



Invertir en la población rural

Junta Ejecutiva

142.º período de sesiones

Roma, 18 y 19 de septiembre de 2024

Informe del Presidente

Propuesta de préstamo

República de Kenya

Programa de Gestión Integrada de los Recursos Naturales

N.º de identificación del proyecto: 2000003938

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Medida: Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 53.

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Índice

Mapa de la zona del programa	ii
Resumen de la financiación	iii
I. Contexto	1
A. Contexto nacional y justificación de la actuación del FIDA	1
B. Enseñanzas extraídas	3
II. Descripción del programa	3
A. Objetivos, zona geográfica de intervención y grupos objetivo	3
B. Componentes, efectos directos y actividades	3
C. Teoría del cambio	4
D. Armonización, sentido de apropiación y asociaciones	5
E. Beneficios, costos y financiación.	5
III. Gestión del riesgo	9
A. Riesgos y medidas de mitigación	9
B. Categoría ambiental y social	10
C. Clasificación del riesgo climático	10
D. Sostenibilidad de la deuda	10
IV. Ejecución	11
A. Marco organizativo	11
B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación	12
C. Planes para la ejecución	13
V. Instrumentos jurídicos y facultades	13
VI. Recomendación	13

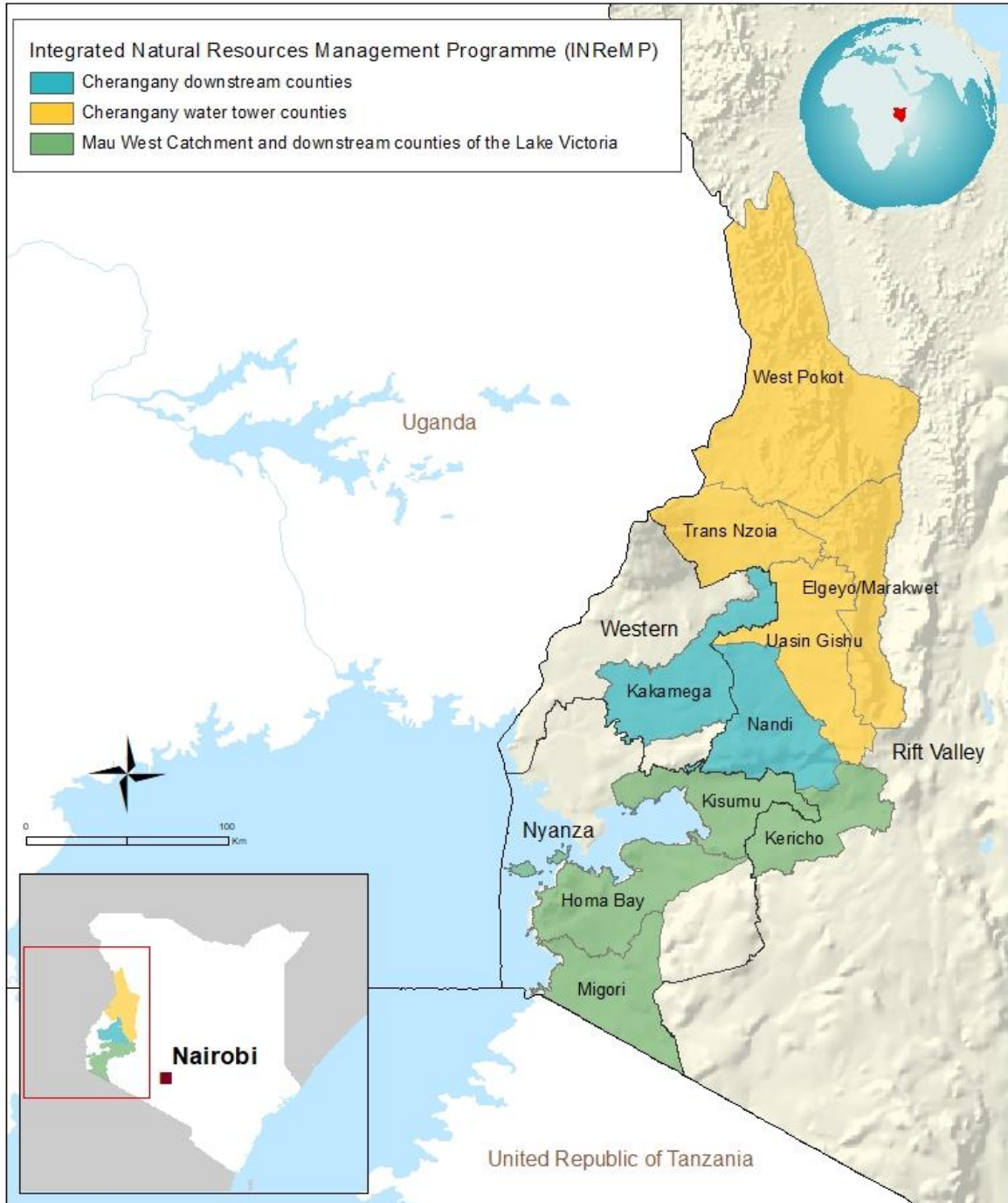
Apéndices

- I. Negotiated financing agreement
- II. Logical framework
- III. Integrated programme risk matrix

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Mapa de la zona del programa



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.
Mapa elaborado por el FIDA | 7-8-2023

Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario/receptor:	República de Kenya
Organismo de ejecución:	Ministerio de Desarrollo Agrícola y Ganadero
Costo total:	USD 262,678 millones
Monto del préstamo del FIDA:	USD 126,8 millones
Condiciones del préstamo del FIDA:	Combinadas: con un plazo de vencimiento de 25 años y un período de gracia de 5 años, un cargo por servicios del 0,75 % anual y una tasa de interés del 1,25 % anual en derechos especiales de giro (ajustes para préstamos en una sola moneda)
Cofinanciadores:	Fondo Verde para el Clima, Fondo para el Medio Ambiente Mundial y el sector privado
Monto de la cofinanciación:	Fondo Verde para el Clima: USD 40,0 millones Fondo para el Medio Ambiente Mundial: USD 7,139 millones Sector privado: USD 10,1 millones
Condiciones de la cofinanciación:	Fondo Verde para el Clima: préstamo Fondo para el Medio Ambiente Mundial: donación Sector privado: préstamo
Contribución del prestatario/receptor:	USD 23,5 millones
Contribución de los beneficiarios:	USD 8,0 millones USD 47,0 millones
Monto de la financiación del FIDA para el clima:	USD 98,5 millones
Institución cooperante:	Supervisado directamente por el FIDA

I. Contexto

A. Contexto nacional y justificación de la actuación del FIDA

Contexto nacional

1. La República de Kenya posee una población de 54 millones de habitantes¹. Se considera una economía de ingreso mediano bajo y en 2022 su producto interno bruto (PIB) se situaba en los USD 113 420 millones². Su economía, la cuarta más importante de África Subsahariana, es una de las más diversas de la región y cuenta con un sector servicios muy dinámico³. La economía de Kenya se basa en una combinación equilibrada de agricultura, industria y servicios, sectores que contribuyen en un 53 %, 29 % y 18 %, respectivamente. Entre los principales desafíos que afronta el país en materia de desarrollo se encuentran la pobreza, la desigualdad, el desempleo juvenil, la falta de transparencia y rendición de cuentas, el cambio climático, la escasa inversión del sector privado y la vulnerabilidad de la economía a las perturbaciones internas y externas.
2. En torno al 53 % de la población del país trabaja en el sector agrícola. La producción de cultivos representa el 82 % del PIB agrícola y el 94 % de los ingresos de la exportación agrícola. La vulnerabilidad a la inseguridad alimentaria y nutricional en Kenya surge de una combinación de factores, entre los que se incluyen: i) el rápido crecimiento demográfico; ii) el cambio climático; iii) el estancamiento de la producción agrícola; iv) el funcionamiento deficiente de los sistemas alimentarios, y v) problemas socioeconómicos como la pobreza, el desempleo y la desigualdad en los ingresos (que desempeñan un papel importante)⁴.
3. El plan de desarrollo del país a largo plazo, denominado Kenya Vision 2030, tiene como objetivo lograr un desarrollo sostenible, reducir la pobreza y conseguir un crecimiento inclusivo. Se ejecuta a través de una serie de planes quinquenales que giran en torno a tres pilares: económico, social y político. Tras la celebración de la Cumbre de las Naciones Unidas sobre los Sistemas Alimentarios, Kenya se ha comprometido a crear prosperidad a través de sistemas alimentarios inclusivos, innovadores, colaborativos y dinámicos.

Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

4. En consonancia con los compromisos transversales del FIDA, el programa ha recibido las clasificaciones que se detallan a continuación:
 - abarca la financiación para el clima;
 - incluye una perspectiva transformadora de género;
 - es sensible a la nutrición;
 - tiene en cuenta a la gente joven, y
 - tiene en cuenta la capacidad de adaptación.
5. **Género.** Las dificultades a la hora de aplicar las leyes a nivel nacional y de condado, sumadas a las arraigadas normas y actitudes socioculturales, siguen perjudicando a las mujeres. El acceso de las agricultoras de las zonas rurales al crédito, los recursos y los activos productivos es limitado, y el acceso a la tierra y el control sobre esta, insuficientes. Las mujeres apenas están representadas en puestos de liderazgo y soportan una pesada carga de trabajo en las explotaciones

¹ Banco Mundial, "Kenya-at-a-Glance".

² Informe de la Unidad de Investigación de la revista *The Economist*, 3 de febrero de 2024.

³ Wikipedia, "Economía de Kenya".

⁴ <https://kippra.or.ke/>

agrícolas y en el hogar. Participan activamente en la gestión ambiental, la agricultura, la ganadería y la comercialización de los productos, pero el control que ejercen sobre estos recursos es limitado.

6. **Juventud.** La mayor parte de la población de Kenya es joven: 35,7 millones de habitantes (el 75,1 %) tienen menos de 35 años y constituyen una mano de obra dinámica con gran capacidad de adaptación y perspectivas de una elevada adopción de las innovaciones tecnológicas. Sin embargo, la tasa de desempleo juvenil es elevada (el 35 %). Los principales desafíos que plantea la incorporación de los jóvenes a la actividad agrícola radican en la percepción negativa que tienen de la agricultura; la falta de cualificación, conocimientos e información; la escasa innovación agrícola, y el acceso insuficiente a financiación y recursos como la tierra.
7. **Pueblos Indígenas y grupos marginados.** En Kenya, en torno a 79 000 personas se consideran a sí mismas miembros de Pueblos Indígenas, entre los que se encuentran las comunidades pastoralistas de los turkana, los rendille, los borana, los masáis, los samburu, los ilchamus, los endorois, los gabra, los pokot y los somalíes.
8. **Cambio climático y medio ambiente.** Reconocido como país muy vulnerable a los efectos del cambio climático y a los fenómenos meteorológicos variables, Kenya ocupa el puesto 152 de 181 países en el índice de países de 2019 de la Iniciativa de Adaptación Mundial de la Universidad de Notre Dame (ND-GAIN)⁵. Los fenómenos climáticos pueden modificar los hábitats, la interacción entre las especies y el ritmo de las principales acciones biológicas y, como consecuencia, transformar considerablemente los ecosistemas y las cadenas alimentarias existentes. El nexo entre la vulnerabilidad a la seguridad alimentaria, el cambio climático y la degradación ambiental reviste una importancia fundamental en Kenya.

Razones que justifican la intervención del FIDA

9. La combinación de los buenos resultados económicos de Kenya y la elevada tasa de crecimiento demográfico del país está aumentando la demanda de productos agrícolas, lo que ejerce presión sobre los recursos naturales. El Gobierno de Kenya considera que la agricultura es la columna vertebral de la economía, ya que contribuye de forma significativa tanto a los ingresos como al empleo. Si bien en el país existen varias zonas con un gran potencial para la agricultura, los rendimientos han ido disminuyendo con el tiempo, en gran parte debido a las malas prácticas de gestión de los recursos naturales y a los efectos del cambio climático.
10. La experiencia del FIDA en relación con el Proyecto para la Gestión de los Recursos Naturales de la Cuenca Alta del Río Tana (UTaNRMP), el Programa de Mejora de la Producción de Cereales en Kenya – Modalidad de Fomento de Medios de Vida Agrícolas Resistentes al Cambio Climático, y el Fondo de Agua del Alto Tana-Nairobi (UTNWF) financiado por el Fondo para el Medio Ambiente Mundial (FMAM) ha demostrado lo siguiente: i) las comunidades pueden gestionar los recursos naturales de forma sostenible, al tiempo que mejoran sus medios de vida y preservan la seguridad alimentaria y nutricional; ii) el hecho de dotar a las comunidades de instalaciones de regadío repercute de forma sumamente transformadora en el sector agrícola, pues ello permite a las comunidades completar de tres a cuatro ciclos de cultivo en un año; iii) el sector privado puede contribuir a garantizar una gestión sostenible de los recursos naturales, y iv) con apoyo, las comunidades pueden aumentar su resiliencia a los efectos del cambio climático y mejorar sus medios de vida.

⁵ Un proyecto de la Iniciativa de Adaptación Mundial de la Universidad de Notre Dame que sintetiza, por un lado, la vulnerabilidad de un país al cambio climático y a otros desafíos globales y, por otro, su preparación para lograr una mayor resiliencia.

B. Enseñanzas extraídas

11. La gestión integrada de los recursos naturales, tal y como se ha aplicado en el marco del Proyecto para la Gestión de los Recursos Naturales de la Cuenca Alta del Río Tana y el Fondo de Agua del Alto Tana-Nairobi, ha demostrado tener efectos positivos sobre la productividad, la seguridad alimentaria, la diversificación de los medios de vida, la generación de ingresos y la salud del suelo⁶. La gestión integrada de los recursos naturales puede mejorarse mediante la planificación a nivel de cuenca para garantizar la coordinación de las inversiones entre las comunidades y los condados, como se ha hecho en otros países de la región.
12. Si se consolidan los recursos en un número limitado de condados aprovechando las intervenciones en curso se puede lograr un mayor impacto. En consonancia con las recomendaciones de la evaluación de la estrategia y el programa en el país (EEPP) de 2019, el Programa de Gestión Integrada de los Recursos Naturales que aquí se examina aprovecha la ventaja comparativa del FIDA y mantiene la atención en los temas y las zonas geográficas seleccionados. En el marco del Proyecto para la Gestión de los Recursos Naturales de la Cuenca Alta del Río Tana ya finalizado, se logró un mayor impacto centrandolo en tan solo seis condados durante un período de ejecución más largo (10 años). Del mismo modo, el Programa de Gestión Integrada de los Recursos Naturales se ejecutará únicamente en 10 condados durante un período de 8 años.

II. Descripción del programa

A. Objetivos, zona geográfica de intervención y grupos objetivo

13. La meta del programa es contribuir a mejorar la seguridad alimentaria, nutricional y de ingresos de los hogares rurales dentro de un ecosistema sostenible y resiliente. Su objetivo de desarrollo consiste en reforzar la gestión integrada de los recursos naturales, aumentar la resiliencia al cambio climático y mejorar los medios de vida de los beneficiarios, en particular de las mujeres, los jóvenes y otros grupos vulnerables.
14. El Programa de Gestión Integrada de los Recursos Naturales se ejecutará en las torres de agua de Cherangany Hills y Mau Sudoccidental y centrará su labor en 10 condados: i) los condados de la cuenca alta de las torres de agua de Cherangany Hills, esto es: Elgeyo-Marakwet, West Pokot y Trans-Nzoia; ii) los condados de Uasin Gishu, Nandi y Kakamega, situados en la cuenca baja de Cherangany Hills (con cofinanciación del FMAM), y iii) un condado situado en la cuenca alta de Mau Sudoccidental, Kericho, y los tres condados situados en la cuenca baja del lago Victoria, a saber: Kisumu, Homa Bay y Migori.
15. El Programa de Gestión Integrada de los Recursos Naturales beneficiará directamente a unos 407 176 hogares rurales vulnerables (2 035 880 personas), que se seleccionarán de entre los siguientes grupos objetivo: i) hogares de agricultores en situación de inseguridad alimentaria y vulnerabilidad (el 20 % del grupo objetivo); ii) hogares de agricultores en situación de inseguridad alimentaria moderada (el 40 % del grupo objetivo); iii) hogares de agricultores que gozan de seguridad alimentaria y llevan a cabo actividades semiestructuradas y estructuradas en explotaciones agrícolas medianas (el 30 %), y iv) microempresas y pequeñas y medianas empresas (el 10 %).

B. Componentes, efectos directos y actividades

16. El programa constará de los siguientes componentes: i) optimización de la gestión integrada de los recursos naturales y el medio ambiente, los servicios ecosistémicos y la acción climática dirigida por las comunidades; ii) mejora de los

⁶ Informe final del Proyecto para la Gestión de los Recursos Naturales de la Cuenca Alta del Río Tana, sección D.2: "Rural poverty impact". Marzo de 2023.

medios de vida rurales inclusivos y sostenibles, y iii) fortalecimiento de las políticas y las instituciones en aras de la gestión integrada de los recursos naturales y la coordinación de las actividades rurales.

Componente 1: Optimización de la gestión integrada de los recursos naturales y el medio ambiente, los servicios ecosistémicos y la acción climática dirigida por las comunidades

17. En el marco de este componente se ayudará a los beneficiarios a gestionar de forma sostenible los recursos naturales fundamentales de sus comunidades. Se centrará en 5 recursos naturales esenciales identificados en los 10 condados objetivo durante la misión de diseño del programa: i) los bosques; ii) los pastizales; iii) la tierra cultivable; iv) los humedales, y v) los recursos hídricos (aguas subterráneas, manantiales, ríos, arroyos y lagos).

Componente 2: Mejora de los medios de vida rurales inclusivos y sostenibles

18. Este componente es esencial para que el componente 1 arroje buenos resultados. Su objetivo consiste en ayudar a las comunidades y a los hogares a mejorar sus medios de vida y sus ingresos mediante intervenciones beneficiosas para la gestión de la base de recursos naturales. Estas actividades servirán de incentivo para que las comunidades conserven de forma sostenible el entorno en el que viven.

Componente 3: Fortalecimiento de las políticas y las instituciones en aras de la gestión integrada de los recursos naturales y la coordinación de las actividades rurales

19. Este componente de carácter transversal prestará apoyo a los componentes técnicos del programa y facilitará la adopción de vías para la ejecución eficaz y eficiente de las actividades programáticas. También se utilizará para fortalecer las instituciones pertinentes con el objetivo de que estas gestionen las inversiones del programa de forma sostenible. El apoyo en materia de políticas facilitará la elaboración, examen y actualización de las políticas y estrategias relacionadas con aquellas esferas que se consideren esenciales para la gestión integrada de los recursos naturales.

C. Teoría del cambio

20. La teoría del cambio del programa parte de la base de que los hogares rurales del ecosistema de las torres de agua de Cherangany Hills y Mau Sudoccidental se enfrentan a dificultades que los hacen muy vulnerables a los efectos adversos del cambio climático, que cada vez son mayores. Estas comunidades cuentan con sistemas de mercado limitados, escasa participación del sector privado en las actividades de conservación y en determinadas cadenas de valor, una capacidad institucional deficiente y un marco normativo inadecuado para la elaboración de políticas, así como instituciones comunitarias con una capacidad insuficiente para apoyar la gestión integrada de los recursos naturales y la mejora de los medios de vida. Además, existen escasos incentivos para que los miembros de las comunidades, en especial los jóvenes, las mujeres y los Pueblos Indígenas, participen en actividades de conservación y mejoren sus medios de vida. Las enseñanzas extraídas de la puesta en práctica de intervenciones similares han demostrado que el empoderamiento de las comunidades puede mejorar la gestión integrada de los recursos naturales y el medio ambiente, promover los servicios ecosistémicos y la acción por el clima, y fomentar medios de vida rurales inclusivos y sostenibles. Así pues, en el marco del programa se prestará apoyo a la restauración del medio ambiente, los recursos naturales y los ecosistemas a través de enfoques dirigidos por las comunidades. Asimismo, el programa fomentará actividades de producción y productividad inclusivas, eficientes y climáticamente inteligentes; los agronegocios en las cadenas de valor seleccionadas para mejorar la gestión integrada de los recursos naturales, y una mayor resiliencia y seguridad alimentaria y nutricional sostenible para lograr un empoderamiento económico equitativo, la reducción de la pobreza y una mayor cohesión social entre las comunidades rurales.

D. Armonización, sentido de apropiación y asociaciones

21. El Programa de Gestión Integrada de los Recursos Naturales está en consonancia con los Objetivos de Desarrollo Sostenible (ODS) y la consecución de su objetivo de desarrollo contribuirá al logro de los ODS 1, 2, 5, 6, 12 y 13. Asimismo, el programa se ajusta a las políticas, prioridades y estrategias nacionales pertinentes y contribuirá directamente a su realización. Además, ayudará a alcanzar los objetivos del programa sobre oportunidades estratégicas nacionales (COSOP) (2020-2025).
22. La participación del Gobierno en el proceso de diseño garantizará el sentido de apropiación por parte del país. Se ha creado un equipo compuesto por representantes de los principales ministerios e instituciones, con los que el FIDA ha trabajado en estrecha consulta para que se tuvieran en cuenta las opiniones de las principales partes interesadas (en particular, el grupo objetivo y sus instituciones) y de las instituciones gubernamentales pertinentes y estas se utilizarán para configurar el enfoque y las actividades del programa.
23. El Programa de Gestión Integrada de los Recursos Naturales se integrará en la intervención regional sobre mitigación y adaptación en el sector lácteo, que están llevando a cabo conjuntamente el FIDA, la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO) y la Global Dairy Platform. El FIDA presentará el programa al Fondo Verde para el Clima en 2025 con el objetivo de obtener financiación.

E. Beneficios, costos y financiación.

24. El déficit de financiación de USD 47 millones podrá subsanarse a través de ciclos posteriores del Sistema de Asignación de Recursos basado en los Resultados (PBAS) y/o del Mecanismo de Acceso a Recursos Ajenos (BRAM) (con arreglo a condiciones financieras que habrán de determinarse y con sujeción a los procedimientos internos y la posterior aprobación de la Junta Ejecutiva), o mediante la obtención de cofinanciación durante la fase de ejecución.
25. Los componentes 1 y 2 del programa se contabilizan en parte como financiación para el clima. De conformidad con las metodologías que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, se calcula que el monto total de la financiación para el clima concedida por el FIDA a este programa asciende a USD 98,5 millones.

Costos del programa

26. Se calcula que los costos del programa, incluidos los costos básicos y los imprevistos de orden físico y por el alza de los precios, ascenderán a USD 262,6 millones durante un período de ejecución de 8 años. Los costos de inversión se estiman en USD 230,9 millones (el 88 % de los costos totales), y los gastos recurrentes, en USD 31,7 millones (el 12 %). El subcomponente 1.2 (Mejorar la sostenibilidad ambiental, la gestión integrada de los recursos naturales y los servicios ecosistémicos) contribuye plenamente a la financiación del FIDA para el clima, con una asignación total de USD 26 millones (el 15 % de la financiación del Fondo).

Cuadro 1
Costos del programa desglosados por componente, subcomponente y entidad financiadora
 (en miles de dólares de los Estados Unidos)

Componente/subcomponente	Préstamo del FIDA		Déficit de financiación		Fondo Verde para el Clima		FMAM		Beneficiarios			Prestatario/receptor			Sector privado		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	En efectivo	En especie	%	En efectivo	En especie	%	Monto	%	Monto	%
	1. Optimización de la gestión integrada de los recursos naturales y el medio ambiente, los servicios ecosistémicos y la acción climática dirigida por las comunidades																	
1.1. Enfoques transformadores en materia de género, juventud y empoderamiento comunitario	5 933	70	2 506	30	-	-	-	-	-	-	-	-	-	-	-	-	8 439	3
1.2. Mejorar la sostenibilidad ambiental, la gestión integrada de los recursos naturales y los servicios ecosistémicos	25 399	40	604	1	38 210	60	-	-	-	-	-	-	-	-	-	-	64 213	24
2. Mejora de los medios de vida rurales inclusivos y sostenibles																		
2.1. Mejorar la producción y la productividad de las cadenas de valor que tienen en cuenta la nutrición y las empresas basadas en la naturaleza que han sido seleccionadas	49 690	52	29 742	31	1 790	2	-	-	-	5 150	5	-	8 772	9	-	-	95 143	36
2.2. Mejorar la adición de valor y los vínculos con el mercado de las cadenas de valor y las empresas basadas en la naturaleza que han sido seleccionadas	23 125	47	4 111	8	-	-	6 660	13	-	2 850	6	-	2 820	6	10 172	2	49 738	19
3. Fortalecimiento de las políticas y las instituciones en aras de la gestión integrada de los recursos naturales y la coordinación de las actividades rurales																		
3.1. Fortalecimiento institucional y apoyo en materia de políticas	4 420	85	395	8	-	-	-	-	-	-	-	414	-	8	-	-	5 229	2
3.2. Servicios de apoyo a la coordinación y ejecución del programa	18 233	46	9 642	24	-	-	479	1	-	-	-	11 323	239	29	-	-	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

Cuadro 2

Costos del programa desglosados por categoría de gastos y entidad financiadora

(en miles de dólares de los Estados Unidos)

Categoría de gastos	Préstamo del FIDA		Déficit de financiación		Fondo Verde para el Clima		FMAM		Beneficiarios			Prestatario/receptor			Sector privado		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	En efectivo	En especie	%	En efectivo	En especie	%	Monto	%	Monto	%
Costos de inversión																		
1. Bienes, servicios e insumos	36 504	70	11 621	22	2 880	6	-	-	-	1 215	2	102	25	0,2	-	-	52 348	20
2. Equipos y materiales	3 130	92	50	2	-	-	-	-	-	-	-	-	217	6	-	-	3 395	1
3. Consultorías	13 155	83	2 332	15	-	-	-	-	-	-	-	311	-	2	-	-	15 799	6
4. Capacitación	5 541	71	1 867	24	413	5	-	-	-	-	-	-	-	-	-	-	7 821	3
5. Obras públicas	56 968	38	22 734	15	36 707	24	6 660	4	-	6 785	5	-	11 589	8	10 172	7	151 616	58
Costos totales de inversión	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
Gastos recurrentes																		
1. Operaciones y mantenimiento	3 323	38	2 983	34	-	-	479	6	-	-	-	1 978	-	23	-	-	8 763	3
2. Salarios y prestaciones	8 178	36	5 412	24	-	-	-	-	-	-	-	9 346	-	41	-	-	22 937	9
Gastos recurrentes totales	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

Cuadro 3

Costos del programa desglosados por componente, subcomponente y año

(en miles de dólares de los Estados Unidos)

Componente/subcomponente	Primer año	Segundo año	Tercer año	Cuarto año	Quinto año	Sexto año	Séptimo año	Octavo año	Total
	Monto	Monto	Monto	Monto	Monto	Monto	Monto	Monto	Monto
1. Optimización de la gestión integrada de los recursos naturales y el medio ambiente, los servicios ecosistémicos y la acción climática dirigida por las comunidades									
1.1. Enfoques transformadores en materia de género, juventud y empoderamiento comunitario	87	1 173	1 790	1 835	1 049	1 004	792	709	8 439
1.2. Mejorar la sostenibilidad ambiental, la gestión integrada de los recursos naturales y los servicios ecosistémicos	1 958	4 503	12 612	10 871	13 004	12 210	8 740	315	64 213
2. Mejora de los medios de vida rurales inclusivos y sostenibles									
2.1. Mejorar la producción y la productividad de las cadenas de valor que tienen en cuenta la nutrición y las empresas basadas en la naturaleza que han sido seleccionadas	3 100	6 832	5 317	18 450	27 979	31 830	1 016	618	95 143
2.2. Mejorar la adición de valor y los vínculos con el mercado de las cadenas de valor y las empresas basadas en la naturaleza que han sido seleccionadas	406	3 254	8 052	14 075	17 158	4 510	1 313	971	49 738
3. Fortalecimiento de las políticas y las instituciones en aras de la gestión integrada de los recursos naturales y la coordinación de las actividades rurales									
3.1 Fortalecimiento institucional y apoyo en materia de políticas	288	2 116	2 429	395	-	-	-	-	5 229
3.2. Servicios de apoyo a la coordinación y ejecución del programa	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

Estrategia y plan de financiación y cofinanciación

27. El Programa de Gestión Integrada de los Recursos Naturales se financiará principalmente mediante un préstamo del FIDA y cofinanciación del Fondo Verde para el Clima y el FMAM. El préstamo del FIDA asciende a USD 126,8 millones. El programa se ha diseñado con un déficit de financiación de USD 47 millones, que podrá subsanarse mediante ciclos posteriores del PBAS (con arreglo a condiciones financieras que habrán de determinarse y con sujeción a los procedimientos internos y la posterior aprobación de la Junta Ejecutiva). De materializarse esos recursos, la contribución total del FIDA ascendería a USD 173,8 millones, lo que equivale al 66 % de los costos totales. La cofinanciación del Fondo Verde para el Clima y del FMAM asciende a USD 40 millones y USD 7 millones, respectivamente (el 15 % y el 3 % de los costos totales).
28. Además, el Gobierno aportará unos USD 23,5 millones en forma de contribuciones en especie, incluidos derechos e impuestos (equivalentes al 9 % de los costos totales). La contribución de los beneficiarios se estima en USD 8 millones (el 3 %), y la cofinanciación del sector privado, en USD 10 millones (el 4 %).

Desembolsos

29. Las categorías de desembolso del programa son las siguientes: i) bienes, servicios e insumos; ii) equipo y materiales; iii) consultorías; iv) capacitación; v) obras públicas; vi) operaciones y mantenimiento, y vii) salarios y prestaciones. Los costos conexos se repartirán entre el FIDA y el Gobierno. Los gastos recurrentes generales representan el 12 % de los costos totales del programa. En cuanto a la financiación del FIDA, los gastos recurrentes representan el 11 % del total de los fondos que aporta esta institución, cifra que se encuentra dentro de los límites aceptables.

Resumen de los beneficios y análisis económico

30. El Programa de Gestión Integrada de los Recursos Naturales beneficiará a unos 407 172 hogares, lo que equivale a 2 035 880 beneficiarios, con un costo de USD 647 por hogar y USD 129 por persona. Se prevé que el programa genere una tasa interna de rendimiento del 24 %, con un valor actual neto positivo de USD 89,05 millones (equivalentes a 12 300 millones de chelines kenianos). Del análisis económico se desprende que el programa es viable. Se ha llevado a cabo un análisis de sensibilidad para poner a prueba la solidez del análisis general del programa y medir las diferentes variaciones provocadas por factores imprevistos y los riesgos que se presentan en la matriz integrada de riesgos del programa. El análisis de sensibilidad indica que el programa es viable desde el punto de vista económico y financiero, teniendo en cuenta los distintos supuestos examinados.

Estrategia de salida y sostenibilidad

31. La ejecución del Programa de Gestión Integrada de los Recursos Naturales se llevará a cabo por conducto de las instituciones gubernamentales existentes a nivel nacional y, sobre todo, de condado, lo que garantiza que se disponga de una estrategia de salida. Aplicando un enfoque ascendente, el programa se pondrá en contacto con las comunidades objetivo durante la elaboración de los planes operacionales anuales y los presupuestos correspondientes para que supervisen la ejecución de las actividades y hagan un seguimiento de los avances en la ejecución. La protección del medio ambiente impulsada por las comunidades será un elemento fundamental de la ejecución que garantizará el sentido de apropiación de las prácticas sostenibles de ordenación de las tierras. A través del enfoque paisajístico, que comprende actividades de agricultura regenerativa y gestión de cuencas hidrográficas y el desarrollo de infraestructuras resistentes al clima, se promoverá la sostenibilidad ambiental de las intervenciones del programa. Para garantizar la sostenibilidad financiera de los grupos que reciben apoyo, en el marco del programa se fomentará la capacitación empresarial y los vínculos con el mercado. Las intervenciones relacionadas con las políticas ayudarán a generar un entorno propicio durante y después de la ejecución del programa.

III. Gestión del riesgo

A. Riesgos y medidas de mitigación

32. Existen ciertos riesgos que podrían repercutir negativamente en la ejecución del Programa de Gestión Integrada de los Recursos Naturales y en su objetivo de desarrollo. En el cuadro 4, que figura a continuación, se resumen estos riesgos y las medidas de mitigación conexas. (En el anexo III se presenta una relación más detallada del perfil de riesgos).

Cuadro 4
Calificación general de los riesgos

<i>Tipo de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Contexto nacional	Moderado	Moderado
Estrategias y políticas sectoriales	Bajo	Bajo
Medio ambiente y clima	Considerable	Moderado
Alcance del programa	Moderado	Bajo
Capacidad institucional de ejecución y sostenibilidad	Moderado	Bajo
Gestión financiera	Considerable	Considerable
Adquisiciones y contrataciones en el marco del programa	Moderado	Bajo
Impacto ambiental, social y climático	Considerable	Moderado
Partes interesadas	Bajo	Bajo
Riesgo general	Moderado	Moderado

B. Categoría ambiental y social

33. El diagnóstico ambiental y social revela que el riesgo del Programa de Gestión Integrada de los Recursos Naturales en estos ámbitos es considerable. Los principales riesgos detectados están relacionados con las emisiones derivadas de la producción láctea, las prácticas inadecuadas de uso de la tierra, la deforestación, la contaminación del agua, la sedimentación, la degradación de la tierra y de las cuencas hidrográficas, la ocupación de humedales, los conflictos por la utilización de los recursos y los embarazos en la adolescencia debidos a la violencia de género. Las normas de los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática (PESAC) —en particular la conservación de la biodiversidad, la eficiencia de los recursos y la prevención de la contaminación, los aspectos relacionados con el patrimonio cultural y los Pueblos Indígenas, la mano de obra y las condiciones de trabajo, y la salud y la seguridad de las comunidades— se han empleado para evaluar, de forma inclusiva y equitativa, todos los posibles problemas relacionados con las condiciones de trabajo, la salud y la seguridad de las comunidades, con el fin de formular medidas de gestión que mitiguen los riesgos para los miembros de la comunidad. Algunos de los riesgos son específicos del lugar y no causarían daños irreversibles. Cualquier posible efecto negativo se resolverá a través de los planes de gestión ambiental, social y climática y otras medidas de mitigación.

C. Clasificación del riesgo climático

34. Tras la evaluación de los riesgos climáticos, se considera que el Programa de Gestión Integrada de los Recursos Naturales está expuesto a un riesgo climático considerable. Por lo tanto, en la nota de los PESAC se integrará una evaluación de la capacidad de adaptación al cambio climático en la que se indicarán las opciones de adaptación correspondientes. Habida cuenta de que Kenya ocupa el puesto 152 de un total de 181 países en el índice de países de la ND-GAIN, el programa se considera sumamente vulnerable a los efectos del cambio climático.

D. Sostenibilidad de la deuda

35. Según el último análisis de sostenibilidad de la deuda realizado por el Fondo Monetario Internacional (FMI) y el Banco Mundial, Kenya está sometida a un alto riesgo de sobreendeudamiento: se calcula que la deuda pública alcanzó el 73 % del PIB a finales de 2023 y que el servicio de la deuda consumió cerca del 55 % de los ingresos. La reducción de las exportaciones y la desaceleración del crecimiento económico entre 2020 y 2022 obligaron al Gobierno a reaccionar con una estricta política fiscal, lo que a su vez incrementó los déficits presupuestarios. En consecuencia, varios indicadores de la deuda han empeorado, lo que ha provocado incumplimientos de los niveles fijados para los indicadores de solvencia y liquidez en la hipótesis básica. Según esa hipótesis, se prevé que la deuda pública alcance su nivel máximo del 67,6 % del PIB en 2029; sin embargo, se espera que los indicadores de la deuda de Kenya mejoren a medida que las exportaciones repunten, aunque de forma gradual y durante un período ininterrumpido. En términos generales, Kenya ha disfrutado de un buen acceso a los mercados internacionales de capitales, y las previsiones del FMI parten de la base de que el país puede recurrir a los mercados financieros internacionales para refinanciar los eurobonos que vencen y optimizar su perfil de servicio de la deuda externa, si las condiciones del mercado son favorables. En el análisis de sostenibilidad de la deuda se destaca la necesidad de una consolidación fiscal continua para reducir el nivel de deuda pública a niveles más prudentes a medio plazo.
36. Según la clasificación del Banco Mundial, Kenya es un “país que puede recibir financiación en condiciones combinadas”, lo que significa que tiene acceso al apoyo tanto de la Asociación Internacional de Fomento como del Banco Internacional de Reconstrucción y Fomento. Por esta razón, Kenya no reúne las condiciones necesarias para recibir apoyo a través del Marco de Sostenibilidad de la Deuda del FIDA.

IV. Ejecución

A. Marco organizativo

Gestión y coordinación del programa

37. La ejecución del Programa de Gestión Integrada de los Recursos Naturales se incorporará al sistema del Gobierno tanto a nivel nacional como de condado. El Ministerio de Desarrollo Agrícola y Ganadero será el organismo de ejecución principal.
38. Se creará una unidad de coordinación y gestión del programa (UCGP) que se encargará de las operaciones diarias y estará formada por un equipo de funcionarios. Se creará también un comité directivo nacional del programa, copresidido por los secretarios principales del Departamento de Estado para la Agricultura y del Departamento de Estado para el Medio Ambiente y el Cambio Climático, que se ocupará de proporcionar orientación general estratégica y en materia de políticas. Asimismo, se creará un comité asesor técnico nacional para proporcionar asesoramiento técnico al comité directivo nacional del programa.

Gestión financiera, adquisiciones y contrataciones, y gobernanza

39. El Departamento de Estado para la Agricultura, perteneciente al Ministerio de Desarrollo Agrícola y Ganadero —el principal organismo de ejecución—, gestionará los fondos del Programa de Gestión Integrada de los Recursos Naturales a través de una UCGP específica. La UCGP se encargará de liberar los fondos pertinentes en función de los planes operacionales anuales y presupuestos correspondientes aprobados, desembolsar los fondos a las autoridades de los condados y a los organismos de ejecución, y coordinar el seguimiento y la presentación de la información financiera. Se firmarán memorandos de entendimiento entre la Tesorería Nacional y las autoridades de los condados beneficiarios, en los que se estipularán los requisitos y las responsabilidades en materia de gestión financiera. La firma de los memorandos de entendimiento será una condición indispensable para efectuar los desembolsos. La UCGP se ocupará de elaborar los presupuestos de los programas de conformidad con los procedimientos del FIDA y la normativa de gestión de las finanzas públicas del Gobierno de Kenya. Los mecanismos de desembolso que se emplearán incluyen el retiro de fondos por adelantado y los pagos directos. Los desembolsos del FIDA se efectuarán mediante un anticipo a cuentas designadas, con reposiciones trimestrales posteriores sobre la base de los informes financieros provisionales y las previsiones de tesorería, y de conformidad con el plan operacional anual y el presupuesto correspondiente que se haya aprobado. Para evitar que los fondos se mezclen, se establecerán cuentas designadas para las distintas fuentes de financiación, con cuentas bancarias separadas en dólares de los Estados Unidos para cada cofinanciador. En el marco del Programa de Gestión Integrada de los Recursos Naturales, se adquirirá e instalará un programa informático de contabilidad que permitirá garantizar la correcta gestión de todos los fondos.
40. Las adquisiciones y contrataciones en el marco del Programa de Gestión Integrada de los Recursos Naturales se llevarán a cabo de conformidad con la Ley de Contratación Pública y Enajenación de Bienes del Gobierno (2015). Se utilizarán los documentos nacionales de licitación normalizados, que se modificarán de acuerdo con las directrices del FIDA. Para las adquisiciones y contrataciones que se realicen en el mercado internacional se utilizarán los documentos de licitación normalizados del FIDA. Todas las actividades de adquisición y contratación se llevarán a cabo de conformidad con los principios, las normas éticas y las reglas establecidas en el Manual para la adquisición de bienes y la contratación de obras y servicios del FIDA. Con el fin de garantizar el cumplimiento de las normas éticas más estrictas, el Programa de Gestión Integrada de los Recursos Naturales se guiará por la Política del FIDA en materia de Prevención del Fraude y la Corrupción en sus Actividades y Operaciones; la

Política del FIDA sobre Prevención y Respuesta frente al Acoso Sexual y la Explotación y los Abusos Sexuales; la Política del FIDA de Lucha contra el Blanqueo de Dinero y la Financiación del Terrorismo, y los PESAC.

41. Las entidades encargadas de la ejecución seguirán las directrices de lucha contra la corrupción del FIDA para protegerse contra el fraude y la corrupción, las prácticas colusorias como el soborno, el abuso de cargos administrativos y las adquisiciones y contrataciones viciadas. Para mitigar estos riesgos, se aplicarán las siguientes medidas de gestión financiera: i) exámenes anuales de auditoría externa; ii) procedimientos aprobados de gestión financiera; iii) mecanismos sólidos de gestión financiera; v) elaboración periódica de informes financieros provisionales; v) exámenes periódicos de auditoría interna; vi) seguimiento por parte del Comité de Auditoría, y vii) exámenes independientes realizados por el FIDA.

Participación y observaciones del grupo objetivo del programa

42. La UCGP se encargará de poner en marcha el proceso de participación y recopilación de opiniones sobre la base del plan de participación de las partes interesadas elaborado para este programa. La finalidad de este proceso es promover la intervención efectiva de las partes interesadas y una mayor concienciación y comprensión de los problemas para garantizar que el programa se lleve a cabo de forma eficaz, con arreglo al presupuesto y en los plazos previstos. Estas consultas públicas tienen como objetivo: i) proporcionar a las partes interesadas suficientes oportunidades para expresar opiniones, preocupaciones y aspiraciones que puedan influir en las decisiones del programa; ii) informar a las partes interesadas acerca de la aplicación de las medidas definidas; iii) proporcionar información y facilitar la toma de decisiones, y iv) siempre que sea posible, formular recomendaciones y propuestas específicas.

Resolución de reclamaciones

43. La ejecución del Programa de Gestión Integrada de los Recursos Naturales puede plantear problemas y generar quejas, especialmente en relación con la vulneración de derechos, el reparto desigual de los recursos y la exclusión. A fin de atender estas quejas, y de conformidad con la esencia del proceso de consulta continua, se ha desarrollado un mecanismo de resolución de reclamaciones específico para el programa. Este mecanismo estará formado por tres sistemas paralelos: i) un sistema basado en la comunidad; ii) un sistema de condado, y iii) el procedimiento de reclamaciones del FIDA.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación

44. El ciclo de planificación seguirá el ciclo de planificación y presupuestación del Gobierno. Comenzará con la preparación del plan operacional anual y presupuesto correspondiente como instrumento fundamental para la ejecución y el control de las operaciones. El programa seguirá un proceso de planificación participativa ascendente para el plan operacional anual y presupuesto correspondiente.
45. El marco lógico sentará las bases del sistema de seguimiento y evaluación del programa: contiene un conjunto de indicadores específicos del programa e indicadores básicos seleccionados a partir de los indicadores básicos de efectos directos del FIDA. Estos se utilizarán para orientar la evaluación continua de los resultados. El sistema completo de seguimiento y evaluación del programa, que se desarrollará de acuerdo con los requisitos del FIDA y del Gobierno, estará coordinado por la UCGP creada en el Departamento de Estado para la Agricultura y contará con el apoyo de los condados beneficiarios.
46. La gestión de los conocimientos se regirá por una estrategia de gestión de los conocimientos y de comunicación que se elaborará al principio de la ejecución del programa.

Innovación y ampliación de escala

47. Las principales características innovadoras del programa son las siguientes: i) la asociación con instituciones seleccionadas para alentar al grupo objetivo a preservar el entorno en el que vive y a beneficiarse del comercio de derechos de emisión de carbono; ii) la captación de agua del lago Victoria en los embalses y puntos de recogida situados colina arriba, y su descarga para el riego y otros fines; iii) la innovación de la iniciativa "Green Roads for Water", que incorpora la captación de agua en las estructuras de drenaje de las carreteras, y iv) el aprovechamiento de las tecnologías digitales para promover la producción orientada al mercado y los vínculos entre empresas a través de plataformas de mercado digitales, y el uso de datos en apoyo de los análisis de mercado.

C. Planes para la ejecución

Preparación para la ejecución y planes para la puesta en marcha

48. Se tomarán las siguientes medidas para hacer frente a los posibles retrasos en la puesta en marcha: i) la preparación de un proyecto de plan operacional anual y presupuesto correspondiente y de un plan de adquisiciones y contrataciones conexas, así como de un proyecto de manual de ejecución del programa, como parte del proceso de diseño; ii) la preparación de las descripciones de puestos de los diversos cargos de la UCGP, y iii) el uso con carácter provisional de la unidad de gestión del Programa de Mejora de la Producción de Cereales en Kenya con el fin de ayudar a que el Programa de Gestión Integrada de los Recursos Naturales se ponga en marcha sin problemas.

Supervisión, examen de mitad de período y planes de finalización

49. El programa será supervisado conjuntamente por el FIDA y el Gobierno para evaluar los logros y las enseñanzas extraídas. A mitad de la fase de ejecución del programa, se llevará a cabo un examen de mitad de período con el que se evaluará si el programa va bien encaminado para alcanzar sus objetivos. Al término de la ejecución, se llevará a cabo un examen final del programa para promover la rendición de cuentas, reflexionar sobre los resultados y extraer enseñanzas que sirvan para fundamentar el diseño de futuros programas y proyectos.

V. Instrumentos jurídicos y facultades

50. Un convenio de financiación entre la República de Kenya y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario. Se adjunta una copia del convenio de financiación negociado como apéndice I.
51. La República de Kenya está facultada por su legislación para recibir financiación del FIDA.
52. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

VI. Recomendación

53. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta de acuerdo con los términos de la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones combinadas a la República de Kenya por un monto de ciento veintiséis millones ochocientos mil dólares de los Estados Unidos (USD 126 800 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario
Presidente

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	Progress reports/MIS	Annually	INReMP -PCMU	
	Total number of persons receiving services - Number of people	0	124230	407176				
	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				
	Project Goal Project Goal: contribute to improved rural households' food, nutrition, and income security in a sustainable and resilient ecosystem	Households reporting improved food, nutrition, and income security				Outcome and Impact surveys	Baseline, Midline and Completion	
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 - 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	Resilience Scorecard Tool (RDMT) surveys	Baseline, Midline and endline survey	INReMP -PCMU and IFAD-ECG		
Males - Males	0	74538	244306					
Number of Households with increased combined resilience								
Total Persons - Percentage (%)	0	23	75					
Female - Number	0	47518	155745					
Male - Number	0	46586	152691					
Female - Percentage (%)	0	16	51	EFA		INReMP -PCMU		
Male - Percentage (%)	0	15	49					
Total Persons - Number	0	93172	305382					
Total Household - Number	0	93172	305382					
Value of household incomes from project supported VCs								

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				
	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered							
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	COI Surveys	Baseline, Midline and Completion	INReMP -PCMU		
3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices								
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					
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					
3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions				Progress Reports/MIS	Annually	INReMP-PCMU	Assuming 40% of the outreach will be supported with such interventions (minimum requirement for a climate finance project) Assuming 60% of beneficiaries will be able to access and use digital advisory services	
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							
	Hectares of land - Area (ha)				0	51745	169600	
	1.2.8 Women reporting minimum dietary diversity (MDDW)							
	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							
	Total number of household members - Number of people				0	465860	1526910	
	Households - Percentage (%)				0	23	75	
	Households - Households				0	93172	305382	
Output Output 2.1: Production and productivity of selected value chains and nature-based enterprises improved	2.2.1 Persons with new jobs/employment opportunities							
	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							
	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							
	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		
Output Output 2.2: Value Addition and Market Linkages of Selected Value Chains and	1.1.3 Rural producers accessing production inputs and/or technological packages							
	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							
	Hectares of land - Area (ha)				0	4271	14000	
	2.1.6 Market, processing or storage facilities constructed or rehabilitated							
	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	

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	COI Surveys	Baseline, midline and endline	INReMP -PCMU	
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers							
	Household members - Number of people	0	465860	1526910				
	Households (%) - Percentage (%)	0	23	75	COI Surveys	Baseline, midline and endline	INReMP -PCMU	
	Households (number) - Households	0	93172	305382				
Policy 1 Policy-relevant knowledge products completed				Progress Reports/MIS				Annual
Number - Knowledge Products	0	2	8					
Output Output 3.1: Institutional and policy capacity for rural development and coordination strengthened	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.		