

20. La théorie du changement du programme repose sur l'idée que les ménages ruraux de l'écosystème du Cherangany et des châteaux d'eau du sud-ouest du Mau rencontrent des difficultés qui les rendent particulièrement vulnérables aux effets négatifs de plus en plus importants des changements climatiques. Dans ces communautés, les systèmes de marché sont limités, la participation du secteur privé aux activités de conservation et à certaines filières est faible, les capacités institutionnelles sont insuffisantes et le cadre régissant l'élaboration des politiques est inadéquat, et les institutions communautaires ne disposent pas des capacités nécessaires pour favoriser une gestion intégrée des ressources naturelles et une amélioration des moyens d'existence. En outre, les communautés (en particulier les jeunes, les femmes et les peuples autochtones) n'ont qu'un accès limité aux mesures les incitant à participer aux activités de conservation et à améliorer leurs moyens d'existence. Au vu des enseignements tirés de l'exécution d'interventions semblables, l'autonomisation des communautés peut améliorer l'environnement et la gestion intégrée des ressources naturelles et favoriser les services écosystémiques, l'action climatique et des moyens d'existence ruraux inclusifs et durables. Un appui sera donc apporté à la restauration de l'environnement, des ressources naturelles et des écosystèmes à l'aide d'approches communautaires. Le programme favorisera en outre: une production et une productivité inclusives, efficaces et climato-compatibles; les entreprises agricoles des filières sélectionnées aux fins d'une meilleure gestion intégrée des ressources naturelles; une résilience renforcée et une sécurité alimentaire et nutritionnelle durable, le but étant de parvenir à une autonomisation économique équitable, de réduire la pauvreté et d'accroître la cohésion sociale dans les communautés rurales.

D. Alignement, appropriation et partenariats

21. Le programme est en phase avec les objectifs de développement durable, la réalisation de son objectif de développement appuyant celle des objectifs 1, 2, 5, 6, 12 et 13. Le programme est aussi en accord avec les politiques, priorités et stratégies nationales pertinentes, et contribuera directement à leur mise en œuvre. Il favorisera en outre la réalisation des objectifs du programme d'options stratégiques pour le pays (2020-2025).

22. La participation du Gouvernement au processus de conception assurera la bonne prise en main du programme par le pays. Une équipe composée des représentants des principaux ministères et institutions a été mise en place; le FIDA a travaillé en étroite consultation avec elle pour s'assurer que les points de vue des principales parties prenantes (en particulier le groupe cible et ses institutions) et des institutions gouvernementales concernées étaient bien pris en compte et mis à profit dans le cadre de la définition des priorités et des activités du programme.
23. Le programme sera intégré à l'intervention régionale dans le secteur laitier en faveur de l'atténuation et de l'adaptation que le FIDA, l'Organisation des Nations Unies pour l'alimentation et l'agriculture et la Global Dairy Platform sont en train d'élaborer conjointement. Le FIDA proposera au Fonds vert pour le climat (FVC) de financer le programme en 2025.

E. Coût, avantages et financement

24. Le déficit de financement de 47 millions d'USD pourra être financé dans le cadre de cycles ultérieurs du Système d'allocation fondé sur la performance (SAFP) ou au moyen du Mécanisme d'accès aux ressources empruntées (selon des conditions de financement à définir et sous réserve des procédures internes et de l'approbation ultérieure du Conseil d'administration), ou par un cofinancement à déterminer pendant l'exécution.
25. Les composantes 1 et 2 relèvent partiellement du financement de l'action climatique. Conformément aux méthodes des banques multilatérales de développement pour le suivi du financement de l'adaptation aux changements climatiques et de l'atténuation de leurs effets, le montant total du financement alloué par le FIDA à l'action climatique dans le cadre de ce programme est estimé à 98,5 millions d'USD.

Coût du programme

26. Le coût du programme, y compris les coûts de base et les provisions pour hausse des prix et imprévus matériels, est estimé à 262,6 millions d'USD sur une période d'exécution de huit ans. Les dépenses d'investissement sont estimées à 230,9 millions d'USD (88% du coût total) et les dépenses récurrentes à 31,7 millions d'USD (12%). La sous-composante 1.2 (amélioration de la durabilité environnementale, de la gestion intégrée des ressources naturelles et des services écosystémiques) relève entièrement du financement climatique du FIDA et sera couverte par une allocation de 26 millions d'USD au total (15% du financement du FIDA).

Tableau 1
Coût du programme par composante et sous-composante et par source de financement
(en milliers d'USD)

	Prêt du FIDA		Déficit de financement		FVC		FEM		Bénéficiaires			Emprunteur/bénéficiaire		Secteur privé		Total		
	Montant	%	Montant	%	Montant	%	Montant	%	Contributions en espèces	Contributions en nature	%	Contributions en espèces	Contributions en nature	%	Montant	%	Montant	%
Composante et sous-composante																		
1. Amélioration de l'environnement et de la gestion intégrée des ressources naturelles, des services écosystémiques et de l'action climatique sous la houlette des communautés																		
1.1. Approches axées sur l'autonomisation des communautés, les jeunes et les transformations en matière de genre	5 933	70	2 506	30	-	-	-	-	-	-	-	-	-	-	-	-	8 439	3
1.2. Amélioration de la durabilité environnementale, de la gestion intégrée des ressources naturelles et des services écosystémiques	25 399	40	604	1	38 210	60	-	-	-	-	-	-	-	-	-	-	64 213	24
2. Moyens d'existence ruraux améliorés, inclusifs et durables																		
2.1. Amélioration de la production et de la productivité dans les filières tenant compte des enjeux nutritionnels et les entreprises fondées sur la nature sélectionnées	49 690	52	29 742	31	1 790	2	-	-	-	5 150	5	-	8 772	9	-	-	95 143	36
2.2. Amélioration de la valeur ajoutée et des liens avec les marchés des filières et des entreprises fondées sur la nature sélectionnées	23 125	47	4 111	8	-	-	6 660	13	-	2 850	6	-	2 820	6	10 172	1	49 738	19
3. Renforcement des politiques et des institutions aux fins d'une gestion intégrée des ressources naturelles et de la coordination des activités rurales																		
3.1. Renforcement institutionnel et appui stratégique	4 420	85	395	8	-	-	-	-	-	-	-	414	-	8	-	-	5 229	2
3.2. Coordination du programme et services d'appui à l'exécution	18 233	46	9 642	24	-	-	479	1	-	-	-	11 323	239	9	-	-	39 916	15
Total	126 800	48	47 000	18	40 000	15	7 139	3	-	8 000	3	11 736	11 831	9	10 172	4	262 678	100

Tableau 2

Coût du programme par catégorie de dépenses et par source de financement

(en milliers d'USD)

Catégorie de dépenses	Prêt du FIDA		Déficit de financement		FVC		FEM		Bénéficiaires			Emprunteur/bénéficiaire		Secteur privé		Total			
	Montant	%	Montant	%	Montant	%	Montant	%	Contributions en espèces	Contributions en nature	%	Liquidités	Contributions en nature	%	Montant	%	Montant	%	
Dépenses d'investissement																			
1. Biens, services et intrants	36 504	70	11 621	22	2 880	6	-	-	-	1 215	2	102	25	0,2	-	-	52 348	20	
2. Équipements et matériel	3 130	92	50	2	-	-	-	-	-	-	-	-	217	6	-	-	3 395	1	
3. Services de consultants	13 155	83	2 332	15	-	-	-	-	-	-	-	311	-	2	-	-	15 799	6	
4. Formation	5 541	71	1 867	24	413	5	-	-	-	-	-	-	-	-	-	-	7 821	3	
5. Travaux de génie civil	56 968	38	22 734	15	36 707	24	6 660	4	-	6 785	5	-	11 589	8	10 172	7	151 616	58	
Total des dépenses d'investissement	115 299	50	38 604	17	40 000	17	6 660	3	-	8 000	4	414	11 830	5	10 172	4	230 979	88	
Dépenses récurrentes																			
1. Entretien et fonctionnement	3 323	38	2 983	34	-	-	479	6	-	-	-	1 978	-	23	-	-	8 763	3	
2. Traitements et indemnités	8 178	36	5 412	24	-	-	-	-	-	-	-	9 346	-	41	-	-	22 937	9	
Total des dépenses récurrentes	11 501	36	8 396	27	-	-	479	2	-	-	-	11 323	-	36	-	-	31 700	12	
Total	126 800	48	47 000	18	40 000	15	7 139	3	-	8 000	3	11 736	11 831	9	10 172	2	262 678	100	

Tableau 3

Coût du programme par composante et sous-composante et par année du programme

(en milliers d'USD)

Composante et sous-composante	<i>Année 1</i>	<i>Année 2</i>	<i>Année 3</i>	<i>Année 4</i>	<i>Année 5</i>	<i>Année 6</i>	<i>Année 7</i>	<i>Année 8</i>	<i>Total</i>
	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>	<i>Montant</i>
1. Amélioration de l'environnement et de la gestion intégrée des ressources naturelles, des services écosystémiques et de l'action climatique sous la houlette des communautés									
1.1. Approches axées sur l'autonomisation des communautés, les jeunes et les transformations en matière de genre	87	1 173	1 790	1 835	1 049	1 004	792	709	8 439
1.2. Amélioration de la durabilité environnementale, de la gestion intégrée des ressources naturelles et des services écosystémiques	1 958	4 503	12 612	10 871	13 004	12 210	8 740	315	64 213
2. Moyens d'existence ruraux améliorés, inclusifs et durables									
2.1. Amélioration de la production et de la productivité dans les filières tenant compte des enjeux nutritionnels et les entreprises fondées sur la nature sélectionnées	3 100	6 832	5 317	18 450	27 979	31 830	1 016	618	95 143
2.2. Amélioration de la valeur ajoutée et des liens avec les marchés des filières et des entreprises fondées sur la nature sélectionnées	406	3 254	8 052	14 075	17 158	4 510	1 313	971	49 738
3. Renforcement des politiques et des institutions aux fins d'une gestion intégrée des ressources naturelles et de la coordination des activités rurales									
3.1. Renforcement institutionnel et appui stratégique	288	2 116	2 429	395					5 229
3.2. Coordination du programme et services d'appui à l'exécution	6 454	4 713	4 479	4 636	5 118	4 674	4 790	5 053	39 916
Total	12 293	22 591	34 679	50 262	64 308	54 228	16 651	7 666	262 678

Stratégie et plan de financement et de cofinancement

27. Le programme sera principalement financé par un prêt du FIDA et par un cofinancement du FVC et du GEF. Le prêt du FIDA s'élève à 126,8 millions d'USD. Tel qu'il a été conçu, le programme présente un déficit de financement de 47 millions d'USD, qui pourra être financé dans le cadre de cycles ultérieurs du SAFF (selon des conditions de financement à déterminer et sous réserve des procédures internes et de l'approbation du Conseil d'administration). Si ces ressources sont effectivement mobilisées, la contribution totale du FIDA s'élèvera à 173,8 millions d'USD, soit 66% du coût total. Les cofinancements du FVC et du GEF s'élèvent respectivement à 40 millions d'USD et à 7 millions d'USD (15% et 3% du coût total).
28. En outre, le Gouvernement versera des contributions en nature (droits et taxes compris) d'un montant estimé à 23,5 millions d'USD (9% du coût total). La contribution des bénéficiaires devrait s'élever à 8 millions d'USD (3%), et le cofinancement du secteur privé à 10 millions d'USD (4%).

Décaissement

29. Les fonds seront décaissés selon les catégories suivantes: i) biens, services et intrants; ii) équipements et matériel; iii) services de consultants; iv) formation; v) travaux de génie civil; vi) entretien et fonctionnement; vii) traitements et indemnités. Les dépenses correspondantes seront partagées entre le FIDA et le Gouvernement. L'ensemble des dépenses récurrentes représente 12% du coût total du programme. Si l'on considère le financement du FIDA, la part des dépenses récurrentes s'élève à 11% du total du financement du Fonds, soit un niveau acceptable.

Résumé des avantages et analyse économique

30. Le programme touchera environ 407 172 ménages (2 035 880 bénéficiaires), le coût par ménage étant de 647 USD et le coût par personne de 129 USD. Le taux de rentabilité interne devrait atteindre 24% et la valeur actuelle nette devrait être positive, à 89,05 millions d'USD (soit 12,3 milliards de shillings kenyans). Au regard de l'analyse économique, le programme est réalisable. Une analyse de sensibilité a été menée pour tester la fiabilité de l'analyse globale du programme et mesurer les différentes variations dues à des facteurs imprévus et aux risques indiqués dans la matrice intégrée des risques du programme. Selon cette analyse, le programme est économiquement et financièrement viable, quels que soient les scénarios envisagés.

Stratégie de retrait et durabilité

31. Le programme sera exécuté par l'intermédiaire des institutions publiques existantes au niveau national et, en particulier, au niveau des comtés, ce qui garantira l'existence d'une stratégie de retrait intégrée. À l'aide d'une approche participative, pendant l'élaboration des plans de travail et budgets annuels (PTBA), l'équipe du programme s'adressera aux communautés cibles afin qu'elles puissent superviser l'exécution des activités et suivre les progrès réalisés à cet égard. La protection de l'environnement pilotée par les communautés sera l'un des grands axes de l'exécution, le but étant d'assurer la prise en main des pratiques durables de gestion des terres. L'approche paysagère (dont l'agriculture régénératrice et les activités portant sur l'aménagement des bassins versants) et le développement d'infrastructures climatiquement résilientes favoriseront la durabilité environnementale des interventions du programme. Pour assurer la viabilité financière des groupes appuyés, une formation axée sur les activités commerciales et les liens avec les marchés seront favorisés. Les interventions liées aux politiques contribueront à ce que l'environnement favorable nécessaire soit en place pendant et après l'exécution du programme.

III. Gestion des risques

A. Risques et mesures d'atténuation

32. Certains risques pourraient compromettre l'exécution du programme et la réalisation de l'objectif de développement. Ces risques, associés à des mesures d'atténuation, sont présentés au tableau 4 ci-après. (On trouvera une description plus détaillée du profil de risque à l'appendice III.)

Tableau 4

Synthèse des risques

<i>Aspect du risque</i>	<i>Niveau de risque inhérent</i>	<i>Évaluation du risque résiduel</i>
Contexte national	Modéré	Modéré
Stratégies et politiques sectorielles	Faible	Faible
Contexte environnemental et climatique	Substantiel	Modéré
Portée du projet	Modéré	Faible
Capacités institutionnelles d'exécution et viabilité	Modéré	Faible
Gestion financière	Substantiel	Substantiel
Passation de marchés dans le cadre du programme	Modéré	Faible
Impact environnemental, social et climatique	Substantiel	Modéré
Parties prenantes	Faible	Faible
Risque global	Modéré	Modéré

B. Catégorie environnementale et sociale

33. D'après l'analyse environnementale et sociale, le risque environnemental et social du programme est substantiel. Les principaux risques recensés sont liés aux émissions provenant de la production laitière, aux mauvaises pratiques d'utilisation des terres, à la déforestation, à la pollution de l'eau, à l'envasement, à la dégradation des terres et des bassins versants, à l'empiètement sur les zones humides, aux conflits liés à l'exploitation des ressources, et aux grossesses chez les adolescentes résultant de la violence fondée sur le genre. Les normes relatives aux Procédures d'évaluation sociale, environnementale et climatique (PESEC) – en particulier la conservation de la biodiversité, l'utilisation efficiente des ressources et la prévention de la pollution, les aspects liés au patrimoine culturel et les peuples autochtones, le marché de l'emploi et les conditions de travail, et la santé et la sécurité des communautés – ont servi à évaluer, de manière inclusive et équitable, tous les éventuels problèmes liés aux conditions de travail, à la santé et à la sécurité des communautés, le but étant d'élaborer des mesures de gestion destinées à atténuer les risques pour les membres des communautés. Certains risques sont circonscrits à une zone et ne devraient pas causer de dommages irréversibles. Des plans de gestion environnementale, sociale et climatique et diverses mesures d'atténuation permettront de remédier à toute répercussion potentielle.

C. Classement au regard des risques climatiques

34. D'après l'évaluation des risques climatiques, le programme présente un risque climatique substantiel. Une évaluation des capacités d'adaptation aux changements climatiques sera donc intégrée à la note relative aux PESEC, où seront indiquées les options pertinentes en matière d'adaptation. Classé au 152^e rang sur 181 pays selon l'indice ND-GAIN, le Kenya est jugé très vulnérable face aux effets des changements climatiques.

D. Soutenabilité de la dette

35. Selon la dernière analyse de soutenabilité de la dette réalisée par le Fonds monétaire international et la Banque mondiale, le Kenya présente un risque élevé de surendettement, la dette publique étant estimée à 73% du PIB à la fin de 2023, et le service de la dette absorbant environ 55% des recettes. Le recul des exportations et de la croissance économique en 2020-2022 a contraint le Gouvernement à prendre des mesures budgétaires fortes, ce qui a eu pour effet d'accroître le déficit budgétaire. En conséquence, certains indicateurs de la dette se sont dégradés, ce qui a entraîné le dépassement des limites associées aux indicateurs de solvabilité et de liquidité dans le scénario de référence. D'après ce scénario, la dette publique devrait culminer à 67,6% du PIB en 2029; toutefois, les indicateurs de la dette du Kenya devraient s'améliorer à mesure que les exportations reprendront (bien que graduellement et sur une longue période). En général, le Kenya bénéficie d'un très bon accès aux marchés internationaux des capitaux, et le Fonds monétaire international estime que le pays peut faire appel aux marchés financiers internationaux pour renouveler les euro-obligations arrivant à échéance et optimiser le profil du service de sa dette extérieure, sous réserve d'une conjoncture favorable. L'analyse de la soutenabilité de la dette souligne la nécessité d'un assainissement des finances publiques sur la durée qui permettra de ramener la dette publique à des niveaux plus prudents à moyen terme.
36. Le Kenya est considéré comme un pays mixte par la Banque mondiale, c'est-à-dire qu'il a accès à la fois à l'appui de l'Association internationale de développement et à celui de la Banque internationale pour la reconstruction et le développement. C'est pourquoi il n'est pas admis à bénéficier d'un appui au titre du Cadre pour la soutenabilité de la dette du FIDA.

IV. Exécution

A. Cadre organisationnel

Gestion et coordination du programme

37. L'exécution du programme sera systématiquement intégrée dans le système gouvernemental, tant au niveau national qu'au niveau des comtés. Le Ministère du développement de l'agriculture et de l'élevage sera le principal organisme d'exécution.
38. Une unité de coordination et de gestion du programme (UCGP) responsable des opérations courantes sera mise en place, et comprendra une équipe de direction. Un comité national de pilotage du programme, coprésidé par les secrétaires principaux du Secrétariat d'État à l'agriculture et du Secrétariat d'État à l'environnement et aux changements climatiques sera mis en place et définira les orientations politiques et stratégiques globales. Un comité consultatif technique national sera établi et chargé de donner des conseils techniques au comité national de pilotage.

Gestion financière, passation des marchés et gouvernance

39. Le Secrétariat d'État à l'agriculture, qui relève du Ministère du développement de l'agriculture et de l'élevage (le principal organisme d'exécution), gèrera les fonds du programme par l'intermédiaire de l'UCGP spécialisée. Cette dernière débloquera les fonds conformément aux PTBA approuvés, versera les fonds aux gouvernements des comtés et aux organismes d'exécution, et coordonnera le suivi et l'établissement de rapports financiers. Les mémorandums d'accord conclus entre le Trésor national et les gouvernements des comtés participants stipuleront les exigences et les responsabilités en matière de gestion financière. La signature de ces mémorandums sera une condition préalable au décaissement des fonds. L'UCGP établira le budget du programme conformément aux procédures du FIDA et à la réglementation du Gouvernement kenyan en matière de gestion des finances publiques. Parmi les mécanismes de décaissement à utiliser figurent le retrait de

fonds anticipé et les paiements directs. Les décaissements des fonds du FIDA s'effectueront sous la forme d'un retrait anticipé à partir des comptes désignés, lesquels seront réapprovisionnés trimestriellement sur la base des rapports financiers intermédiaires et des prévisions de trésorerie, et conformément aux PTBA approuvés. Pour éviter toute confusion entre les financements, des comptes désignés seront établis pour les différentes sources; chaque cofinanceur disposera d'un compte bancaire distinct en dollars des États-Unis. Un logiciel de comptabilité doté des fonctionnalités nécessaires à la bonne gestion de l'ensemble des fonds sera acheté et installé.

40. Les passations de marchés au titre du programme s'effectueront conformément à la loi sur la passation des marchés publics et la cession d'actifs adoptée en 2015 par le Gouvernement. Les dossiers d'appel d'offres standard nationaux seront utilisés et modifiés à la lumière des directives du FIDA. Les passations de marchés impliquant le marché international se feront à l'aide des dossiers d'appel d'offres standard du FIDA. Toutes les activités de passation de marchés seront menées dans le respect des principes, des normes déontologiques et des règles énoncés dans le Guide pratique de passation des marchés du FIDA. Pour garantir le respect des normes déontologiques les plus strictes, l'équipe du programme s'appuiera sur la Politique du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations, la Politique du FIDA en matière de prévention et de répression du harcèlement sexuel et de l'exploitation et des atteintes sexuelles, la Politique de lutte contre le blanchiment d'argent et le financement du terrorisme et les PESEC.
41. Les entités chargées de l'exécution appliqueront les directives anticorruption du FIDA pour se prémunir de la fraude, de la corruption et des actes de collusion tels que les pots-de-vin, les abus de fonction administrative et les infractions aux règles de passation de marchés. Pour atténuer ces risques, les mesures de gestion financière adoptées comprendront: i) des examens annuels des rapports d'audit externes; ii) des procédures approuvées de gestion financière; iii) des dispositions solides en matière de gestion financière; iv) des rapports financiers intermédiaires établis périodiquement; v) des examens réguliers des rapports d'audit interne; vi) un suivi assuré par le Comité d'audit; vii) des examens indépendants réalisés par le FIDA.

Participation et retours d'information du groupe cible

42. L'UCGP sera chargée de mettre en œuvre les processus de participation et de retours d'information, en s'appuyant sur le plan pour la participation des parties prenantes élaboré dans le cadre du programme. De tels processus ont pour but de favoriser l'implication des parties prenantes et de promouvoir une plus grande connaissance et une meilleure compréhension des enjeux, de sorte que le programme soit exécuté efficacement, dans les temps et dans les limites du budget prévu. Ces consultations publiques visent à: i) donner aux parties prenantes suffisamment d'occasions d'exprimer des opinions, des préoccupations et des aspirations susceptibles d'influencer les décisions prises dans le cadre du programme; ii) informer les parties prenantes sur l'exécution des mesures définies; iii) informer et faciliter la prise de décisions; iv) faire des recommandations et des propositions précises, le cas échéant.

Mécanisme de réponse aux doléances

43. L'exécution du programme peut entraîner des problèmes et des plaintes, notamment en lien avec la violation des droits, le partage inégal des ressources et l'exclusion. Pour traiter ces plaintes dans le cadre d'un processus consultatif continu, un mécanisme de réponse aux doléances a été mis en place. Il comprend trois systèmes parallèles: i) un système communautaire; ii) un système au niveau des comtés; iii) la procédure du FIDA en matière de plaintes.

B. Planification, suivi-évaluation, apprentissage, gestion des savoirs et communication

44. Le cycle de planification suivra le cycle de planification et de budgétisation du Gouvernement. L'élaboration du PTBA, qui est le principal instrument d'exécution et de contrôle opérationnel, marquera le début de chaque cycle. Un processus de planification participative sera adopté dans le cadre des PTBA.
45. Le système de suivi-évaluation du programme sera adossé au cadre logique, qui comprend un ensemble d'indicateurs propres au programme et une sélection d'indicateurs de base relatifs aux effets directs du FIDA. Ces indicateurs serviront à éclairer l'évaluation continue de la performance. Un système complet de suivi-évaluation du programme sera mis au point conformément aux exigences du FIDA et du Gouvernement; il sera coordonné par l'UCGP en place au sein du Secrétariat d'État à l'agriculture et appuyé par les comtés ciblés.
46. La gestion des savoirs reposera sur une stratégie de gestion des savoirs et de communication qui sera élaborée au début de l'exécution du programme.

Innovations et reproduction à plus grande échelle

47. Parmi les principales caractéristiques du programme considérées comme innovantes figurent: i) l'établissement de partenariats avec certaines institutions, destinés à encourager le groupe cible à conserver leur environnement et à tirer profit des échanges de droits d'émission de carbone; ii) l'acheminement de l'eau du lac Victoria vers des réservoirs et des points de collecte situés sur les hauteurs, et la mise à disposition de cette eau à des fins d'irrigation ou autres; iii) l'initiative innovante « *Green Roads for Water* » (Des routes vertes pour l'eau), qui vise à intégrer la récupération de l'eau dans les structures de drainage routier; iv) la mise à profit des technologies numériques pour encourager une production axée sur les marchés et les liens interentreprises grâce à des plateformes commerciales numériques, et l'utilisation de données en appui à l'analytique des marchés.

C. Plans d'exécution

Plans de préparation à l'exécution et de démarrage

48. Les mesures suivantes seront prises pour remédier à d'éventuels retards de démarrage: i) élaboration d'un projet de PTBA associé à un plan de passation des marchés et d'une première version du manuel d'exécution du programme au stade de la conception; ii) rédaction des descriptions d'emploi des différents postes de l'UCGP; iii) recours provisoire à l'unité de gestion du Programme de renforcement de la production céréalière au Kenya pour favoriser le bon démarrage du programme.

Supervision, examen à mi-parcours et plans d'achèvement

49. Le FIDA et le Gouvernement superviseront conjointement le programme afin d'évaluer les réalisations et les enseignements à tirer des activités. Un examen à mi-parcours sera effectué pour évaluer si les objectifs du programme sont en passe d'être atteints. À la fin du programme, on réalisera un examen à l'achèvement pour promouvoir l'obligation de rendre compte, faire le point sur la performance et tirer les enseignements qui s'imposent afin d'éclairer la conception des prochains programmes et des projets.

V. Instruments et pouvoirs juridiques

50. L'octroi à l'emprunteur du financement proposé est régi par un accord de financement entre la République du Kenya et le FIDA. Une copie de l'accord de financement négocié figure à l'appendice I.
51. La République du Kenya est habilitée, en vertu de son ordre juridique, à recevoir un financement du FIDA.

52. Je certifie que le financement proposé est conforme aux dispositions de l'Accord portant création du FIDA, et aux Principes et critères applicables aux financements du FIDA.

VI. Recommandation

53. Je recommande au Conseil d'administration d'approuver le financement proposé par la résolution suivante:

DÉCIDE: que le Fonds accordera à la République du Kenya un prêt à des conditions mixtes d'un montant de cent vingt-six millions huit cent mille dollars des États-Unis (126 800 000 USD), qui sera régi par des modalités et conditions conformes en substance aux modalités et conditions indiquées dans le présent rapport.

Le Président
Alvaro Lario

Negotiated financing agreement

Integrated Natural Resources Management Programme

(Negotiations concluded on 29 August 2024)

Loan No: _____

Project name: Integrated Natural Resources Management Programme (“the INReMP”/ “the Programme”)

The Republic of Kenya (the “Borrower”) represented by the Cabinet Secretary to The National Treasury and Economic Planning

and

The International Fund for Agricultural Development (the “Fund” or “IFAD”)

(each a “Party” and both of them collectively the “Parties”)

WHEREAS the Borrower has requested a loan from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

WHEREAS the Borrower has undertaken to provide additional support, financially or in kind that may be needed to the Programme;

WHEREAS, the Fund has agreed to provide financing for the Programme;

NOW THEREFORE, the Parties hereby agree as follows:

Section A

- 1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).
- 2. The Fund’s General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the “General Conditions”) are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
- 3. The Fund shall provide a Loan (the “Financing”) which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

- 1. A. The amount of the Loan is one hundred and twenty-six million, eight hundred and ten thousand United States dollars (USD 126 810 000).
- 2. The Loan is granted on blend terms, and shall be subject to interest on the principal amount outstanding and a service charge as determined by the Fund at the date of

approval of the Loan by the Fund's Executive Board. The interest rate of 1.41% and service charge of 1.39% d will be fixed for the life cycle of the loan and payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty-five (25) years, including a grace period of five (5) years starting from the date of approval of the Loan by the Fund's Executive Board. The principal of the Loan will be repaid in equal instalments.

3. The Loan Service Payment Currency shall be in United States dollars (USD).
4. The first day of the applicable Fiscal Year shall be 1 July.
5. Payments of principal, interest and service charge shall be payable on each 15 June and 15 December.
6. There shall be a Designated Account denominated in USD, opened at the Central Bank of Kenya to receive resources from the IFAD Loan, for the implementation of the Programme. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
7. A Designated Account for the exclusive use of the Programme shall be held by the National Treasury at the Central Bank of Kenya to receive funds from IFAD. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
8. There shall be two Project Operational Accounts in Kenya shillings (KES) to receive the proceeds of the Financing from the IFAD Designated Account, for the exclusive benefit of the Programme. One for the National Government (NG) and one for the County Governments (CG). A distinct operational account shall also be maintained in local currency to receive counterpart contributions from the Government of the Republic of Kenya.
9. Reporting: The Programme will be required to prepare quarterly and annual financial statement in accordance with the requirements of the PFM Act 2012 and IFAD's requirements.
10. Auditing: The Programme will be audited by the Office of the Auditor General.
11. The Borrower shall provide counterpart financing for the Programme in the amount of twenty-three million and five hundred thousand United States Dollars (23 500 000 USD) in the form of in-kind contribution and the value of exemption of taxes and duties.
12. All Goods and Services imported or purchased locally by the programme contractors, sub-contractors for the exclusive and direct use in the Programme shall be exempt from Excise Duty, Import Duty, Value Added Tax (VAT), Import Declaration Fee (IDF) and Railway Development Levy (RDL) in accordance with the applicable tax laws in Kenya.
13. Any income earned by contractors, consultants and experts using the programme funds shall be subject to income tax in accordance with the applicable tax laws in Kenya.

Section C

1. The Lead Programme Agency shall be the Ministry of Agriculture and Livestock Development under its State Department for Agriculture.
2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.

3. The Programme Completion Date shall be the eighth (8th) anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower procurement laws and regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

Section D

1. The Fund will administer the Loan and supervise the Programme.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

- (a) The Programme Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
- (b) Key Programme Coordination and Management Unit (PCMU) staff as described in Schedule 3 Section I.11 have been transferred or moved from PCMU without the non-objection of the Fund.

2. The following are designated as additional grounds for cancellation of this Agreement:

- (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from entry in force of the Financing Agreement.

3. The following are designated as additional general conditions precedent to withdrawal:

- (a) The IFAD no objection on the first Annual Work Plan and Budget (AWPB) and Procurement Plan (PP) shall have been obtained.
- (b) The IFAD no objection to the Programme Implementation Manual (PIM) shall have been obtained.
- (c) Key Programme staff have been appointed: Programme Coordinator, Financial Controller, Procurement Specialist and Monitoring, Evaluation and Knowledge Management Specialist.
- (d) A suitable off-the-shelf accounting software shall have been procured and installed, to satisfy International Accounting Standards and IFAD requirements.
- (e) Designated Account(s) shall have been opened by the Borrower.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Cabinet Secretary
The National Treasury and Economic Planning
P.O. Box 30007 00100
Nairobi
Kenya

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, [dated _____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

REPUBLIC OF KENYA

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. *Target Population.* INReMP's direct beneficiaries are estimated at 407,176 vulnerable rural households (2,035,880 million people). These will be selected from the following target groups: a) food insecure and vulnerable rural farmer households (20 per cent of programme target); b) Moderately food insecure rural farmer households (40 per cent of programme target); c) Food secure, semi-structured and structured medium farmer households (30 per cent of programme target); and d) Micro, small and medium scale enterprises (10 per cent of programme target).
2. *Programme area.* The Programme will be implemented in the Cherangany Hills and Mau West water towers focusing on the following ten counties: a) the Cherangany water tower counties of Elgeyo Marakwet, West Pokot, Trans Nzoia and Uasin Gishu; b) Cherangany downstream counties of Nandi and Kakamega (implementing the GEF funded Integrated Land and Water Management for Food, Water and Climate Security in the Dairy Food System to co-finance INReMP); and c) one upstream county of the Mau West Catchment and three downstream counties of the Lake Victoria basin of Kericho, Kisumu, Homa Bay and Migori (*the "Programme Area"*).
3. *Goal.* The goal of the Programme is to contribute to improved rural households, food, nutrition, and income security in a sustainable and resilient ecosystem.
4. *Objectives.* The objective of the Programme is to enhance integrated natural resources management, increase resilience to climate change and improve beneficiaries' livelihoods, particularly for women, youth, and other vulnerable groups.
5. *Components.* The Programme shall consist of the following Components: (i) Community-led Enhanced Environment and INRM, Ecosystem Services, and Climate Action; (ii) Improved, Inclusive and Sustainable Rural Livelihoods; and (iii) Strengthened Policies and Institutions for INRM and Rural Coordination.

5.1 Component 1: **Community-led Enhanced Environment and INRM, Ecosystem Services, and Climate Action.**

This component will support target beneficiaries to sustainably manage key natural resources within their communities. It will focus on the following five key natural resources identified across all the ten counties during the INReMP design Mission: a) forests; b) rangelands; c) arable land; d) wetlands; and e) water resources (groundwater, springs, rivers/streams, and lakes) and f) watersheds.

Component 1 includes two sub-components: Sub-component 1.1 - *Community Empowerment, Youth and Gender Transformative Approaches*; Sub-component 1.2 - *Improve Environmental Sustainability, INRM, and Ecosystem Services*

5.2 Component 2: **Improved, Inclusive and Sustainable Rural Livelihoods**

This component is essential for the success of component 1. It seeks to support communities and households to improve their livelihoods and incomes using interventions that are beneficial to the management of the natural resource base. These activities will serve as incentives for the communities to sustainably conserve the environment in which they live.

Component 2 includes two Sub-components: **Subcomponent 2.1: Improve Production and Productivity of Selected Nutrition; Improve Value Addition and Market Linkages of Selected Value Chains and Nature-based Enterprises.**

5.3 Component 3: **Strengthened Policies and Institutions for INRM and Rural Coordination.**

This will be a cross-cutting component servicing the technical components and facilitating pathways for the effective and efficient implementation of INReMP interventions. It will strengthen institutions for sustainable management of investments under the Programme. Policy support will facilitate the development, review and update of policies and strategies in areas identified as essential for integrated natural resources management.

Component 3 includes two Sub-components: Subcomponent 3.1 - Institutional Strengthening and Policy Support; Sub-component 3.2 - Programme Coordination and Implementation Support Services.

II. Implementation Arrangements

6. *Lead Programme Agency.* The Lead Implementing Agency will be the State Department for Agriculture of the Ministry of Agriculture and Livestock Development.

7. *National Programme Steering Committee (NPSC).* A NPSC under the co-chairmanship of the Principal Secretaries, State Department for Agriculture and State Department for Environment and Climate Change, will be set up to provide overall policy and strategic guidance to the Programme. The other members will be Principal Secretaries drawn from: a) National Treasury; b) State Department for Livestock Development; c) State Department for Water and Sanitation; d) State Department for Irrigation; e) State Department for the Blue Economy and Fisheries; f) State Department for Forestry; g) State Department for Cooperatives; h) State Departments for Gender and Youth; i) State Department for Internal Security and National Administration; and j) State Department for Environment and Climate Change, k) the CEO of the Council of Governors; l) Two County Executive Committee Members (CECM) from the Programme counties; m) Kenya National Farmers Federation, (KENAFF); n) A representative from National Alliance of Community Forest Associations (NACOFA); and o) a representative of Kenya Private Sector Alliance (KEPSA).

The main responsibility of the NPSC will be to ensure successful implementation of the Programme. The NPSC tasks will include, *inter alia*: a) policy and strategic guidance on the INReMP focus; and b) priority setting and institutional strengthening to ensure that the Programme achieves its objective and contributes to the higher-level sector policy and strategic goals. This will necessitate reviewing Programme progress against targets, assessing management effectiveness, appraisal of annual performance and recommending renewal of contracts of PCMU staff, deciding on corrective measures, where appropriate, identifying lessons learned and good practices, approving AWPBs

8. *National Technical Committee (NTC)* – A National Technical Committee shall be established to provide technical advice to the NPSC. The NTC shall consist of technical experts preferably at the Director/Commissioner level, appointed by the individual NPSC members. The membership in terms of institutional representation will therefore mirror that of the NPSC. The NTC shall provide technical advice on matters that require approval and/or discussion by the NPSC.

9. *Programme Coordination and Management Unit.* A Programme Coordination and Management Unit (PCMU) will be established comprising a team of officers recruited through a competitive process led by the State Department for Agriculture. In addition to the PCMU's core staff of Programme Coordinator, Financial Controller, Monitoring, Evaluation and Knowledge Management Specialist and Procurement Specialist, the PCMU will comprise technical officers and support staff as follows: NRM Specialist, Infrastructure Specialist, Agricultural Livelihood Specialist, Community Development, Gender and Youth Specialist, Nutrition and Social Inclusion Specialist, Agribusiness Development Specialist, Programme Accountants (2), Accounts Assistant, Knowledge Management Officer, M&E

Assistant, ICT Assistant, Programme Assistants (2), Office Assistant (2), Drivers (5). Detailed Terms of Reference (ToRs) for all PCMU positions are included in the PIM.

The PCMU responsibilities will include, *inter alia*, the: a) facilitation of a conducive environment for Programme activities, including the multiple partnerships required for effective implementation; b) implementation of the Programme activities in line with the AWPBs approved by the National Programme Steering Committee (NPSC) and provided with a 'No-Objection' from IFAD; c) development of operational strategies and establishment of effective tools for Programme implementation; d) financial and administrative management of Programme resources, preparation of AWPBs, mobilisation and coordination of implementation partners; e) monitoring, evaluation, knowledge management, learning and reporting implementation progress.

10. *Interim Start-up Team* –An Interim Start-up team will be constituted by the Lead Programme Agency to proactively take the lead in ensuring that all the identified key start-up activities are fulfilled within the stipulated time-frame to kickstart and ensure full integration of the start-up team to the design process. The Interim start-up team will function for a maximum period of not more than six months and subject to IFAD's non-objection.

11. *At County level* – A multi-sectoral County Programme Steering Team (CPST) composed of the CECMs of relevant County Departments, County Commissioner and relevant National Government Agencies at the county level shall be established to work closely with the existing County Agricultural Sector Steering Committee (CASSCOM) to steer implementation of the Programme activities at the county level. The CPST shall be chaired by the CECM in charge of Agriculture. In addition, a County Programme Implementation Team (CPIT) with representation mirroring the CPST, composed of members at the level of a director will be established and will be responsible for the day-to-day implementation of Programme activities. Also, a dedicated programme coordinating team composed of a Coordinator, Accountant, Procurement Officer, and M&E Officer shall be seconded on a full-time basis by the county government for day-to-day coordination of the Programme activities at the county level. The coordinator shall be the head of the CPIT and the Secretary to the CPST. As much as possible, the coordinating team shall be ring-fenced to avoid interruption of Programme implementation.

12. *Implementing partners.* The Programme will assess and collaborate through a Memorandum of Understanding (MoUs) with Programme partners drawn from the private sector and relevant Government Agencies, such as the Kenya Agriculture Livestock and Research Organization (KALRO), National Environmental Management Authority (NEMA), Kenya Forest Service (KFS), Kenya Wildlife Service (KWS), Kenya Forest Research Institute (KEFRI), Kenya Water Towers Agency (KWTA), National Environment Trust Fund (NETFUND), Water Sector Trust Fund, Water Resources Authority, National Irrigation Authority, Kenya Meteorological Department, Kenya Marine & Fisheries Research Institute (KMFRI) and The Nature Conservancy. The MoU/contractual agreement shall clearly specify, the scope of the work to be undertaken, staffing and institutional arrangements, budget, reporting and fiduciary requirements, implementation records, and performance evaluation criteria, where relevant.

13. *Monitoring and Evaluation.* The logical framework will be the foundation of the Programme's M&E system and contains a set of defined Programme specific indicators and core indicators selected from the IFAD Core Indicators, to guide continuous performance assessment of the Programme. The full Programme M&E system will be developed in accordance with the requirements of IFAD and GoK and will be coordinated by the PCMU set up within the state department for Agriculture as the executing agency and supported by the CPITs. The M&E system will conform to IFAD's Operational Results Management System (ORMS), updated SECAP guidelines and Core Outcome Indicator Framework. The system will also conform to existing GoK M&E arrangements, including alignment with the recently developed Agriculture Sector-wide Monitoring and Evaluation framework and relevant integrated natural resource management frameworks at national and county

levels. The INReMP's M&E logical framework will also feed the County Integrated Monitoring and Evaluation System (CIMES) as well as Jaza Miti App, among others. The Resilience Design and Monitoring Tool (RDMT) will be embedded in the M&E system with RDMT questions included in the system to collect resilience data at the household level.

The Programme will develop an M&E Plan at the start of implementation. The objectives of this M&E Plan will be to guide the Programme management team during implementation and to ensure achievement of the set goal and development objective. The Plan will also be helpful in enabling accurate and timely reporting of Programme progress and performance to all stakeholders. The M&E system will rely on data from periodic monitoring but, more importantly, on specific outcome/impact measurement surveys which will be carried out by the PCMU, especially after the MTR.

The M&E strategy will use digital tools, such as Kobo Toolkit and a web-based Management Information System (MIS), and GIS to collect and analyse information about Programme outreach, and impact. The Programme will use data generated from the M&E system to continuously evaluate the Programme's theory of change and to inform knowledge generation and dissemination for enhanced impact.

The Programme will undertake a baseline survey (including Empowerment, Nutrition and youth modules) at the start of implementation and subsequent rigorous evaluations that seek to establish Programme impacts and provide lessons learned for enhanced Programme impacts. The Programme's evaluation strategy will use quantitative and qualitative methods to determine how it contributed to improved livelihoods and nutrition among beneficiaries, at baseline, mid-term, annual surveys, and end-line with a control group as per the IFAD COI guidelines.

14. *Knowledge Management.* Knowledge Management in the Programme will be guided by a Knowledge Management and Communication Strategy (KMCS) to be developed at the beginning of Programme implementation or build on existing ones where applicable. The Programme M&E system will form the foundation of KM&L system and will, thus, be a primary instrument of information capture and storage. KM activities will ensure that the Programme implementation is a continuous learning process during which quantitative and qualitative data will be compiled, analysed, and disseminated as lessons learned, thematic studies and stories from the field. The lessons and experiences will be systematized and utilised as part of the policy engagement activities undertaken by the undertaken by the Programme.

15. *Programme Implementation Manual.* A Programme Implementation Manual with the associated annexes will be finalized at Programme inception, approved by the National Programme Steering Committee and subjected to IFAD's no objection. Any amendment to the PIM must receive an IFAD's no objection prior to it becoming effective.

Schedule 2

Allocation Table

1. *Allocation of Loan.* (a) The Table below sets forth the Components of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each component of the Financing and the percentages of expenditures for items to be financed in each Component:

Component	IFAD Loan Amount Allocated (expressed in USD)	Percentage (net of taxes)
I. Community led Enhanced Environment and INRM Ecosystem Services	32 150 000	100%
II. Improved, inclusive and Sustainable Rural Livelihoods	71 960 000	100%
III. Institutional strengthening, policy support and program coordination	22 700 000	100%
Total	126 810 000	

(b) *Reallocation.* The Borrower may request reallocation amongst components for prudence and to enhance food and nutrition security, community and environment centric impact for IFAD's non objection.

2. *Disbursement arrangements*

(a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs for Components III incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of five hundred thousand United States dollars (USD 500 000) activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan/Grant Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Within 6 months of entry into force of the Financing Agreement, the Programme will procure and install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. Within twelve (12) months of entry into force of the Financing Agreement, the Programme will enter into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
4. *Affirmative Action:* The Borrower shall ensure that a strategy for gender has been designed to contribute to the social and economic inclusion of youth, women and other vulnerable and marginalised groups and offer them an equal opportunity to participate and benefit from the programme activities
5. *Marginalized Groups and Minorities.* The Borrower shall ensure that the concerns of Marginalized Groups and Minorities are given due consideration in implementing the Programme and, to this end, shall ensure that:
 - (a) the Programme is carried out in accordance with the applicable provisions of the relevant national legislation on the protection of Marginalized Groups and Minorities;
 - (b) Marginalized Groups and Minorities are adequately and fairly represented in all local planning for Programme activities;
 - (c) Marginalized Groups and Minorities' rights are duly respected;
 - (d) Marginalized Groups and Minorities communities, participate in policy dialogue and local governance;
 - (e) The Programme will not involve encroachment on traditional territories used or occupied by Marginalized Groups and Minorities.
6. *Land tenure security.* In the event there is land acquisition, the Borrower shall ensure that this land acquisition process has already been completed and that compensation processes were consistent with international best practice and free prior and informed consent principles.
7. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
8. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Programme Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

9. Use of Programme Vehicles and Other Equipment. The Borrower shall ensure that:
- (a) all vehicles and other equipment procured under the Programme are allocated to the State Department for Agriculture and other Implementing Agencies for Programme implementation;
 - (b) The types of vehicles and other equipment procured under the Programme are appropriate to the needs of the Programme; and
 - (c) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to Programme use.

10. IFAD Client Portal (ICP) Contract Monitoring Tool. The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Program.

11 The Key Project Personnel are: Programme Coordinator, Financial Controller, Procurement Specialist and Monitoring, Evaluation and Knowledge Management Specialist. In order to assist in the implementation of the Project, the [PCMU], unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the [PCMU] in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Programs's circumstances.

II. SECAP Provisions

1. For programmes presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

2. The Borrower shall not, and shall cause the Executing Agency, all its contractors, its sub-contractors, and suppliers not to commence implementation of any works, unless all Programme affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

3. The Borrower shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to Programme-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Borrower shall ensure or cause the Executing Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Programme implementation that, with respect to the relevant IFAD Programme:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Programme-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Programme-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed

to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower shall ensure or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure] that the relevant processes set out in IFAD's SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in IFAD's SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in IFAD's SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Outreach Number of persons receiving services promoted or supported by the project (CI-1)	1 Persons receiving services promoted or supported by the project				Progress reports/MIS	Annually	PMU	1) 40% of persons receiving project support are women 2) 60% of persons receiving project support are men 3) 30 % of persons receiving project support are the youth (50% of them are women). A youth is defined as a person aged between 18 and 35 (inclusive). Proportion of midterm targets for INReMP PWDs, IPs and other vulnerable groups are assumed to be 5% of the target group HHs that receive project support are 30% female headed 5 members on average in one HH	
	Males - Males	0	74538	244306					
	Females - Females	0	49692	162870					
	Young - Young people	0	37269	122153					
	Total number of persons receiving services - Number of people	0	124230	407176	Progress reports/MIS	Annually	INReMP -PCMU		
	Persons with disabilities - Number	0	6211	20359					
	1.b Estimated corresponding total number of households members				Progress reports/MIS	Annually	INReMP -PCMU		
	Household members - Number of people	0	621147	2035880					
	1.a Corresponding number of households reached				Progress reports/MIS	Annually	INReMP -PCMU		
	Women-headed households - Households	0	37269	122153					
	Non-women-headed households - Households	0	86961	285023					
	Households - Households	0	124229	407176	Outcome and Impact surveys	Baseline, Midline and Completion	INReMP -PCMU		
	Households reporting improved food, nutrition, and income security								
Households - Number	0	69879	229037						
Households - Percentage (%)	0	23	75						
Household members - Number	0	349395	1145183	Food consumption score surveys	Baseline, Midline and Completion	INReMP -PCMU			
Households with acceptable Food Composition Score									
Households - Percentage (%)	0	23	75						
Households - Number	0	93172	305382						
Households Members - Number	0	465860	1526910	COI Surveys	Baseline, Midline and Endline	INReMP -PCMU			
IE.2.1 Individuals demonstrating an improvement in empowerment									
Total persons - Percentage (%)	0	31	100						
Total persons - Number of people	0	124230	407176						
Females - Percentage (%)	0	12	40						
Females - Females	0	49692	162870						
Males - Percentage (%)	0	18	60						
Males - Males	0	74538	244306						
Number of Households with increased combined resilience							Resilience Scorecard Tool (RDMT) surveys	Baseline, Midline and endline survey	INReMP -PCMU and IFAD-ECG
Total Persons - Percentage (%)	0	23	75						
Female - Number	0	47518	155745						
Male - Number	0	46586	152691						
Female - Percentage (%)	0	16	51						
Male - Percentage (%)	0	15	49						
Total Persons - Number	0	93172	305382	EFA		INReMP -PCMU			
Total Household - Number	0	93172	305382						
Value of household incomes from project supported VCs				EFA		INReMP -PCMU			

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Average net margins for Dairy VC (USD) - Money (USD' 000)	0	3166	9594			Baseline, Midline and Endline	
	Average net margins for tree crops VC(USD) - Money (USD' 000)	0	409	1238				
	Average net margins for horticulture crops VC(USD) - Money (USD' 000)	0	357	1082				
	Average net margins for Poultry VC (USD) - Money (USD' 000)	0	350	1060				
	Average net margins for nature-based enterprises (USD) - Money (USD' 000)	0	6409	19422				
	Average household income (USD/hh) - Money (USD' 000)	0	2138	6479				
Outcome Outcome 1: Community-led Enhanced Environment and INRM, Ecosystem Services, and Climate Action	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered				FAO EXACT Tool	Baseline and Completion	IFAD ECG and FAO	Communities willing to adopt technologies and practices promoted (A)
	Hectares of land - Area (ha)	0	0	169600				
	tCO2e/20 years - Number	0	0	0				
	tCO2e/ha - Number	0	0	0				
	tCO2e/ha/year - Number	0	0	0				
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				COI Surveys	Baseline, Midline and Completion	INReMP -PCMU	
	Total number of household members - Number of people	0	465860	1526910				
	Households - Percentage (%)	0	23	75				
	Households - Households	0	93172	305382				
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)							
Women-headed households - Households		27952	91615					
Households (number) - Households		69879	229039					
Households (%) - Percentage (%)		23	75					
Household members - Number of people		349395	1145183					
Output Output 1.1: Inclusive community capacity for INRM and climate action developed	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks				Progress Reports/MIS	Annual	INReMP -PCMU	Assuming group sizes of 30 members per group. Target communities embrace therelevant trainings (A) Assuming group sizes of 30 members per group. Target communities embrace the relevant trainings (A)
	Total size of groups - Number of people	0	124230	407176				
	Groups supported - Groups	0	4141	13573				
	Males - Males	0	74538	244306				
	Females - Females	0	49692	162870				
	Young - Young people	0	37269	122153				
	Persons with disabilities - Number	0	6211	20359				
	Number of Community Action Plans				Progress Reports/MIS	Annually	INReMP -PCMU	
	#CAPs - Number	0	4141	13573				
	Output Output 1.2: Environmental Sustainability, INRM, and Ecosystem Services improved	3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions				Progress Reports/MIS	Annually	INReMP-PCMU
Males - Males		0	29815	97722				
Females - Females		0	19877	65148				
Young - Young people		0	14908	48861				
Total persons accessing technologies - Number of people		0	49692	162870				
Persons with disabilities - Number		0	2485	8144				
Beneficiaries accessing Digital Advisory Services				Progress Reports/MIS	Annually	INReMP-PCMU		
"Total persons accessing technologies " - Number		0	74538					244306
Male - Number		0	44723					146583
Female - Number		0	29815					97722
Young - Number	0	22361	73292					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outcome Outcome 2: Improved inclusive and sustainable rural livelihoods	PWDs - Number	0	3727	12215				
	3.1.4 Land brought under climate-resilient practices				Progress Reports/MIS	Annually	INReMP-PCMU	
	Hectares of land - Area (ha)	0	51745	169600				
	1.2.8 Women reporting minimum dietary diversity (MDDW)				COI Surveys	Baseline, Midline and Endline	INReMP -PMU	Assuming in improvements in dietary behaviour Alternative livelihood interventions acceptable to communities in target areas (A)Women, Youth, IPs, PLWHAs and PWDs have access to incentives for economic and livelihood diversification(A) Private sector is willing to partner with communities and smallholder farmers on ecosystem restoration. Youth willing to participate in programme interventions (A)
	Women (%) - Percentage (%)	0	12	40				
	Women (number) - Females	0	27952	91615				
	Households (%) - Percentage (%)	0	23	75				
	Households (number) - Households	0	69879	229037				
	Household members - Number of people	0	349395	1145183				
	Women-headed households - Households	0	27952	91615				
	1.2.4 Households reporting an increase in production				COI Surveys	Annually	PMU	
	Total number of household members - Number of people	0	465860	1526910				
	Households - Percentage (%)	0	23	75				
	Households - Households	0	93172	305382				
	2.2.1 Persons with new jobs/employment opportunities				COI Surveys	Baseline, Midline and Endline	INReMP -PCMU	
Males - Males	0	7454	24431					
Females - Females	0	4969	16287					
Young - Young people	0	3727	12215					
Total number of persons with new jobs/employment opportunities - Number of people	0	12423	40718					
2.2.2 Supported rural enterprises reporting an increase in profit				COI Surveys	Baseline, Midline and Endline	INReMP -PCMU		
Number of enterprises - Enterprises	0	311	1018					
Percentage of enterprises - Percentage (%)	0	23	75					
1.1.8 Households provided with targeted support to improve their nutrition				Progress reports/MIS	Annually	INReMP -PCMU	SBCC messaging provided to and accessed by all potential beneficiaries Rural producers willing to access promoted technological packages Mainly irrigated infrastructure for vegetable production and multiple water point use. Assuming 0.3ha per farmer for vegetable production, and an estimated 9000ha to be irrigated under multipurpose water points	
Total persons participating - Number of people	0	93172	305382					
Males - Males	0	55903	183229					
Females - Females	0	37269	122153					
Households - Households	0	93172	305382					
Household members benefitted - Number of people	0	465860	1526910					
Young - Young people	0	27952	91615					
Number of persons with disabilities - Number	0	4659	15269					
1.1.3 Rural producers accessing production inputs and/or technological packages				Progress reports/MIS	Annually	INReMP -PCMU		
Males - Males	0	74538	244306					
Females - Females	0	49692	162870					
Young - Young people	0	37269	122153					
Total rural producers - Number of people	0	124230	407176					
Persons with disabilities - Number	0	6211	20359					
1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				Progress Reports/MIS	Annually	INReMP -PCMU		
Hectares of land - Area (ha)	0	4271	14000					
2.1.6 Market, processing or storage facilities constructed or rehabilitated				Progress reports/MIS	Annual	INReMP -PCMU	Assuming 2 per county Assuming 10% of the supported	
Total number of facilities - Facilities	0	18	60					
Market facilities constructed/rehabilitated - Facilities	0	6	20					
Processing facilities constructed/rehabilitated - Facilities	0	6	20					
Storage facilities constructed/rehabilitated - Facilities	0	6	20					
Output Output 2.1: Production and productivity of selected value chains and nature-based enterprises improved								
Output Output 2.2: Value Addition and Market Linkages of Selected Value Chains and								

Results Hierarchy	Indicators				Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility				
Nature-based Enterprises improved	2.1.1 Rural enterprises accessing business development services				Progress Reports/MIS	Annually	INReMP -PCMU	beneficiaries are organised in such enterprises			
	Rural enterprises - Enterprises	0	414	1357							
	2.1.5 Roads constructed, rehabilitated, or upgraded				Progress Reports/MIS	Annually	INReMP -PCMU				
	Length of roads - Km	0	61	200							
Outcome Outcome 3: Strengthened policies and institutions for INRM and rural coordination	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				National Government and County Records	Completion	INReMP -PCMU	New agriculture, rural development and climate action policies are approved (A) New agriculture, rural development and climate action policies are approved (A) Efficient and effective devolved government structures (A)			
	Number - Number				0	2	6				
	SF.2.1 Households satisfied with project-supported services				COI Surveys	Baseline, midline and endline	INReMP -PCMU				
	Household members - Number of people								0	465860	1526910
	Households (%) - Percentage (%)								0	23	75
	Households (number) - Households				0	93172	305382				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI Surveys	Baseline, midline and endline	INReMP -PCMU				
	Household members - Number of people								0	465860	1526910
	Households (%) - Percentage (%)								0	23	75
	Households (number) - Households				0	93172	305382				
Output Output 3.1: Institutional and policy capacity for rural development and coordination strengthened	Policy 1 Policy-relevant knowledge products completed				Progress Reports/MIS	Annual	INReMP -PCMU	Assuming research outputs delivered in partnership with universities and research institutions			
	Number - Knowledge Products				0	2	8				
Output Output 3.2: Efficient and Effective Project Management and coordination	Supported Government Institutions				Progress Reports/MIS	Annual	INReMP -PCMU				
	Number of Institutions - Number				0	3	10				

Integrated programme risk matrix

Risk Categories and Subcategories	Inherent	Residual
Country Context		
Political Commitment	Moderate	Moderate
Risk(s): In the recent past, the Government has reiterated its commitment to macroeconomic policies, aimed at maintaining public debt at a sustainable level, containing inflation within the target range, and preserving external stability. The Debt-to-GDP ratio stood at 63% in 2022 and while planned fiscal consolidation will help address debt, the risk of debt distress continues to be assessed as high. As a result, the Government has adopted a more robust and cautious approach in negotiations regarding external debt, sometimes resulting in delays in signing of financing agreements.		
Mitigations: ICO will continue to support government's efforts to mobilize co-financing in the form of grants from other development partners. In addition, partnership with FAO is being explored to provide parallel financing through a proposed GCF investment. These efforts are geared towards reducing overall cost of finance of the project to the Government. Besides, proposed programme is well aligned to the Government priorities e.g., the Presidential directive of accelerating to 30% National Tree cover by 2032 and improving access to water for irrigation.		
Governance	Substantial	Substantial
Risk(s): There are aspects related to transparency, corruption, and lengthy and bureaucratic processes at the National and County Government levels. In addition, national and county governments have limited resources especially financial and personnel capacity to fully undertake their mandates particularly in respect to extension services and ecosystem restoration. Also, changes in government after elections in the past have resulted into change of project personnel. These may hamper implementation of programme activities especially at the county level.		
Mitigations: The proposed implementation arrangement involves a number of key institutions both at the national and county levels including the private sector for complementarity of roles. Furthermore, the programme will sign MoUs with counties to ring-fence personnel as much as possible to avoid interruptions especially during transitions. The Lead Implementing Agency will also delegate the day to day running of the Programme to the PCMU in order to avoid lengthy and bureaucratic processes at the line Ministry, with a similar arrangement established at the county level.		
Macroeconomic	Substantial	Substantial
Risk(s): Kenya's economic recovery has been dampened by the recent drought and price shocks. GDP is expected to grow by 5.5% on average in 2023–24 on the assumption of robust growth of credit to the private sector, recovery in agricultural production, and high commodity prices favourable to Kenyan exports. While it is forecasted that the economy will continue to recover given the prospects of favourable rainfall and a strong performance in agriculture, the persistence of tight fiscal and monetary policies, and a fragile global context, present downsides, often resulting to		

austerity measures and budget cuts by the Government that also affect projects financed by development partners.		
Mitigations: The Government has indicated commitment to provide substantial counterpart funding to the Programme based on the discussions so far with the National Treasury and Economic Planning. This in addition to exempting the Programme from budget cuts so long as absorption is at acceptable level, with cemented in the Financing Agreement. Moreover, the proposed Programme has a strong focus on private sector led growth in the selected counties and value chains including promoting access to finance by value chain actors through on-going RK-FINFA and the proposed ARCAFIM projects, which are expected to crowd in blended finance to the sectors/counties where the programme will be intervening.		
Fragility and security	Substantial	Substantial
Risk(s): In addition to natural hazards such as floods drought, there are security threats, ethnic clashes, social conflicts, and cattle rustling/attacks in some of the proposed counties. These may hamper implementation of programme activities in the affected areas.		
Mitigations: Efforts will be made to select Wards that are secure for project implementation. Adequate stakeholder engagements will be promoted to reduce the risk of social conflicts especially over natural resources.		
Sector Strategies and Policies		
Policy alignment	Low	Low
Risk(s): While supportive sector policies exist and the programme aligns with Government priorities, such as the Presidential directive of accelerating to 30% National Tree cover by 2032 and improving access to water for irrigation, there will be need to continue assessing the policy environment to maintain alignment to new/changing Government priorities and policies.		
Mitigations: Proposed interventions will be aligned to the various sector strategies and Government priorities. The Programme implementation will continuously scan the policy environment to ensure alignment to new/changing Government priorities and policies.		
Policy development & implementation	Moderate	Moderate
Risk(s): Certain policy gaps exist such as inadequate and weak Water resources utilization policies, fragmentation of water resources regulation and management in different government agencies and overlaps of mandates and functions on certain activities across government agencies or with county governments. These may affect project implementation especially as regards roles and responsibilities of certain activities.		
Mitigations: Programme will support policy (under Subcomponent 3.1) to address identified gaps as well as support coordination between different government agencies identified and potential implementing partners and county governments. In addition, MoUs will be signed with the identified agencies clarifying scope and roles.		
Environment and Climate Context	Substantial	Moderate
Programme vulnerability to environmental conditions	Substantial	Substantial
Risk(s): Kenya experiences environmental and land degradation in most parts of the country. Catchments within and around the		

project areas have over the years experienced severe land degradation resulting from deforestation, unsustainable farming practices, pollution, soil erosion, water abstraction and forest fires.		
Mitigations: INReMP will invest in catchment rehabilitation efforts, sustainable land management practices, agroforestry, and sustainable water management, soil erosion control, riparian conservation, wetland conservation and operationalisation of a payment for ecosystems services, e.g., establishment of water funds, among other interventions.		
Programme vulnerability to climate change impacts	Substantial	Substantial
Risk(s): Kenya is highly vulnerable to climate change and extreme weather events such as unpredictable rainfall patterns, droughts, heat waves, floods, and landslides. Future climate projections show that the country will continue to experience increases in temperatures, unreliable rainfall patterns and more frequent and intense extreme events, such as droughts and floods.		
Mitigations: Promotion of improved and resilient crop and livestock varieties and breeds, climate insurance, irrigation and water harvesting, climate-smart agriculture (CSA), agroforestry and reforestation, nature-based solutions, climate-proofing of infrastructure, access to climate financing, nature-based enterprises, renewable energy, manure management, efficient feed, fodder conservation, carbon markets, and payment for ecoservices (PES). The project will undertake an Ex-ante and Ex-post EXACT analysis to show the reduction in GHG emissions among others.		
Project Scope		
Programme relevance	Low	Low
Risk(s): The likelihood that INReMP's objectives and activities are not well aligned with national development or IFAD priorities, and/or are not sufficiently relevant or responsive to the needs and priorities of the intended target group throughout the project's lifespan.		
Mitigations: The process of conceptualization and design is being very consultative of the key stakeholders – IFAD, Government of Kenya (national and counties) and the target beneficiaries; this ensures that INReMP is relevant with IFAD and the Government's policies, strategies, and acts. It also ensures that INReMP is consistent with the socio-politico-economic conditions of the target beneficiaries. At the mid-term review, steps will be undertaken to establish and ensure INReMP's continued relevance with the requirements of the three key stakeholders.		
Technical soundness	Moderate	Moderate
Risk(s): The likelihood that INReMP ends up being a complex project that seeks to do too many things and ending up not doing any of them well. It could also be a risk of being overambitious (or lack sufficient ambition), limited or no innovativeness, inadequate incorporation of lessons learned and best practices.		
Mitigations: INReMP is a second/follow-on phase of a very successfully executed project – UTaNRMP. There are other projects (KCEP/CRAL and UTNWF) whose implementation has also been quite successful. Accordingly, INReMP's design and implementation will make use of all the lessons of experience (good and bad) generated by all these projects. The design has also ensured to limit the number of subcomponents to minimize the likelihood for complexity. Also, the design has developed a		

flexible framework that is not very prescriptive to allow adaptation, where needed, during the course of implementation.		
Institutional Capacity for Implementation & Sustainability		
Implementation arrangements	Low	Low
Risk(s): The risk that the project executing agency does not have adequate resources, processes and/or systems to manage the project effectively (in accordance with the Financing Agreement and all relevant IFAD basic legal documents) towards achievement of the envisaged project development objective. This includes the project executing agency's lack of experience with IFAD (or other multilateral development bank) projects/procedures and lack of capacity to coordinate/support implementation arrangements that may involve several government agencies, different levels of government (or non-government entities), or multiple donor/financing agencies with different procedures and/or reporting requirements.		
Mitigations: The project will have a dedicated Project Management Unit at the central level and County teams at the County levels. Programme implementation structures have been aligned with the existing Government structures to ensure continuity. As and when needed, capacity building activities will be provided to the project staff to ensure compliance with IFAD (or other involved multilateral development partners) projects/procedures. In addition, implementation support missions will ensure proactiveness in resolving any implementation challenges that may develop.		
M&E arrangements	Moderate	Moderate
Risk(s): The following are potential risks: a) lack of personnel at county level to support M&E for the project. INReMP would need different specialists to guide appropriate implementation of different activities; b) limited staff capacity at county level that may undermine the quality of M&E of the project; and c) newly recruited project staff who may not be conversant with the IFAD ORMS requirements.		
Mitigations: a) INReMP will use seconded staff at the county level that will dedicate their fulltime attention the Programme to ensure a sound and timely implementation. For sustainability, efforts will be made to use existing structures; b) roles and responsibilities of staff will be defined in the PIM; and c) all staff will be exposed to IFAD-specific procedures at start up and during implementation. Implementation support missions will also be planned and fielded.		
Procurement	Moderate	Moderate
Part A of the PRM:	Moderate	Moderate
Pillar I: Legal, Regulatory and Policy Framework	Moderate	Moderate
Risk(s): <ul style="list-style-type: none"> • PPADA Provision 118 provides for request for proposal through advertisement without REOI. • Provision 131 sets a condition for BAFO procedures to include the lowest evaluated price is in excess of available budget, but without a probity Auditor for BAFO procedures. • Minimum period for International tender advertising provided as seven days in Regulation 83. • PPADA provision 157 provides for participation of candidates in preference and reservation. It requires that for the purpose of ensuring sustainable promotion of local industry, a procuring entity shall have in its tender documents a 		

<p>mandatory requirement as preliminary evaluation criteria for all foreign tenderers participating in international tenders to source at least forty percent of their supplies from citizen contractors prior to submitting a tender.</p> <ul style="list-style-type: none"> • PPADA Provision 151 permits for exclusive preference to national contractors and provision 163 provides thresholds for exclusive preference. This may be interpreted that International based suppliers are excluded from IFAD financed procurements within the thresholds of KSh 1 billion for Work and KSh 500 million in respect of Goods and Services. • In practice, reviewed activities for Goods and Works contain allocation of scores, and preliminary evaluation requirements akin to post qualification requirements. • There are no ICB documents for Works/Goods, though documents can be customized for international competition. • In practice, reviewed documents revealed use of contract forms and provisions not originally disclosed in bidding documents. • There is no procurement manual. • No Social/Labour or Environmental considerations of SPP. The same is not a requirement in the prequalification and bidding processes. • Regional agreements are not specifically reflected in procurement policy. 		
<p>Mitigations:</p> <ul style="list-style-type: none"> • Use of REOI for IFAD operations open market approaches. Adherence to IFAD's procurement guidelines and SPD provisions when approaching the international market. • BAFO not be used for reason of exceeding available budget and projects to put in place rigorous cost estimation procedures based on informed market research and defined in updated PPS. • Allow minimum 45 days for ICB. • Preliminary evaluations to be consistent with IFAD guidelines and no barriers to competition for openly advertised procurement activities. • Internationally based suppliers/consultants/service providers be permitted to participate in open national procurement opportunities so long as they adhere to the set conditions of tender. • Adequate customization of solicitation documents. Application of prescribed procedures for evaluation of Goods and Works, and disclosure of procedures in use at the stage of publishing invitations to bid and REOI. • A copy of the record of Bid/Proposal opening promptly sent to all Bidders/Proposers/ Consultants whose Bids/Proposals were opened and, where subject to prior review also sent to IFAD. • Use of IFAD SPDs for international competitive procedures. • Development of Procurement Manual and Contract Management procedures. • The specifications of the procurement requirements, bidders' qualifications and bid evaluation criteria must comply with IFAD SECAP standards. • Linkage to be established between regional economic integration and procurement policies. 		

Pillar II: Institutional Framework and Management Capacity	Moderate	Moderate
<p>Risk(s):</p> <ul style="list-style-type: none"> • Financial Procedures are in place, but in practice, project procurement payments are delayed and beyond contracted payment terms. • PPRA is dependent for its resources on the state finances, and it is not clear if the available finances ensure the function's independence and proper staffing. • Despite a provision in law, the actual functioning of a centralized contracting body does not exist. • There lacks a system whereby analysis of information is routinely carried out, published, and fed back into the public procurement system. • The professional body's independence (KISM) is compromised due to budget allocation from the Ministry. 		
<p>Mitigations:</p> <ul style="list-style-type: none"> • Monitor timely payment of invoices and in case of delays interest for delayed payment to be made, not just penalty to the officer who delays or refuses to pay without reasonable ground. • There is a need to create sources of finances that provide some degree of independence to the PPRA to ensure proper staffing and resources to keep the services at the level of quality desired and to fulfil the mandate in the PPADA. • Make use of organization level framework agreements for common user items on condition they reflect current market prices. • Incorporate OCDS for structured data dissemination to facilitate transparency and citizen engagement and support better use of data in policy decisions. • Use of IFAD's procurement guidelines will require publication of contract awards on platforms where they were initially advertised such as UNDB online. • A sustainable and intensive training program to be instituted to train key actors in procurement, in particular private sector and CSOs. These training should include integrity training programs. • The Association of Procurement Professionals needs to be financially independent and sustainable. 		
Pillar III: Procurement Operations and Market Practices	Moderate	Moderate
<p>Risk(s):</p> <ul style="list-style-type: none"> • No appropriate market research that informs the choice of methods and strategies. • There are no contract implementation plans or internally documented procedures. The contract monitoring is undertaken as required for periodic reporting to PPRA. • In practice, contracts experience delays in implementation. • Lack of a formal mechanism on partnership and absence of ethics and integrity related training programs • In practice, there is absence of fair payment provisions as a constraint as it does not help offset cost of doing business with the government. There is a preference for lowest cost providers even where these are significantly below budget. 		

<ul style="list-style-type: none"> No evidence of sector market analysis to determine sector specific risks and government's scope to influence specific market segment. 		
<p>Mitigations:</p> <ul style="list-style-type: none"> Market research to be mandated to guide procurement strategy irrespective of method of procurement adopted (including competitive methods). Use of REOI for IFAD funded open market approaches. Adherence to IFAD procurement guidelines and SBDs when approaching the international market. Improve capability of contract officers on contract management and sector market analysis for determining optimum contract size and to analyse if contractors fail due to their capacity to deliver, to improve capability of local construction companies, removing constraints of delayed payment, instituting a formal system of contract. Adoption of contract implementation plans for key contracts. Establish a formal mechanism and enhance its dialogue and partnership with private sector through training programs tailored to the needs of small businesses as well as to support supplier diversity. It should include a module on ethics and integrity in public procurement. More outreach and training of private sector participants is needed. Policy level discussion with private sector associations on constraints faced by them and take corrective measures to improve competition. Adopt a Project Procurement Strategy (PPS) that will be updated annually and inform procurement approaches for key project procurement activities. 		
<p>Pillar IV: Accountability, Integrity, and Transparency of the Public Procurement System</p>	Moderate	Moderate
<p>Risk(s):</p> <ul style="list-style-type: none"> Lack of programmes to build the capacity of relevant stakeholders to understand, monitor and improve public procurement. Not all contracts are publicized. The legal framework does not provide for citizens engagement in planning, selection, and implementation phases of procurement. In practice, only few public institutions are sampled for procurement audits. There is a lack of specific guidance on how and when poor contract performance may lead to debarment, and debarment grounds linked to criminal activities and corruption are insufficiently specified. Transparency International's 2023 Corruption Perceptions Index, Kenya scored 31. Kenya ranked 126th among the 180 countries in the Index, where the country ranked first is perceived to have the most honest public sector. Mechanism for identification and detection of corruption risk and mitigating these in the procurement cycle is not available. There is no evidence that civil society contributes to shape and improve integrity of public procurement. Neither is there any evidence that suppliers and business associations actively support integrity and ethical behaviour in public procurement, e.g., through internal compliance measures. 		

<ul style="list-style-type: none"> • There is no mention of reporting mechanism for prohibited practices or unethical behaviour in the PPADA or PPADR. Neither is there a disclosed reporting mechanism in the standard bidding documents. 		
<p>Mitigations:</p> <ul style="list-style-type: none"> • Government to take measures to enhance consultations. • Adherence to contract award publication requirements • Allow citizens to participate in the planning of their activities. In the execution of the contract, citizens/CSOs should be invited to monitor the execution of the works contracts including through application of innovative techniques like geo-tagging and social audits. • PPRA and the OAG to carry out procurement audit (both on compliance and performance) which are coordinated and mutually reinforcing. • Specific guidance needed to reduce discretion on these aspects and need to be addressed in the Regulations and/or user's guide for transparency and certainty. • Periodic training to project staff on IFAD project procurement principles and monitoring how they are integrated in the procurement cycle during project supervision. • Invitations to Bid for all procurement for IFAD funded operations to identify the source of funding, the applicable rules, and the reporting channels for prohibited practices. • Include as part of the solicitation documents, a secure mechanism for reporting prohibited practices or unethical behaviour. • Use of the IAFD's SPD forms and contact addresses to report prohibited practices for project procurement solicitation documents. 		
Part B of the PRM:	Moderate	Moderate
ASSESSMENT OF PROJECT COMPLEXITY	Moderate	Moderate
<p>Risk(s):</p> <ul style="list-style-type: none"> • The procurement profile features largely standard items, though some activities could be unfamiliar to some procuring entities with limited project procurement such as Counties. • The procurement profile for the first 18 months features consulting services for feasibilities, construction design, and project management a challenge to sampled entities. • There are a number of procuring entities that will be relied upon in development of specifications and processing procurement of items at evaluation and contract management stages. Some agencies are new to IFAD project procurement. 		
<p>Mitigations:</p> <ul style="list-style-type: none"> • Use of procurement methods prescribed in the IFAD guidelines and handbook, and adherence to good specification practices. • IFAD Implementation support to lay emphasis on effective processing of consultancy services. • Procurement for beneficiary organization will be limited to non-complex items and approaches such as RFQ. International approaches and consolidated procurements will be implemented by the PCMU. 		
ASSESSMENT OF IMPLEMENTING AGENCY CAPACITY	Moderate	Moderate

<p>Risk(s):</p> <ul style="list-style-type: none"> • There has not been a deliberate procurement strategy and evidence of limited market research to inform planning. • SDA has an internal audit. PPRA also undertakes annual audits but on a sample basis. • There are no prescribed thresholds for contract amendments. • In practice payments gone beyond the 30-day payment terms • There are reported instances of late payment especially by Counties. Suppliers may not claim interest for fear of being victimized. There are instances of late payment exceeding the contractually specified payment schedule. • There are key procurement and contract information missing from files such as contract awards, and contractual correspondence. • Contractual correspondence is kept separately from procurement file. • The increase procurement activity will require more space and office facilities. • There is need for sustained procurement training. • Procurement officers not certified. • Quality of procurement documents is mostly moderately satisfactory. 		
<p>Mitigations:</p> <ul style="list-style-type: none"> • Need for emphasis in needs analysis, defining requirements and packaging procurements to ensure optimal packaging and costing. • Soon to be launched eGP system will ease sampling of public institutions for the procurement audits. Schedule the project for regular procurement audits and follow ups to ensure compliance under local framework. • Include contract amendment approval thresholds as part of the PIM and consistent with local framework. • Close contract monitoring and receipt of complete deliverables. • Ensure timely release of budget allocations to enable procuring entity to meet contractual obligations on payments. • Retain consolidated procurement files with contract management records. • Retain copies of contractual correspondence on file. • Ensure there are dedicated facilities for effective procurement. • IFAD BUILDPROC training and other procurement related trainings. • Training in customization of solicitation documents and use of IFAD project procurement framework. 		
<p>Financial Management</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Organization and staffing</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk(s): There are various administrative levels of implementation of the project namely the State Depart for Crops, PCMU, and the country governments would have fiduciary responsibilities. Previous IFAD funded projects implemented through similar structures have had issues with timeliness and quality of financial reports from some counties who were receiving funding. Another risk for INReMP the complexity due to multiple financiers. While PCMU shall be made up of qualified and experienced personnel with appropriate expertise in technical and financial management,</p>		

there may be lack of staff familiarity with IFAD, GEF and GCF procedures.		
Mitigations: There will be MoUs between MoALD / National Treasury and participating county governments which will stipulate requirement on financial reporting. Any non-compliance by implementing counties may have their disbursements by PCMU suspended as a penalty for non-compliance. Regarding familiarity with IFAD, GEF and GCF procedures, FMD will provide capacity building training to the finance staff who will be selected competitively. The capacity building will include familiarization with procedures on financial reporting, expenditures categorizations across components, categories, financial reporting timeliness and other financial management related to the Project.		
Budgeting	Substantial	Substantial
Risk(s): The project has multiple financiers namely IFAD, GCF, GEF, Government and Beneficiaries contribution. There is a risk of co-mingling of funds in budgeting and expenditure allocations to these multiple financiers. There may also be a risk that annual work plans and budgets are not prepared with sufficient details or revised timely, and not executed in a coherent manner, resulting in funds not being available when needed, ineligible costs and reallocation of Project funds and slow implementation progress. According to the public financial management laws of Kenya, annual programme budgets of donor projects are required to be approved into the national budget every year following a strict calendar. There is the risk the project may not submit annual work planning and budget on time due to long administrative procedures and the many counties involved in the project.		
Mitigations: The Cost-tables and PIM have adequate details on key activities to be implemented and sources of finances to use. Subsequently, the AWPB will be prepared with adequate details by component, categories, and financiers to ensure adequate guidance to the accounting team in recording and summarizing financial expenditures. The IFAD AWPB budget template is sufficiently detailed budget by category, component, and financiers. The PCMU will coordinate the budget preparation processes by preparing a budget calendar that strictly follows the national budget timely lines and key deliverables. Budget monitoring will be carried out quarterly, semi-annually, and annually and any significant deviations discussed within the PCMU and project steering committee for remedial actions. Approved budget will be codified in the accounting system for ease of monitoring and control of expenditures during the year.		
Funds flow/disbursement arrangements	Substantial	Substantial
Risk(s): There is a risk of commingling of funds at the county government level which will be provided with advances for implementation of project activities. These includes National Treasury which will receive advances from IFAD, and transfer to PCMU under MoALD. The county governments would also receive funding from the National Treasury and report to IFAD through the PCMU. The flow of funds to the counties may delay implementation of activities because national government funding to project is often late and not according to approved budget. The government is expected to contribute both cash and in-kind to the project while beneficiaries are expected to contribute in-kind.		
Mitigations: To mitigate on risks of commingled funds and ease of accounting of any advance provided, funds will be held in Project		

dedicated accounts at the Central Bank of Kenya for which there will be monthly bank accounts reconciliation and financial reports. All counties receiving project funds would be required to have sub-project accounts for segregating the funds received. There will be monthly financial reports to PCMU for monitoring operations of sub-accounts and consolidation. All counties will sign MoUs clearly highlighting the requirements for a separate bank account and financial reporting requirements.		
Internal controls	Substantial	Substantial
Risk(s): There may be a risk that appropriate controls over Programme funds are not in place, leading to the inefficient or inappropriate use of Project resources. There is also the risk that where controls exist, they are not enforced strictly or are circumvented by staff by staff charged to keep the controls.		
Mitigations: Internal controls have been instituted in the whole framework of financial and administrative procedures. The identified controls range from; proper record keeping and posting, authorization of accounting, procurement and administrative documents, physical security of assets, double signing (approval) arrangements, to financial reporting and monitoring. There will be internal audit function to check overall compliance to internal controls and provide support towards improving systems, procedures, and processes. The control environment will be monitored using both internal and external audit and oversight.		
Accounting and financial reporting	Substantial	Substantial
Risk(s): There is a risk of delays in consolidation of project financial reports at PCMU which will be preparing consolidated financial reports for the project and inaccurate financial reporting due to the complex nature of the project which has multiple financiers, categories, components, and multiple county governments as implementing partners. There is the risk of delays in receiving reports and support documentation from the implementing agencies and semi-autonomous government departments. There are also possibility of delays and inaccuracies in financial reporting due to improper coding of transactions and the multiple currencies that may be involved.		
Mitigations: To mitigate on risks on financial reporting, accounting software will be set-up and enhanced to have analysis code for reporting on component, categories, financiers, for reporting quarter, cumulative for the year and cumulative since start of the project. The project finance team would prepare a reporting calendar and train the accounting staff in the implementing agencies and government department on IFAD processes and expected reporting timeliness. The project would prepare quarterly interim financial reports (IFRs) and annual financial statements.		
External audit	Substantial	Substantial
Risk(s): There is a risks of inadequate audit coverage of the project audit considering there are various governments situated in a broad geographic location across the country. There is also the possibility that some high-risk expenditure categories may not be covered during audits.		
Mitigations: The auditor will prepare a work plan to ensure adequate coverage of the all the counties that receive project funds and cover all the major risk areas and adequate coverage as per coverage plan. IFAD finance Officer would share the IFAD audit terms of reference with the external auditors in advance to ensure all key elements are included in the audit TOR of the OAG.		

The details of audit requirements as stipulated in the IFAD Financial Management and Financial Control (FMFCL) Handbook would be shared with project finance staff and external auditors.		
Environment, Social and Climate Impact		
Biodiversity conservation	Moderate	Moderate
Risk(s):Agricultural land, forests and wetlands lands in the project sites are exposed to soil erosion and siltation. Deforestation is rampant as most households rely on wood for fuel. Loss of habitats to agricultural activities and human settlements is a major factor contributing to biodiversity loss. Poor farming practices especially on steep slopes also lead to loss of vegetative cover and contribute to landslides.		
Mitigations:The project will promote agroforestry and reforestation, wetlands conservation, CSA, soil erosion control measures, fodder production and conservation, composting, circular economy approaches, nature-based enterprises, carbon markets and operationalisation of a water fund to conserve critical catchments in the project area		
Resource efficiency and pollution prevention	Moderate	Moderate
Risk(s):Inappropriate use of agrochemicals will potentially lead to pollution of soils and water bodies. Droughts and heat waves will result in water scarcity and inadequate fodder, resulting in low yields. Inadequate access to clean water affects livestock productivity, especially during the dry season. Poor manure and feed management may result to increased GHG emissions. Poor management of animal waste as well as waste produced in facilities such as slaughter houses can contaminate water and soil as well as result in the spread of zoonotic diseases. Inefficient use of water and energy may lead to wastage.		
Mitigations:Renewable energy use, water and energy efficient technologies, manure and feed management, water harvesting, circular approaches to solid waste management, treatment of effluent discharge from slaughter houses, integrated pests and disease management, precision agriculture technologies for water efficiency, improved livestock breeds, fodder conservation, and animal health and husbandry etc.		
Cultural heritage	Low	Low
Risk(s):INReMP interventions done in areas considered to be cultural heritage sites. The Programme may cause cultural or physical degradation, including threats to or the loss of resources of historical religious or cultural significance.		
Mitigations:Avoidance of sites considered to be of cultural heritage value, and in the unlikely event that this happens, chance find procedures will be applied in accordance with IFAD's SECAP procedures. Safeguards will be applied to prevent or mitigate effects of possible cultural or physical degradation, including threats to or the loss of resources of historical religious or cultural significance.		
Indigenous Peoples	Moderate	Moderate
Risk(s):Potential indigenous people living within project area. The project may cause adverse physical, social or economic impacts on indigenous peoples or threats to or the loss of resources of historical or cultural significance to them.		
Mitigations:Community consultations to ensure the voices of IPs are documented during the design if project area will include them.		

In case IPs in the project areas or any adverse physical, social or economic impacts or threats to or the loss of resources of historical or cultural significance to them, procedures will be applied in accordance with IFAD's SECAP procedures.		
Community health and safety	Substantial	Substantial
Risk(s):Increased agricultural productivity from the use of inorganic fertilisers and pesticides will result in increased use of agrochemicals. Poor agrochemical handling and application will increase the risks to the health of pesticide-exposed people and agricultural product consumers. Women's increased domestic workload continues to endanger their health and nutrition. This can be exacerbated by allowing women to participate in labour-intensive activities. There is a possible risk of gender-based violence.		
Mitigations:Promote use of organic fertilizers, integrated pest management and safe use of chemicals. The project will create awareness on GBV prevention, management and reporting and HIV and AIDS management using the protocols by working with the Ministry of Health. Communities will access education and awareness on nutrition education as part of other mainstream topics.		
Labour and working conditions	Substantial	Substantial
Risk(s):The risks of child labour due to high dropout rates in potential project areas, working during school holidays, heavy labour burden on women, occupational health/injuries risks during INRM works, and poor working conditions of workers working with partners and service providers.		
Mitigations:The ECSMP matrix provides for elaborate mitigation and monitoring/surveillance measures to prevent/limit child labour, occupational health, and safety as well as poor working conditions. The project will also be promoting the GALs methodology at household level to encourage equitable sharing of labour roles at farm and household levels, to reduce the burden on women and create awareness on GBV prevention.		
Physical and economic resettlement	Low	Low
Risk(s):INReMP's interventions will not lead to resettlement of farmers or project stakeholders. In exceptional cases, land maybe acquired from the community or farmers for infrastructure or other investments.		
Mitigations:FPIC will be undertaken, and consent will be documented, and appropriate compensation provided as per national laws.		
Greenhouse gas emissions	Moderate	Moderate
Risk(s):investments in the dairy sector are likely to result in increased GHG emissions due to poor manure and feed management, poor breeds, etc. GHG gases may also result from agrochemical use and the use of diesel or petroleum-based energy sources e.g., in processing, pumping water, cooling etc., GHG accounting at project design and completion stages, carbon credits markets.		
Mitigations:Renewable energy for processing, cooling, pumping etc., composting and manure management, IPM and bio fertilisers use, efficient feed management, and improved breeds.		

Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
Risk(s):Climate scenarios suggest that objectives and activities aimed at ecosystem conservation and development of value chains, and to increase income and food and nutritional security of the project's target communities, may be at risk. One of the main factors may be related to reduced precipitation and extended events of droughts, which results in water scarcity and increased risk of low agricultural and dairy productivity.		
Mitigations:The risks related to potential impacts of climate change were considered during the design and incorporated as an essential aspect of the ToC. Investments foreseen in infrastructure, water resources, production diversification, environmental restoration, and adaptive and innovative practices to the beneficiary population (such as agroforestry systems) shall contribute to enhance resilience of targeted beneficiaries to climate change		
Stakeholders		
Stakeholder engagement/coordination	Low	Low
Risk(s):Government and stakeholders relevant to the project could feel they have been insufficiently consulted resulting in disagreement with some of the approaches employed by the project. Further, some social groups e.g., indigenous people, may report being excluded from accessing project opportunities and interventions		
Mitigations:Stakeholders were consulted extensively during the concept note and programme design preparation process. The project has developed a preliminary stakeholder engagement plan (SEP) that will guide identification of stakeholders, their means of engagement, areas of engagement and when to be engaged. All the counties have strong foot hold in the implementation areas which is going to be leveraged to build multi-dimensional stakeholder engagement and synergy. An FPIC and IPAP will be developed to inform the engagement of indigenous people.		
Stakeholder grievances	Low	Low
Risk(s):There are multiple activities in the project portfolio that may lead to stakeholder grievances, including engagement of IPs, targeting of households and inclusion of project beneficiaries, choice of counties, and selection of implementing partners etc.		
Mitigations:INReMP will train programme staff and senior County representatives to effectively engage stakeholders and provide feedback on IFAD investments. A triple-level grievance redress mechanism (GRM) has been developed to address and resolve grievances raised by various stakeholders in the project at community, county, and national level. Stakeholders will be informed about the GRM and sensitized on how to log in complaints and follow up of the resolution of these grievances.		